As filed with the Securities and Exchange Commission on November 23, 2001
Registration No. 333-
CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>Title of each class of securities to be registered</th>
<th>Proposed Maximum Aggregate Offering Price(1)(2)</th>
<th>Amount of Registration Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A common stock, $0.01 par value per share</td>
<td>$92,000,000</td>
<td>$23,000</td>
</tr>
</tbody>
</table>

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o).

(2) Includes shares issuable upon exercise of the underwriters' over-allotment option.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to such Section 8(a) may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.


Management Technology ManTech International Corporation Shares

ManTech International Corporation Class A Common Stock

We are offering shares of our Class A common stock and the selling stockholder identified in this prospectus is offering shares of our Class A common stock through a syndicate of underwriters. The underwriters also have an option to purchase up to an additional shares of Class A common stock from us and the selling stockholder solely to cover over-allotments. We will not receive any of the proceeds from the sale of shares by the selling stockholder in the event the over-allotment option is exercised.

This is our initial public offering. The initial public offering price of our Class A common stock is expected to be between $ and $ per share. We are applying to list our Class A common stock on The Nasdaq Stock Market's National Market under the symbol "MANT."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 7.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.
The underwriters expect to deliver the shares to purchasers on or about , 2002.

Jefferies & Company, Inc.

Legg Mason Wood Walker
Incorporated

The date of this prospectus is , 2001.

[INSIDE FRONT COVER ART.]

1. Inside Left Page:

The ManTech logo is positioned in the upper left corner of the page, written in solid black lettering blending into white-on-red lettering, divided with horizontal white lines. Beneath the logo is a caption reading, "Supporting U.S. Intelligence Community and Department of Defense Customers in Responding to the Challenges of Emerging Global Threats."

The lower right one-third of the page is solid red in the shape of a half circle with three photos positioned in outlined circles in the center of the red section against a white background. Above the circles a caption reads, "Managing Technology for a Changing World" in which the word "World" curves around the first quarter of the right-hand circle.

The left circle contains a picture of a satellite ground station. Beneath this circle a caption reads "Secure Systems and Infrastructure Solutions." The center circle contains a picture of a CD ROM with an image of binary code superimposed in light blue. Beneath this circle a caption reads, "Information Technology Solutions." The right circle contains a picture of the Hubble Space Telescope taken from space. Beneath this circle a caption reads, "Systems Engineering Solutions."

Centered at the bottom of the page is the text "ManTech International Corporation."

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Through and including , 2002, which is the 25th day after the date of this prospectus, all dealers effecting transactions in the Class A common stock, whether or not participating in this distribution, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments.

You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that you should consider before deciding to invest in our Class A common stock. We urge you to read this entire prospectus carefully, including the "Risk Factors" section and our consolidated financial statements and the notes to those statements. Unless otherwise indicated, information presented in this prospectus assumes no exercise of the underwriters' over-allotment option and assumes the occurrence of the transactions described in "Corporate Structure" on page 3.

ManTech International Corporation

ManTech International Corporation delivers a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and infrastructures for federal government customers in the United States and 28 countries worldwide. More than 1,700 of our nearly 3,500 employees hold government security clearances, including over 600 with access to Top Secret Sensitive Compartmented Information, allowing us to work with our customers in highly classified environments and at front-line deployments. Given the critical nature of many of our services and our close relationships with our customers, we are often called upon to support our customers as they respond to crisis situations around the world.

We provide comprehensive information technology and technical services solutions, separately or in combination, to our customers by drawing upon three principal areas of expertise: secure systems and infrastructure; information technology; and systems engineering. We provide solutions for sophisticated airborne, shipboard, satellite and tactical and strategic land-based communication systems and intelligence-processing infrastructures. Our solutions enable our customers in the intelligence community and Department of Defense to identify evolving foreign and domestic threats, including terrorism, to quantify exposure to these threats and to implement prudent physical and cyber countermeasures. Some of our specific capabilities in safeguarding critical infrastructures include systems security architecture, threat definition and modeling, vulnerability identification, adversary characterization, lethal force defense analysis, operations security assessments and security life-cycle planning and management.

Since our founding in 1968, we have grown from supplying engineering services to the U.S. Navy to providing sophisticated information technology and technical services solutions to a wide range of federal government customers.
Our primary customers in the intelligence community and Department of Defense include:

- Office of the Secretary of Defense;
- Department of State;
- Intelligence agencies;
- U.S. Army, Navy, Air Force and Marine Corps; and
- Joint military commands.

We also provide solutions to federal government civilian agencies, including the National Aeronautics and Space Administration (NASA), the Environmental Protection Agency (EPA) and the Departments of Justice, Commerce and Energy, as well as to state and local governments and commercial customers. We have established and maintain long-standing, successful relationships with our customers, having supported many of them for 15 to 30 years. For both the year ended December 31, 2000 and the nine months ended September 30, 2001, approximately 84.0% of our revenues were derived from our customers in the intelligence community and Department of Defense. We had revenues of $378.8 million and income from continuing operations of $7.1 million for 2000, and revenues of $316.3 million and income from continuing operations of $12.2 million for the nine months ended September 30, 2001. We have been profitable for each of the past 20 years.

Our Market Opportunity

The federal government has consistently increased spending on information technology and technical services each year since 1980 and is the largest purchaser of these services and products. This trend is expected to continue over the next five years as federal government spending increases from $36.4 billion in 2001 to $60.3 billion in 2006, a compound annual growth rate of 10.6%. We believe that strong growth opportunities exist for information technology and technical services providers who serve the government market because the federal government is:

- Increasing defense spending focused on C4I (command, control, communication, computers and intelligence), intelligence activities and homeland defense;
- Adopting commercialized procurement methods that promote the use of efficient contracting vehicles, such as General Service Administration (GSA) schedule contracts;
- Increasing reliance on technology service providers to deliver cost-effective solutions and to address staffing challenges facing the government; and
- Focusing on modernizing proprietary legacy information technology and communication infrastructures.

Our Advantages

We believe we are well positioned to capitalize on these market opportunities and to address the requirements of our customers in the intelligence community and Department of Defense as a result of our:

- Comprehensive technology-based solutions;
- Expertise in the migration, integration, optimization and maintenance of proprietary legacy systems used by the federal government and ability to enhance the interoperability and accessibility of critical enterprise data;
- More than 1,700 employees with government security clearances, which are required for work on classified programs for the intelligence community and Department of Defense;
- Proven track record of fulfilling our customers' requirements,
demonstrated by our many long-standing customer relationships; and

. Extensive experience of our management team and advisory board members in supporting our customers in the intelligence community and Department of Defense.

Our Strategy

Our objective is to profitably grow our business as a premier provider of comprehensive information technology and technical services solutions to the federal government. To achieve our objective, we intend to:

. Expand our customer base by broadening the scope of services we provide to existing customers and by attracting new customers;

. Increase contract profitability by delivering higher value-added solutions and by transitioning our services to more efficient and flexible contract vehicles, such as GSA schedule contracts;

. Expand our service offerings in high growth program areas, including safeguarding critical infrastructures, information assurance and other secure systems and infrastructure solutions provided to the intelligence community and Department of Defense;

. Continue to attract and retain skilled professionals, including engineers, scientists, analysts, technicians and support specialists, who possess a wide range of technical skills and domain expertise; and

. Pursue a disciplined acquisition strategy focused on businesses that support the intelligence community and Department of Defense, broaden our domain expertise, expand our service offerings and establish relationships with new customers.

Corporate Structure

Our principal executive offices are located at 12015 Lee Jackson Highway, Fairfax, Virginia 22033-3300. Our telephone number at that address is (703) 218-6000. Our website can be visited at www.mantech.com. Information contained on our website is not part of this prospectus.

We are incorporated in Delaware and are the successor by merger to ManTech International Corporation, a New Jersey corporation. See "Description of Capital Stock--Certificate of Incorporation and Bylaws." As of the effective date of the merger, which will occur prior to the closing of this offering, each outstanding share of the New Jersey corporation's common stock will be exchanged for one share of the Delaware corporation's Class A common stock or Class B common stock. For purposes of this prospectus, the merger of the New Jersey corporation with the Delaware corporation is assumed to be effective, other than with respect to the historical consolidated financial statements.

The Offering

The share information contained below excludes the shares reserved for issuance under our 2001 Management Incentive Plan.

<table>
<thead>
<tr>
<th>Class A common stock offered by us</th>
<th>shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A common stock offered by our selling stockholder</td>
<td>shares</td>
</tr>
<tr>
<td>Class A common stock to be outstanding immediately after this offering</td>
<td>shares</td>
</tr>
<tr>
<td>Class B common stock to be outstanding immediately after this offering</td>
<td>shares</td>
</tr>
</tbody>
</table>
Use of proceeds............................ We expect to use the net proceeds of this offering to repay a portion of our existing indebtedness, to fund strategic acquisitions of businesses and for working capital and other general corporate purposes. See "Use of Proceeds" on page 18.

Over-allotment option................. We and one of our existing stockholders have granted the underwriters an option to purchase up to an additional shares solely to cover over-allotments.

Proposed Nasdaq symbol............... MANT

Risk Factors

See "Risk Factors" beginning on page 7 for a discussion of material risks that prospective purchasers of our Class A common stock should consider.

Summary Financial Data

The following summarizes our historical consolidated financial information. We derived the information as of and for each of the five years ended December 31, 2000 and for the nine months ended September 30, 2001 from our audited consolidated financial statements. The data for the nine months ended September 30, 2000 is derived from our unaudited consolidated financial statements and includes all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of the financial position and results of operations as of and for such periods. Interim consolidated financial results for the nine months ended September 30, 2000 and September 30, 2001 are not necessarily indicative of the results that may be expected for the full year. You should read the summary financial data presented below in conjunction with our consolidated financial statements, the notes to our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31</th>
<th>Nine Months Ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In thousands, except per share amounts)</td>
<td></td>
<td></td>
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</table>

Statement of Income Data:

<table>
<thead>
<tr>
<th>Revenues</th>
<th>$223,049</th>
<th>$286,051</th>
<th>$314,309</th>
<th>$353,924</th>
<th>$378,827</th>
<th>$280,970</th>
<th>$316,266</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of services</td>
<td>191,589</td>
<td>245,857</td>
<td>265,189</td>
<td>296,306</td>
<td>315,414</td>
<td>234,834</td>
<td>258,412</td>
</tr>
<tr>
<td>Gross profit</td>
<td>31,460</td>
<td>40,194</td>
<td>49,120</td>
<td>57,618</td>
<td>63,413</td>
<td>46,136</td>
<td>57,854</td>
</tr>
<tr>
<td>Income from operations</td>
<td>7,019</td>
<td>10,381</td>
<td>13,447</td>
<td>15,168</td>
<td>18,589</td>
<td>12,695</td>
<td>22,237</td>
</tr>
<tr>
<td>(Loss) income from discontinued operations(1)</td>
<td>(1,039)</td>
<td>255</td>
<td>(1,268)</td>
<td>(2,727)</td>
<td>(4,667)</td>
<td>(3,124)</td>
<td>(6,533)</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>(93)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(719)</td>
<td>(719)</td>
<td>(5,890)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ 1,945</td>
<td>$ 5,693</td>
<td>$ 1,653</td>
<td>$ 4,069</td>
<td>$ 1,739</td>
<td>$ 1,270</td>
<td>$ (263)</td>
</tr>
</tbody>
</table>

Income from continuing operations per share - diluted(2)

Net income (loss) per share - diluted

Balance Sheet Data:

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>$ 13,276</th>
<th>$ 17,318</th>
<th>$ 14,572</th>
<th>$ 19,571</th>
<th>$ 20,578</th>
<th>$ 11,366</th>
<th>$ 18,231</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>108,705</td>
<td>154,886</td>
<td>165,718</td>
<td>186,070</td>
<td>186,843</td>
<td>176,736</td>
<td>177,061</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>37,642</td>
<td>40,194</td>
<td>49,120</td>
<td>57,618</td>
<td>63,413</td>
<td>46,136</td>
<td>57,854</td>
</tr>
<tr>
<td>Total stockholders' equity</td>
<td>12,506</td>
<td>16,832</td>
<td>15,516</td>
<td>19,548</td>
<td>21,794</td>
<td>21,433</td>
<td>21,402</td>
</tr>
</tbody>
</table>

(1) We have decided to exit certain lines of business so that we can continue to enhance our core competencies. For more information on our discontinued operations, please see "Recent Developments--Discontinued Operations" and note 15 to our consolidated financial statements.

(2) Prior to the closing of this offering, we anticipate that our board of directors and stockholders will approve a -for-one stock split for the outstanding shares of common stock of ManTech International Corporation, the Delaware corporation.
Recent Developments

Termination of Personal Service Corporation Status. For periods prior to the closing of this offering, we had elected to be taxed as a personal service corporation. As a result, we accounted for our earnings on a cash basis for federal income tax purposes. Effective as of the closing of this offering, our status as a personal service corporation terminates and we will apply accrual-based accounting for federal income tax purposes. The termination of our personal service corporation status will result in $31.0 million in deferred income being recognized for tax purposes. Taxes on this amount totaling $12.1 million will be due with respect to the four taxable years beginning with the taxable year of this offering. Because we previously recognized the deferred income for accounting purposes and accrued for the taxes, this change in our tax status and the tax payments will not affect our earnings.

Discontinued Operations. Prompted by the prospect in the early 1990s of stable or declining federal government spending on defense programs as a result of the end of the Cold War, we made a number of investments in businesses operating primarily in non-governmental markets in the United States and internationally. We believe that these investments in commercial and international business ventures contributed to our expertise with leading-edge information technology and technical services solutions. As a result of the favorable outlook for government technology service providers and the slowdown in the commercial information technology market, however, we determined in January 2001 to refocus our business strategy on our core competencies and business operations in the U.S. federal government market. In September 2001, we decided to exit certain lines of business involving foreign operations or operations that primarily serve commercial customers. We have decided to dispose of or discontinue our Australian-based software solutions consulting business, our United Kingdom-based bank remittance processing business, our China-based consulting business, our U.S.-based environmental consulting and remediation business and our U.S.-based application-hosting business. These lines of business have been classified as discontinued operations in our consolidated financial statements.

RISK FACTORS

Before making an investment in our Class A common stock you should carefully consider the risks described below, as well as the other information set forth in this prospectus, including our consolidated financial statements and related notes. Some of the following risks relate principally to the industry in which we operate and to our business. Other risks relate principally to the securities markets and ownership of our stock. Additional risks and uncertainties not presently known to us, or risks that we currently consider immaterial, may also impair our operations. Any of the risk factors described below could significantly and negatively affect our business, prospects, financial condition or operating results, which could cause the trading price of our Class A common stock to decline and could cause you to lose all or part of your investment.

RISKS RELATED TO OUR BUSINESS

We are dependent on contracts with the U.S. federal government for substantially all of our revenues.

For the year ended December 31, 2000 and for the nine months ended September 30, 2001, we derived 96.1% and 95.8%, respectively, of our revenues from federal government contracts, either as a prime contractor or a subcontractor. For 2000 and for the nine months ended September 30, 2001, we derived 83.6% and 84.1%, respectively, of our revenues from contracts with agencies in the intelligence community and Department of Defense. We expect that federal government contracts will continue to be the primary source of our revenues for the foreseeable future. If we were suspended or debarred from contracting with the federal government generally, or any significant agency in the intelligence community or Department of Defense, if our reputation or relationship with government agencies were impaired, or if the government otherwise ceased doing business with us or significantly decreased the amount
Federal government spending priorities may change in a manner adverse to our business.

Our business depends upon continued federal government expenditures on intelligence, defense and other programs that we support. The overall U.S. defense budget declined from time to time in the late 1980s and the early 1990s. While spending authorizations for intelligence and defense-related programs by the government have increased in recent years, and in particular after the September 11, 2001 terrorist attacks, future levels of expenditures and authorizations for those programs may decrease, remain constant or shift to programs in areas where we do not currently provide services. A significant decline in government expenditures, or a shift of expenditures away from programs that we support, could adversely affect our business, prospects, financial condition or operating results.

Federal government contracts contain provisions that are unfavorable to us.

Federal government contracts contain provisions and are subject to laws and regulations that give the government rights and remedies not typically found in commercial contracts, including allowing the government to:

. Terminate existing contracts for convenience, as well as for default;
. Reduce or modify contracts or subcontracts;
. Cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
. Decline to exercise an option to renew a multi-year contract;
. Claim rights in products and systems produced by us;
. Suspend or debar us from doing business with the federal government or with a governmental agency; and
. Control or prohibit the export of our products.

If the government terminates a contract for convenience, we may recover only our incurred or committed costs, settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, we may not recover even those amounts, and instead may be liable for excess costs incurred by the government in procuring undelivered items and services from another source. As is common with government contractors, some of our contracts have had or are currently experiencing performance issues. We have received and may in the future receive show cause or cure notices under contracts that, if not addressed to the government's satisfaction, could give the government the right to terminate those contracts for default or to cease procuring our services under those contracts in the future.

We must comply with complex procurement laws and regulations.

We must comply with and are affected by laws and regulations relating to the formation, administration and performance of federal government contracts, which affect how we do business with our customers and may impose added costs on our business. For example, we are subject to the Federal Acquisition Regulations and all supplements, which comprehensively regulate the formation, administration and performance of federal government contracts, and to the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with contract negotiations. If a government review or investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or debarment from doing business with federal government agencies, which could materially adversely affect our business, prospects, financial condition or operating results. From time to time in the past, we have been subject to government investigations. Currently, we are subject to three ongoing investigations. For additional information regarding the government investigations to which we are currently subject, see
"Business--Legal Proceedings." In addition, we are subject to industrial security regulations of Department of Defense and other federal agencies that are designed to safeguard against foreigners' access to classified information. If we were to come under foreign ownership, control or influence, our federal government customers could terminate or decide not to renew our contracts, and it could impair our ability to obtain new contracts. The government may reform its procurement practices or adopt new contracting rules and regulations, including cost accounting standards, that could be costly to satisfy or that could impair our ability to obtain new contracts.

We face competition from other firms, many of which have substantially greater resources. We operate in highly competitive markets and generally encounter intense competition to win contracts. We compete with many other firms, ranging from small specialized firms to large diversified firms, many of which have substantially greater financial, management and marketing resources than we do. Our competitors may be able to provide customers with different or greater capabilities or benefits than we can provide in areas such as technical qualifications, past contract performance, geographic presence, price and the availability of key professional personnel. Our failure to compete effectively with respect to any of these or other factors could have a material adverse effect on our business, prospects, financial condition or operating results. In addition, our competitors also have established or may establish relationships among themselves or with third parties to increase their ability to address customer needs. Accordingly, it is possible that new competitors or alliances among competitors may emerge.

We derive significant revenues from contracts awarded through a competitive bidding process.

We derive a majority of our revenues from federal government contracts that were awarded through a competitive bidding process, and much of the business that we expect to seek in the foreseeable future likely will be awarded through competitive bidding. Competitive bidding presents a number of risks, including the:

- Need to bid on programs in advance of the completion of their design, which may result in unforeseen technological difficulties and cost overruns;
- Substantial cost and managerial time and effort that we spend to prepare bids and proposals for contracts that may not be awarded to us;
- Need to accurately estimate the resources and cost structure that will be required to service any contract we are awarded; and
- Expense and delay that may arise if our competitors protest or challenge contract awards made to us pursuant to competitive bidding, and the risk that any such protest or challenge could result in the resubmission of bids on modified specifications, or in termination, reduction or modification of the awarded contract.

We may not be provided the opportunity in the near term to bid on contracts that are held by other companies and are scheduled to expire if the government determines to extend the existing contract. If we are unable to win particular contracts that are awarded through the competitive bidding process, we may not be able to operate in the market for services that are provided under those contracts for a number of years. If we are unable to consistently win new contract awards over any extended period, our business and prospects will be adversely affected.

Failure to maintain strong relationships with other contractors could result in a decline in our revenues.

For 2000 and for the nine months ended September 30, 2001, we derived 7.8% and 8.4%, respectively, of our revenues from contracts in which we acted as a subcontractor to other contractors or to joint ventures which we and other contractors have formed to bid on and execute particular contracts or programs. We expect to continue to depend on relationships with other contractors for a
portion of our revenues in the foreseeable future. Our business, prospects, financial condition or operating results could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, either because they choose to establish relationships with our competitors or because they choose to directly offer services that compete with our business, or if the government terminates or reduces these other contractors’ programs or does not award them new contracts.

We may not receive the full amount authorized under contracts that we have entered into and may not accurately estimate our backlog and GSA schedule contract value.

The maximum contract value specified under a government contract that we enter into is not necessarily indicative of revenues that we will realize under that contract. For example, we derive some of our revenues from government contracts in which we are not the sole provider, meaning that the government could turn to other companies to fulfill the contract, and from indefinite delivery, indefinite quantity contracts, which specify a maximum but only a token minimum amount of goods or services that may be provided under the contract. In addition, Congress often appropriates funds for a particular program on a yearly basis, even though the contract may call for performance that is expected to take a number of years. As a result, contracts typically are only partially funded at any point during their term, and all or some of the work to be performed under the contracts may remain unfunded unless and until Congress makes subsequent appropriations and the procuring agency allocates funding to the contract. Nevertheless, we look at these contract values, including values based on the assumed exercise of options relating to these contracts, in estimating the amount of our backlog. Because we may not receive the full amount we expect under a contract, we may not accurately estimate our backlog. Similarly, in recent years we have been deriving an increasing percentage of our revenues under GSA schedule contracts. GSA schedule contracts are procurement vehicles under which government agencies may, but are not required to, purchase professional services or products. As a result, we believe that potential GSA schedule contract values are not fully reflected in traditional backlog calculations. We have developed a method of calculating GSA schedule contract value that we use to evaluate estimates for the revenues we may receive under our GSA schedule contracts. Although we believe our method of determining GSA schedule contract value is based on reasonable estimates and assumptions, our experience with GSA schedule contracts has been limited to date. We are not currently aware of other companies within our market that employ comparable methods of determining GSA schedule contract value. Estimates of future revenues included in backlog and GSA schedule contract value are not necessarily precise and the receipt and timing of any of these revenues are subject to various contingencies, many of which are beyond our control. For a discussion of these contingencies see “Business—Backlog and GSA Schedule Contract Value.” The actual accrual of revenues on programs included in backlog and GSA schedule contract value may never occur or may change.

We may not accurately estimate the expenses, time and resources necessary to satisfy our contractual obligations.

We enter into three types of federal government contracts for our services: cost-plus, time-and-materials and fixed-price. For the nine months ended September 30, 2001, we derived 36.3%, 35.6% and 28.1% of our revenues from cost-plus, time-and-materials and fixed-price contracts, respectively. For 2000, the revenues were 39.7%, 34.6% and 25.7%, respectively. Under cost-plus contracts, we are reimbursed for allowable costs and paid a fee, which may be fixed or performance-based. To the extent that the actual costs incurred in performing a cost-plus contract are within the contract ceiling and allowable under the terms of the contract and applicable regulations, we are entitled to reimbursement of our costs, plus a profit. However, if our costs exceed the ceiling or are not allowable under the terms of the contract or applicable regulations, we may not be able to recover those costs. Under time-and-materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain expenses. We assume financial risk on time-and-material contracts because we assume the risk of performing those contracts at negotiated hourly rates. Under fixed-price contracts, we perform specific tasks for a fixed price. Compared to cost-plus contracts, fixed-price contracts generally offer higher margin opportunities, but involve greater
financial risk because we bear the impact of cost overruns and receive the
benefit of cost savings. Our profits could be adversely affected if our costs
under any of these contracts exceed the assumptions we used in bidding for the
contract. Although we believe that we have recorded adequate provisions in our
consolidated financial statements for losses on our contracts, as required
under U.S. generally accepted accounting principles, our contract loss
provisions may not be adequate to cover all actual losses that we may incur in
the future.

Our contracts are subject to audits and cost adjustments by the federal
government.

The federal government audits and reviews our performance on contracts,
pricing practices, cost structure and compliance with applicable laws,
regulations and standards. Like most large government
contractors, our contract costs are audited and reviewed on a continual basis.
Although audits have been completed on our incurred contract costs through
1999, audits for costs incurred or work performed after 1999 remain ongoing
and, for much of our work in recent years, have not yet commenced. In addition,
on-audit reviews by the government may still be conducted on all our
government contracts. An audit of our work, including an audit of work
performed by companies we have acquired or may acquire, could result in a
substantial adjustment to our revenues because any costs found to be improperly
allocated to a specific contract will not be reimbursed, and revenues we have
already recognized may need to be refunded. If a government audit uncovers
improper or illegal activities, we may be subject to civil and criminal
penalties and administrative sanctions, including termination of contracts,
forfeiture of profits, suspension of payments, fines and suspension or
debarment from doing business with federal government agencies. In addition, we
could suffer serious harm to our reputation if allegations of impropriety were
made against us.

We may be liable for systems and service failures.

We create, implement and maintain information technology and technical
services solutions that are often critical to our customers' operations,
including those of federal, state and local governments. We have experienced
and may in the future experience some systems and service failures, schedule or
delivery delays and other problems in connection with our work. If our
solutions, services, products or other applications have significant defects or
errors, are subject to delivery delays or fail to meet our customers'
expectations, we may:

- Lose revenues due to adverse customer reaction;
- Be required to provide additional services to a customer at no charge;
- Receive negative publicity, which could damage our reputation and
  adversely affect our ability to attract or retain customers; or
- Suffer claims for substantial damages against us.

In addition to any costs resulting from product warranties, contract
performance or required corrective action, these failures may result in
increased costs or loss of revenues if they result in customers postponing
subsequently scheduled work or canceling or failing to renew contracts.

While many of our contracts with the federal government limit our liability
for damages that may arise from negligence in rendering services to our
customers, we cannot be sure that these contractual provisions will protect us
from liability for damages if we are sued. Furthermore, our errors and
omissions and product liability insurance coverage may not continue to be
available on reasonable terms or in sufficient amounts to cover one or more
large claims, or the insurer may disclaim coverage as to some types of future
claims. The successful assertion of any large claim against us could seriously
harm our business. Even if not successful, these claims could result in
significant legal and other costs and may be a distraction to our management.

Security breaches in classified government systems could adversely affect our
business.
Many of the programs we support and systems we develop, install and maintain involve managing and protecting information involved in intelligence, national security and other classified government functions. A security breach in one of these systems could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on critical classified systems for federal government customers. Losses that we could incur from such a security breach could exceed the policy limits that we have for errors and omissions or product liability insurance.

Our quarterly operating results may vary widely.

Our quarterly revenues and operating results may fluctuate significantly in the future. A number of factors cause our revenues, cash flow and operating results to vary from quarter to quarter, including:

- Fluctuations in revenues earned on fixed-price contracts and contracts with a performance-based fee structure;
- Commencement, completion or termination of contracts during any particular quarter;
- Variable purchasing patterns under government GSA schedule contracts, blanket purchase agreements and indefinite delivery, indefinite quantity contracts;
- Changes in Presidential administrations and senior federal government officials that affect the timing of technology procurement;
- Changes in policy or budgetary measures that adversely affect government contracts in general; and
- Acquisitions of other technology service providers.

Changes in the volume of services provided under existing contracts and the number of contracts commenced, completed or terminated during any quarter may cause significant variations in our cash flow from operations because a relatively large amount of our expenses are fixed. We incur significant operating expenses during the start-up and early stages of large contracts and typically do not receive corresponding payments in that same quarter. We may also incur significant or unanticipated expenses when contracts expire or are terminated or are not renewed. In addition, payments due to us from government agencies may be delayed due to billing cycles or as a result of failures of governmental budgets to gain Congressional and Administration approval in a timely manner.

Our senior management and advisory board are important to our customer relationships.

We believe that our success depends in part on the continued contributions of our co-founder, Chairman of the Board of Directors, Chief Executive Officer and President, George J. Pedersen, our Executive Vice President, Chief Financial Officer, Treasurer and Director, John A. Moore, Jr., other members of our senior management and advisory board. We rely on our executive officers and senior management to generate business and execute programs successfully. In addition, the relationships and reputation that members of our management team and advisory board have established and maintain with government and military personnel contribute to our ability to maintain good customer relations and to identify new business opportunities. While we have employment agreements with some of our executive officers, these agreements do not prevent them from terminating their employment. The loss of Mr. Pedersen, Mr. Moore or any other senior management or advisory board members could impair our ability to identify and secure new contracts and otherwise to manage our business.

We must recruit and retain skilled employees to succeed in our labor-intensive business.

We believe that an integral part of our success is our ability to provide employees who have advanced information technology and technical services skills and who work well with our customers in a government or defense-related environment. These employees are in great demand and are likely to remain a
limited resource in the foreseeable future. If we are unable to recruit and retain a sufficient number of these employees, our ability to maintain and grow our business could be negatively impacted. In addition, some of our contracts contain provisions requiring us to commit to staff a program with certain personnel the customer considers key to our successful performance under the contract. In the event we are unable to provide these key personnel or acceptable substitutions, the customer may terminate the contract, and we may not be able to recover our costs in the event the contract is terminated.

Our business is dependent upon obtaining and maintaining required security clearances.

Many of our federal government contracts require our employees to maintain various levels of security clearances, and we are required to maintain certain facility security clearances complying with Department of Defense requirements. Obtaining and maintaining security clearances for employees involves a lengthy process, and it is difficult to identify, recruit and retain employees who already hold security clearances. If our employees are unable to obtain or retain security clearances or if our employees who hold security clearances terminate employment with us, the customer whose work requires cleared employees could terminate the contract or decide not to renew it upon its expiration. In addition, we expect that many of the contracts on which we will bid will require us to demonstrate our ability to obtain facility security clearances and perform work with employees who hold specified types of security clearances. To the extent we are not able to obtain facility security clearances or engage employees with the required security clearances for a particular contract, we may not be able to bid on or win new contracts, or effectively rebid on expiring contracts.

If we are unable to manage our growth, our business could be adversely affected. Sustaining our growth has placed significant demands on our management, as well as on our administrative, operational and financial resources. For us to continue to manage our growth, we must continue to improve our operational, financial and management information systems and expand, motivate and manage our workforce. If we are unable to successfully manage our growth without compromising our quality of service and our profit margins, or if new systems that we implement to assist in managing our growth do not produce the expected benefits, our business, prospects, financial condition or operating results could be adversely affected.

We may undertake acquisitions that could increase our costs or liabilities or be disruptive.

One of our key operating strategies is to selectively pursue acquisitions. While we do not currently have any commitments, agreements or understandings to acquire any specific businesses or other material operations, we have made a number of acquisitions in the past and will consider other acquisitions in the future. We may not be able to locate suitable acquisition candidates at prices that we consider appropriate or to finance acquisitions on terms that are satisfactory to us. If we do identify an appropriate acquisition candidate, we may not be able to successfully negotiate the terms of an acquisition, finance the acquisition or, if the acquisition occurs, integrate the acquired business into our existing business. Negotiations of potential acquisitions and the integration of acquired business operations could disrupt our business by diverting management away from day-to-day operations. Acquisitions of businesses or other material operations may require additional debt or equity financing, resulting in additional leverage or dilution of ownership. The difficulties of integration may be increased by the necessity of coordinating geographically dispersed organizations, integrating personnel with disparate business backgrounds and combining different corporate cultures. We also may not realize cost efficiencies or synergies that we anticipated when selecting our acquisition candidates. In addition, we may need to record write downs from future impairments of intangible assets, which could reduce our future reported earnings. At times, acquisition candidates may have liabilities or adverse operating issues that we fail to discover through due diligence prior to the acquisition.
We may be exposed to liabilities or losses from operations that we have discontinued.

We have determined to dispose of certain of our businesses, either by selling them or by winding down their operations. For more information on these discontinued operations, please see "Recent Developments--Discontinued Operations" and note 15 to our consolidated financial statements. Our consolidated financial statements reflect, under the heading "Discontinued Operations," our estimate of the net losses expected from these operations through the date we estimate we will dispose of them, and all losses expected to be realized upon disposal of these operations. If we incur greater losses than we expect on dispositions, or if the operation of these businesses generates greater losses than we expect prior to disposition, there will be a negative impact on future operating results. Even if we are successful in disposing of these businesses, we may continue to be exposed to some liabilities for their operations.

For example, we are a defendant in a lawsuit where the plaintiff alleges that one of the businesses we intend to dispose of or its subcontractors caused soil and groundwater contamination by improperly disposing of dry cleaning solvents. For more information on this lawsuit, see "Business--Legal Proceedings." The operations from this business, particularly the performance of environmental consulting and remediation services, may not have been or in the future may not be conducted in compliance with environmental laws, exposing us to further liability and damages for the costs of investigating and cleaning up sites of spills, disposals or other releases of hazardous materials. We cannot assure you that our liability in this matter, or any other environmental liabilities that arise in the future, will not exceed our resources or will be covered by insurance. Even after we dispose of this and the other discontinued operations, we likely will remain liable for any costs, damages or other liabilities imposed upon them that result from or relate to their operations prior to the disposition.

We may be affected by intellectual property infringement claims.

Our business operations rely extensively on procuring and deploying intellectual property. Our employees develop some of the software solutions and other forms of intellectual property that we use to provide information technology solutions to our customers, but we also license technology from primary vendors. Typically, under federal government contracts, our government customers may claim rights in the intellectual property we develop, making it impossible for us to prevent their future use of our intellectual property. We are and may in the future be subject to claims from our employees or third parties who assert that software solutions and other forms of intellectual property that we used in delivering services and solutions to our customers infringe upon intellectual property rights of such employees or third parties. If our vendors, our employees or third parties assert claims that we or our customers are infringing on their intellectual property, we could incur substantial costs to defend these claims. In addition, if any of our vendors' infringement claims are ultimately successful, our vendors could require us to:

- Cease selling or using products or services that incorporate the challenged software or technology;
- Obtain a license or additional licenses from our vendors; or
- Redesign our products and services that rely on the challenged software or technology.

Covenants in our credit facility may restrict our financial and operating flexibility.

Our credit facility contains covenants that restrict, among other things, our ability to borrow money, make particular types of investments, including investments in our subsidiaries, or other restricted payments, pay dividends on our common stock, swap or sell assets, merge or consolidate, or make acquisitions. Default under our credit facility
could allow the lenders to declare all amounts outstanding to be immediately
due and payable. We have pledged substantially all of our assets, including the
stock of our subsidiaries to secure the debt under our credit facility. If the
lenders declare amounts outstanding under the credit facility to be due, the
lenders could proceed against those assets. Any event of default, therefore,
could have a material adverse effect on our business if the creditors determine
to exercise their rights. Our credit facility also requires us to maintain
specified financial ratios. Our ability to meet these financial ratios can be
affected by events beyond our control, and we cannot assure you that we will
meet those ratios. For example, on two occasions in the past five years, we
have been required to seek and obtain waivers for failure to satisfy certain
financial ratios under our credit facility. We also may incur future debt
obligations that might subject us to restrictive covenants that could affect
our financial and operational flexibility, restrict our ability to pay dividends on our common stock or subject us to other events of default. Any
such restrictive covenants in any future debt obligations we incur could limit
our ability to fund our businesses with equity investments or intercompany
advances, which would impede our ability to operate or expand our business.

From time to time we may require consents or waivers from our lenders to
permit actions that are prohibited by our credit facility. For example, we will
require the consent of our lenders to complete the merger through which we
reincorporate in Delaware. If in the future our lenders refuse to provide
waivers of our credit facility's restrictive covenants and/or financial ratios,
then we may be in default under our credit facility, and we may be prohibited
from undertaking actions that are necessary to maintain and expand our business.

Our employees may engage in misconduct or other improper activities.

We run the risk that employee fraud or other misconduct could occur.
Misconduct by employees could include intentional failures to comply with
federal government procurement regulations and failing to disclose unauthorized
or unsuccessful activities to us. Employee misconduct could also involve the
improper use of our customers' sensitive or classified information, which could
result in regulatory sanctions and serious harm to our reputation. It is not
always possible to deter employee misconduct, and the precautions we take to
prevent and detect this activity may not be effective in controlling unknown or
unmanaged risks or losses.

RISKS RELATED TO OUR COMMON STOCK AND THIS OFFERING

An active public market for our Class A common stock may not develop.

The initial price of our Class A common stock to be sold in this offering
will be determined through negotiations between us and the representatives of
the underwriters and may not be indicative of prices that will prevail in the
trading market. Before this offering, no public market existed for our common
stock. An active public market for our Class A common stock may not develop or
be sustained after this offering, which could affect your ability to sell your
shares or depress the market price of your shares. The market price of your
shares may fall below the initial public offering price.

You will experience immediate and substantial dilution.

The initial public offering price per share will significantly exceed the
current net tangible book value per share of our stock that was outstanding
prior to this offering. As a result, investors purchasing Class A common stock
in this offering will experience immediate and substantial dilution in the
amount of $ per share. In addition, we have issued options to acquire Class
A common stock at prices below the initial public offering price. The exercise
of these employee and director stock options will result in further dilution to
new investors.

Our current stockholders will continue to control our company.

Upon completion of this offering, Mr. Pedersen will own or control
approximately % of the combined voting power of the Class A and Class B
common stock, or % if the underwriters' over-allotment option is exercised in
full. Accordingly, Mr. Pedersen will control the vote on all matters submitted
to a vote of the holders of our common stock. For more information, see
"Description of Capital Stock, Certificate of Incorporation and Bylaws--Common
As long as Mr. Pedersen beneficially owns a majority of the combined voting power of our common stock, he will have the ability, without the consent of our public stockholders, to elect all members of our board of directors and to control our management and affairs. Mr. Pedersen's voting control may have the effect of preventing or discouraging transactions involving an actual or a potential change of control of ManTech, regardless of whether a premium is offered over then-current market prices. Mr. Pedersen will be able to cause a change of control of our company. Mr. Pedersen also will be able to cause a registration statement to be filed and to become effective under the Securities Act of 1933, thereby permitting him to freely sell or transfer the shares of common stock that he owns. In addition, the interests of Mr. Pedersen may conflict with the interests of other holders of our common stock.

Provisions in our charter documents could make a merger, tender offer or proxy contest difficult.

Our certificate of incorporation and bylaws may discourage, delay or prevent a change in control of ManTech that stockholders may consider favorable. Our certificate of incorporation and bylaws:

- Authorize the issuance of blank check preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- Prohibit cumulative voting in the election of directors, which would otherwise allow holders of less than a majority of the stock to elect some directors;
- Limit who may call special meetings of stockholders;
- Prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders;
- Establish advance notice requirements for nominating candidates for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- Require that vacancies on our board of directors, including newly-created directorships, be filled only by a majority vote of directors then in office.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting the company from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder. For more information, see "Description of Capital Stock, Certificate of Incorporation and Bylaws."

The market price of our Class A common stock may fluctuate widely and trade at prices below the initial public offering price.

The price of our Class A common stock after this offering may fluctuate widely, depending upon many factors, including our perceived prospects, and the prospects of the information technology and government contracting industries in general, differences between our actual financial and operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general valuations for information technology and technical services companies, changes in general economic or market conditions and broad market fluctuations. In addition, the terrorist attacks of September 11, 2001 and subsequent bioterrorism concerns have contributed to an economic slowdown and to significant instability in the U.S. and other global financial equity markets. The armed hostilities that were initiated as a result of these attacks and future responses by the federal government may lead to further acts of terrorism in the United States or elsewhere, and such developments would likely cause further instability in financial markets. All of these factors subject our operations to increased risks and could have a material adverse effect on your investment in our common stock. As a result, our Class A common stock may trade at prices significantly below the initial public offering price.

We will have broad discretion over the use of proceeds from this offering.
We intend to use the net proceeds from this offering to retire portions of our outstanding debt obligations, to pursue possible acquisitions and for working capital and other general corporate purposes. We may not use the proceeds from this offering for each of these purposes. Future events, including changes in competitive conditions, our ability to identify appropriate acquisition candidates, the availability of other financing and funds generated from operations and the status of our business from time to time, may lead us to change the allocation of the net proceeds of this offering among these possible uses. We will have broad discretion with respect to the use of these funds and the determination of the timing of expenditures. We cannot assure you that we will use these funds in a manner that you would approve of or that the allocations will be in the best interests of all of our stockholders.

We do not intend to pay dividends.

We currently intend to retain future earnings for funding growth and, therefore, do not expect to pay dividends in the foreseeable future.

We make forward-looking statements in this prospectus that involve risks, uncertainties and assumptions.

We have made forward-looking statements in this prospectus, including in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions. Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, anticipated expenses, anticipated backlog and GSA schedule contract value, financing plans, competitive position, potential growth opportunities, the future of our industry, the effects of future regulation and the effects of competitor actions. Forward-looking statements involve risks, uncertainties and assumptions. You should not put undue reliance on any forward-looking statements. You should understand that many important factors discussed in this "Risk Factors" section and elsewhere in this prospectus could cause our results to differ materially from those expressed in forward-looking statements. We do not have any intention or obligation to update forward-looking statements after the underwriters cease to distribute this prospectus, except as provided by law.

USE OF PROCEEDS

We estimate the net proceeds of this offering to be approximately $ \text{.} million, based on an assumed offering price of $ \text{.} per share, the mid-point of the estimated price range set forth on the cover of this prospectus, after deducting the underwriting discount and the estimated expenses related to this offering which are payable by us. We intend to use approximately $ \text{.} million of the net proceeds to repay principal and accrued interest owing under our $ \text{.} million revolving credit facility expiring \text{,} 200, which bears interest at the rate of \%. We intend to use the remainder of the net proceeds of this offering (together with cash on hand, additional borrowings and capital stock) to fund acquisitions of complementary businesses and for working capital and general corporate purposes. We have no present commitments, agreements or understandings to acquire any business. We will not receive any proceeds from the sale of the \text{.} shares to be sold by the selling stockholder. We may invest the net proceeds of this offering in short-term, investment grade, interest-bearing securities or guaranteed obligations of the United States or its agencies.

DIVIDEND POLICY

We currently intend to retain any earnings for the future operation and growth of our business. Accordingly, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Our existing credit facility restricts our ability to issue cash dividends under certain circumstances. Any future dividends declared would be at the discretion of our board of directors and would depend, among other factors, upon our results of
operations, financial condition and cash requirements and the terms of our credit facility and other financing agreements at the time such payment is considered.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization at September 30, 2001 on an actual and as adjusted basis. As adjusted figures assume the application of the net proceeds of this offering to us. You should read this table in conjunction with the consolidated financial statements and notes to the consolidated financial statements included elsewhere in this prospectus.

At September 30, 2001

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Adjusted(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In thousands)</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 18,231</td>
<td>$</td>
</tr>
<tr>
<td>Debt:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>$ 2,769</td>
<td>$</td>
</tr>
<tr>
<td>Total long-term debt, net of current portion</td>
<td>66,668</td>
<td></td>
</tr>
<tr>
<td>Total debt</td>
<td>69,437</td>
<td></td>
</tr>
<tr>
<td>Redeemable Class B common stock</td>
<td>1,462</td>
<td></td>
</tr>
<tr>
<td>Stockholders' equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>2,468</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>33,246</td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(1,540)</td>
<td></td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>640</td>
<td></td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(14,612)</td>
<td></td>
</tr>
<tr>
<td>Total stockholders' equity</td>
<td>21,402</td>
<td></td>
</tr>
<tr>
<td>Total capitalization</td>
<td>$ 92,301</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) The as adjusted balance sheet data as of September 30, 2001 gives effect to the following transactions:
. We will reincorporate as a Delaware corporation by merging ManTech International Corporation, a New Jersey corporation, into ManTech International Corporation, a Delaware corporation. As of the effective date of the merger, each outstanding share of the New Jersey corporation's common stock will be exchanged for one share of the Delaware corporation's Class A common stock or Class B common stock; and
. We will effect a 2-for-one stock split of the outstanding shares of Class A and Class B common stock of the Delaware corporation.

DILUTION

At September 30, 2001, we had net tangible book value of $ . million, or $ . per share, after giving effect to the sale of shares of Class A common stock that we are offering at an assumed initial public offering price of $ . per share, the mid-point of the estimated price range set forth on the cover of this prospectus. This represents an immediate appreciation in net tangible book value of $ . per share to existing stockholders and an immediate dilution of net tangible book value of $ . per share to new investors. The following table illustrates the pro forma per share dilution and appreciation at September 30, 2001:
. Initial public offering price per share......................................... $
. Net tangible book value per share as of September 30, 2001...................... $
. Appreciation per share attributable to new investors...................................
. Pro forma net tangible book value per share after giving effect to this offering $
. Dilution per share to new investors............................................. $

Net tangible book value per share of common stock is determined by dividing our tangible net worth, which consists of tangible assets less liabilities, by the number of shares of our common stock outstanding. Dilution is determined by subtracting the net tangible book value per share of Class A common stock after this offering from the public offering price per share. Appreciation per share to new investors would be $ if the underwriters exercise in full their over-allotment option.

The following table compares the public offering price of the shares of Class A common stock to the cost to our existing stockholders of shares of Class A and Class B common stock that they acquired within the past five years, or which they have the right to acquire under outstanding stock options.

<table>
<thead>
<tr>
<th>Shares Purchased</th>
<th>Total Consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percent(1)</td>
</tr>
<tr>
<td>Existing stockholders</td>
<td>(3)</td>
</tr>
<tr>
<td>New investors</td>
<td>%</td>
</tr>
<tr>
<td>Total.............</td>
<td>%</td>
</tr>
</tbody>
</table>

(1) The number of shares purchased as a percent of the total number of shares of our common stock outstanding on September 30, 2001.
(2) The amount paid for the shares purchased as a percent of total price paid for the shares of our common stock in the past five years.
(3) Includes all shares of our common stock purchased in the last five years and assumes the exercise of all stock options outstanding as of September 30, 2001.
(4) Based on the weighted average exercise price of all stock options exercised during the last five years, as well as all stock options outstanding as of September 30, 2001.
(5) The mid-point of the estimated initial public offering price range set forth on the cover page of this prospectus.

SELECTED FINANCIAL DATA

The selected financial data presented below for the nine months ended September 30, 2001 and for each of the years in the five-year period ended December 31, 2000 is derived from our audited consolidated financial statements. The data for the nine months ended September 30, 2000 and the recent operating results for each of the most recent eight quarters is derived from our unaudited consolidated financial statements and includes all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of the financial position and results of operations as of and for such periods. Interim financial results for any quarter and for the nine months ended September 30, 2000 and September 30, 2001 are not necessarily indicative of the results that may be expected for the full year. You should read the selected financial data presented below in conjunction with our consolidated financial statements, the notes to our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."
Statement of Income Data:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$223,049</td>
</tr>
<tr>
<td>Cost of services</td>
<td>191,589</td>
</tr>
<tr>
<td>Gross profit</td>
<td>31,460</td>
</tr>
</tbody>
</table>

Costs and expenses:

| General and administrative | Depreciation and amortization | Total costs and expenses | Income from operations | Interest expense | Loss from investment default | Other (income), net | Income before provision for income taxes and minority interest | Provision for income taxes | Minority interest | Income from continuing operations | Loss on disposal of discontinued operations | Net income (loss) | Income from continuing operations available to common stockholders | Basic earnings per share from continuing operations | Diluted earnings per share from continuing operations | Balance Sheet Data | Cash and cash equivalents | Working capital | Total assets | Long-term debt | Total stockholders' equity |
|----------------------------|-------------------------------|--------------------------|-------------------------|------------------|----------------------------|---------------------|--------------------------------------------------------------------------------|---------------------------|-----------------|-------------------------------|-----------------------------------------------|----------------|--------------------------------------------------------------------------------|----------------------|----------------------------|-----------------|------------------|------------------|-----------------------------|
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | $1,945 | $1,363 | $1,409 | $1,739 | $1,270 | $263 |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | $1,947 | $4,189 | $2,838 | $6,796 | $7,125 | $5,113 | $12,160 |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | $1,67  | $3.60  | $2.46  | $5.98  | $6.29  | $4.53  | $10.68  |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | $1,64  | $3.54  | $2.43  | $5.93  | $6.24  | $4.49  | $10.59  |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | $13,276 | $17,318 | $14,572 | $19,571 | $20,578 | $11,366 | $18,231 |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | 36,916 | 46,593 | 59,354 | 66,784 | 71,882 | 67,503 | 70,016  |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | 108,705 | 154,886 | 165,718 | 186,070 | 186,843 | 176,376 | 177,061 |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | 37,642 | 49,138 | 66,377 | 72,005 | 73,000 | 69,075 | 66,668  |
|                            |                               |                          |                         |                  |                            |                     |                                                                                     |                           |                 |                                               |                                               |               | 12,506 | 16,832 | 15,516 | 19,548 | 21,794 | 21,433 | 21,402  |

Recent Operating Results

Our results of operations, particularly our revenues, gross profit and cash flow, may vary significantly from quarter to quarter depending on a number of factors, including the progress of contract performance, revenues earned on contracts, the number of billable days in a quarter, the timing of customer orders and billing of other direct costs, the commencement and completion of contracts during any particular quarter, the timing of government contract awards, the term of each contract that we have been awarded and general economic conditions. For example, revenues in the first quarter of 2000 were lower than the fourth quarter of 1999 due to two fewer billable days in the first quarter, and the inclusion in the fourth quarter's revenues of a larger than usual amount of other direct costs incurred on our programs. Because a significant portion of our expenses, such as personnel and facilities costs, are fixed in the short term, successful contract performance and variation in the volume of activity, as well as in the number of contracts commenced or completed during any quarter may cause significant variations in operating results from quarter to quarter.

The federal government's fiscal year ends September 30. If a budget for the next fiscal year has not been approved by that date, our customers may have to suspend engagements that we are working on until a budget has been approved. Such suspensions may cause us to realize lower revenues in the fourth quarter of the year. Further, a change in Presidential administrations or in senior government officials may negatively affect the rate at which the federal government purchases technology.

As a result of the factors above, period-to-period comparisons of our revenues and operating results may not be meaningful. You should not rely on these comparisons as indicators of future performance as no assurances can be
given that quarterly results will not fluctuate, causing a material adverse effect on our operating results and financial condition.

The following discussion of our financial condition and results of operations should be read together with the consolidated financial statements and the notes to those statements included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. For additional information regarding some of the risks and uncertainties that affect our business and the industry in which we operate and that apply to an investment in our Class A common stock, please see "Risk Factors." This discussion addresses only our continuing operations, except in the discussion under the heading, "Discontinued Operations." For more information on our discontinued operations, please see "Recent
Overview

We deliver a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and intelligence processing infrastructures for our federal government customers. We also provide solutions to federal government civilian agencies, as well as to state and local governments and commercial customers.

A substantial portion of our revenues are derived from contracts with the federal government. For the nine months ended September 30, 2001 and the year ended December 31, 2000, 95.8% and 96.1%, respectively, of our revenues were derived, either as a prime or a subcontractor, from contracts with the federal government. For the nine months ended September 30, 2001 and 2000, we derived 84.1% and 83.3%, respectively, of our revenues from contracts with our customers in the intelligence community and Department of Defense.

Our revenues consist primarily of payments for the work of our employees and, to a lesser extent, the pass-through of costs for material and subcontract efforts under contracts with our customers. We enter into three types of federal government contracts: cost-plus, time-and-materials and fixed-price. Under cost-plus contracts, we are reimbursed for allowable costs and paid a fee, which may be fixed or performance-based. Under time-and-materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain expenses. We assume financial risk on time-and-material contracts because we assume the risk of performing those contracts at negotiated hourly rates. Under fixed-price contracts, we perform specific tasks for a fixed price. Compared to cost-plus contracts, fixed-price contracts generally offer higher margin opportunities but involve greater financial risk because we bear the impact of cost overruns and receive the benefit of cost savings. For the nine months ended September 30, 2001, we derived approximately 36.3%, 35.6% and 28.1% of our revenues from cost-plus, time-and-materials and fixed-price contracts, respectively. For the year ended December 31, 2000, we derived approximately 39.7%, 34.6% and 25.7% of our revenues from cost-plus, time-and-materials and fixed-price contracts, respectively.

We recognize revenues under cost-plus contracts as our costs are incurred and we include an estimate of applicable fees earned. We recognize revenues under time-and-materials contracts by multiplying the number of direct labor-hours expended in the performance of the contract by the contract billing rates and adding other billable direct costs. For contracts that include performance-based incentives, we recognize the incentives when we can reasonably demonstrate satisfaction of the performance goal or when the incentive has been awarded. We recognize revenues under fixed-price contracts using the percentage of completion method, which involves a periodic assessment of costs incurred to date in relation to the estimated total costs at completion, or upon the delivery of specific products or services. We record the cumulative effects of any revisions to our estimated total costs and revenues in the period in which the facts requiring revisions become known. If we anticipate a loss on a contract, we provide for the full amount of the anticipated loss at the time of that determination.

Our most significant expense is our cost of services, which consists primarily of direct labor costs for program personnel and direct expenses incurred to complete contracts, including cost of materials and subcontract efforts. Our ability to accurately predict personnel requirements, salaries and other costs, as well as to manage personnel levels and successfully redeploy personnel, can have a significant impact on our cost of services. General and administrative expenses consist primarily of costs associated with our management, finance and administrative groups; personnel training; sales and marketing expenses which include bid and proposal efforts; and certain occupancy, travel and other corporate costs.

Results of Operations
The following table sets forth, for each period indicated, the percentage of items in the consolidated statement of operations in relation to revenues.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of services</td>
<td>84.4</td>
<td>83.7</td>
</tr>
<tr>
<td>Gross profit</td>
<td>15.6</td>
<td>16.3</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>10.6</td>
<td>11.1</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>11.3</td>
<td>12.0</td>
</tr>
<tr>
<td>Income from operations</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Loss from investment default</td>
<td>1.7</td>
<td>--</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>(0.3)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Income before provision for income taxes and minority interest</td>
<td>1.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>(0.7)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(0.0)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>0.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Loss from discontinued operations</td>
<td>(0.4)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>0.5%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

The following table sets forth, for each period indicated, the percentage of our revenues derived from each of our major types of customers.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelligence / Department of Defense</td>
<td>82.9%</td>
<td>81.7%</td>
</tr>
<tr>
<td>Federal Civilian Agencies</td>
<td>14.2</td>
<td>14.3</td>
</tr>
<tr>
<td>Commercial / State / Local</td>
<td>2.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>


Revenues. Revenues increased 12.6% to $316.3 million for the nine months ended September 30, 2001, compared to $281.0 million for the period in 2000. This increase is attributable primarily to additional work under contracts that were in existence during the corresponding period of the prior year. Additional work from the Department of State and the Army for secure systems and infrastructure solutions, the Defense Security Service for information technology solutions and from the Marine Corps for systems engineering solutions contributed significantly to the increased revenues. We derived approximately 31.1% of our revenues for the nine months ended September 30,
2001 from work under GSA schedule contracts, compared with approximately 29.8% for 2000. We derived approximately 8.4% of our revenues for the nine months ended September 30, 2001 from contracts in which we acted as a subcontractor, compared with approximately 7.8% for 2000.

Cost of services. Cost of services increased 10.0% to $258.4 million for the nine months ended September 30, 2001, compared to $234.8 million for 2000. As a percentage of revenues, cost of services decreased from 83.6% to 81.7%. Direct labor costs increased by 6.0%, while other direct costs increased by 18.2% over 2000. Material and subcontract costs increased 18.2% to $108.6 million for the nine months ended September 30, 2001, compared to $91.9 million for 2000. The increase arose primarily from our secure systems and infrastructure solutions work and, to a lesser degree, our Defense Security Service information technology work.

Gross profit. Gross profit increased 25.4% to $57.9 million for the nine months ended September 30, 2001, compared to $46.1 million for 2000. Gross profit margin increased to 18.3% for the nine months ended September 30, 2001, compared to 16.4% for 2000. The increase resulted from higher margins on new secure systems and infrastructure and information technology tasks, in conjunction with our improved realization of cost efficiencies, as a greater percentage of our work is performed under GSA schedule contracts.

General and administrative. General and administrative expenses increased 7.0% to $33.2 million for the nine months ended September 30, 2001, compared to $31.0 million for 2000 for additional management personnel and infrastructure to support the growth of our business. As a percentage of revenues, general and administrative expenses declined 0.5% over the comparable period during the prior year as a result of operating efficiencies, such as our improved monitoring of costs.

Depreciation and amortization. Depreciation and amortization expense has remained relatively constant for the nine months ended September 30, 2001 and 2000, because we have not acquired any companies or made any significant purchases of fixed assets during the periods.

Income from operations. Income from operations increased 75.2% to $22.2 million for the nine months ended September 30, 2001, compared with $12.7 million for 2000. The increase was primarily a result of the increase in revenues relative to the cost of services discussed above. Another contributing factor was the improvement in other income that was driven by our receipt of $500,000 from our agreement to discontinue a subcontract.

Income from continuing operations. Income increased 137.8% to $12.2 million for the nine months ended September 30, 2001, compared to $5.1 million for 2000. The increase resulted from higher operating income, an increase in other income, reduced interest expense and a lower effective tax rate. Other income increases are primarily attributable to our equity investment in an affiliate which incurred losses in 2000, but has been profitable in 2001. Interest expense for the period decreased by 28.1% from the nine months ended September 30, 2000 as a result of a $4.0 million reduction in our average balance under our line of credit and from lower interest rates. Our effective tax rate for the nine months ended September 30, 2001 was 42.7%, compared to 45.8% for 2000, due to a relative decrease in non-deductible expenses.

Year Ended December 31, 2000 Compared to the Year Ended December 31, 1999

Revenues. Revenues increased 7.0% to $378.8 million for the year ended December 31, 2000, compared to $353.9 million for 1999. This increase was attributable primarily to additional work under contracts that were in existence during the prior year. Additional work from the Department of State and the Army for secure systems and infrastructure solutions and from the Marine Corps for systems engineering solutions contributed significantly to the increased revenues, offset in part by declines in work under an Army information technology solutions contract. We derived approximately 29.8% of our revenues for 2000 from work under GSA schedule contracts, compared with approximately 20.3% for 1999. We derived approximately 7.8% of our revenues for 2000 from contracts in which we acted as a subcontractor, compared with approximately 6.8% for 1999.

Cost of services. Cost of services increased 6.4% to $315.4 million for
Revenues. Revenues increased 12.6% to $353.9 million for the year ended December 31, 1999, compared to $314.3 million for 1998. This increase is attributable primarily to contracts with the Department of State and other intelligence agency contracts for secure systems and infrastructure solutions, which were awarded in 1999. We also had approximately $7.4 million in additional revenues, which resulted from our January 1999 acquisition of Advanced Development Group, Inc., most of which consists of information technology work for the Army. The balance of the increase is attributable to additional work under contracts that were in existence during the prior year, including work from several intelligence agency customers and from the Marine Corps for systems engineering solutions. We derived approximately 20.3% of our revenues for 1999 from contracts in which we acted as a subcontractor, compared with approximately 6.2% for 1998.

Cost of services. Cost of services increased 11.7% to $296.3 million for 1999, compared to $265.2 million for 1998. As a percentage of revenues, cost of services decreased from 84.4% to 83.7%. Direct labor costs increased by 14.6% as a result of additional staff hired to support new and expanded contract work as well as the addition of staff from Advanced Development Group. Other direct costs increased by 7.6% over the comparable period in 1998. Material and subcontract costs increased 7.6% to $117.6 million for 1999, compared to $109.2 million for 1998.

Gross profit. Gross profit increased 17.3% to $57.6 million for 1999, compared to $49.1 million for 1998. Gross profit margin increased to 16.3% for
1999, compared to 15.6% for 1998. This increase resulted from improved margins as a result of reduced reliance on subcontractors and additional services provided under new GSA schedule contracts.

General and administrative. General and administrative expenses increased 17.3% to $39.2 million for 1999, compared to $33.4 million for 1998. As a percentage of revenues, general and administrative expenses increased 0.5% over the prior year, primarily as a result of increased infrastructure requirements, including expenses associated with our management and marketing of our new GSA schedule contracts.

Depreciation and amortization. Depreciation and amortization expense increased 43.4% to $3.3 million for 1999 compared to $2.3 million for 1998. The increase resulted from amortization of purchased contract costs and noncompete agreements associated with our acquisition of Advanced Development Group and, to a lesser extent, amortization of capitalized software development costs. There were no significant purchases of fixed assets during 1999, primarily due to the fact that we began leasing the majority of our computer equipment under three-year leases in the first quarter of 1999.

Income from operations. Income from operations increased 12.8% to $15.2 million for 1999, compared to $13.4 million in 1998. The increase was primarily a result of the increase in revenues relative to the cost of services discussed above, offset by increased general and administrative expenses.

Income from continuing operations. Income increased 132.7% to $6.8 million for 1999, compared to $2.9 million for 1998. The increase resulted from higher operating income and higher other income, offset by a higher effective tax rate. Other income rose during the period by $0.4 million as a result of a gain posted on the sale of a building. Interest expense for 1999 increased by $0.1 million from an increase of $0.9 million in the average debt balance. Our effective tax rate for 1999 was 44.4%, compared to 42.5% for 1998, due to a relative increase in non-deductible expenses. In addition, income from continuing operations in 1998 was affected by a $5.2 million non-recurring charge that resulted from Global Intellicom defaulting on notes it had issued to us in 1996 in connection with Global Intellicom's 1996 purchase of our custom computer hardware business.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by operations and our revolving credit and term-loan facility. We fund our operations primarily through cash provided by operating activities. Cash provided by continuing operations was $12.5 million for the nine months ended September 30, 2001, an increase of $11.3 million from the prior year period. The primary reason for this increase was a $7.0 million increase in income from continuing operations and increases in salary-related accruals and decreases in prepaid and other assets offset by increased contract receivables and decreased advanced billings and accounts payable and other accruals.

Cash provided by operating activities of continuing operations for 2000, 1999 and 1998 was $19.9 million, $9.4 million and $7.9 million, respectively. In 2000, cash provided by operating activities was generated primarily from income from continuing operations of $7.1 million, a decrease in contract receivables as a result of greater efforts to monitor and collect these amounts, an increase in advanced billings and an increase in salary-related accruals, offset by increases in prepaid expenses and other assets and decreases in accounts payable and accrued expenses. In 1999, cash flow was principally due to income from continuing operations of $6.8 million, increases in accounts payable and accrued expenses and decreases in prepaid expenses and other assets, offset by a significant increase in contract receivables resulting from growth in our contract base. In 1998, cash was generated by income from continuing operations of $2.9 million plus the non-cash investment default of $5.2 million offset by increased contract receivables and decreased advanced billings.

Cash used in investing activities of continuing operations was $5.6 million for the nine months ended September 30, 2001, compared to $2.1 million for the prior nine month period. Investment activities included extending loans to an affiliate, purchase of property and equipment and investments in intellectual
property. Cash used in investing activities for 2000, 1999 and 1998 was $4.2 million, $2.6 million and $5.0 million, respectively. Financing activities have primarily consisted of investments in intellectual property, acquisitions of businesses, investments and loans to affiliates and purchase of property and equipment.

Cash used in financing activities of continuing operations was $7.7 million for the nine months ended September 30, 2001, compared to $3.8 million for the nine months ended September 30, 2000. The net cash used during 2001 and 2000 is primarily the result of reduction in debt.

Cash used in financing activities of continuing operations was $0.0 million for 2000. Cash provided by financing activities of continuing operations was $2.0 million for 1999 and $1.3 million for 1998. Debt repayments and borrowings produced no significant cash impact in 2000. Borrowings under our line of credit exceeded repayments of other debt items by $2.0 million in 1999. In 1998, we undertook $8.0 million in subordinated debt in order to finance the redemption of $8.0 million in preferred stock. We also redeemed $2.9 million in common stock from a former employee. This was financed through borrowings under our line of credit.

In November 1998, we executed a Business Loan and Security Agreement with Mellon Bank N.A., First Union Commercial Corporation and PNC Bank N.A. which consists of a $60.0 million revolving credit facility and a $16.0 million term loan, as modified in October 2000. Under the revolving portion of the agreement, we may borrow the lesser of defined percentages of receivables or $60.0 million. Under the term-loan portion of the agreement, the principal balance is payable in consecutive quarterly installments of $0.8 million on the last business day of each quarter with a final payment of $6.4 million due upon the expiration of the agreement on December 31, 2001. Borrowings under the agreement are collateralized by our eligible contract receivables, inventory and certain property and equipment and bear interest at the agreed-upon London Interbank Offering Rate (LIBOR) plus 2.25% for the first $25.0 million outstanding, at LIBOR plus 2.75% for the $7.2 million associated with the term loan, at LIBOR plus 2.03125% for European currency loans of $1.0 million and at the bank's prime rate plus 1.00% for outstanding amounts greater than $33.2 million. The aggregate weighted average interest rate for the nine months ended September 30, 2001 was 8.49%. At September 30, 2001, we had $60.3 million in borrowings outstanding under the Agreement. On November 13, 2001, we executed a commitment letter with Mellon Bank N.A., PNC Bank N.A., Branch Banking and Trust Company, and Chevy Chase Bank, F.S.B. to refinance and replace the agreement. The Commitment provides for a $65.0 million revolving credit facility and a $6.4 million term loan. Under the term-loan portion of the Commitment, the principal balance is payable in consecutive quarterly installments of $0.5 million on the last business day of each quarter commencing with the last business day of December 2001. It is anticipated that the Commitment will be replaced with a formal lending agreement prior to December 31, 2001.

In January 1998, we executed a seven-year Subordinated Credit Agreement with First Source Financial LLP for $8.0 million to finance the redemption of preferred stock. The principal balance is payable in eight consecutive quarterly installments of $0.9 million on the first business day of each quarter commencing with the first business day of January 2003. A ninth and final payment is due on the last day of December 2004.

We believe the capital resources available to us under our credit agreements and cash from our operations are adequate to fund our ongoing operations and to support the internal growth we expect to achieve for at least the next 12 months. We anticipate financing our external growth from acquisitions as well as our longer-term internal growth through one or a combination of the following: cash from operations; additional borrowing; issuance of equity; use of the existing revolver facility; or a refinancing of our credit facilities.

Discontinued Operations
Prompted by the prospect in the early 1990s of stable or declining federal government spending on defense programs as a result of the end of the Cold War, we made a number of investments in businesses operating primarily in non-governmental markets in the United States and internationally. Our investment in commercial and international business ventures contributed to our expertise with leading-edge information technology and technical services solutions. As a result of the favorable outlook for government technology service providers and the slowdown in the commercial information technology market, we determined in January 2001 to refocus our business strategy on our core competencies and business operations in the U.S. federal government market. In September 2001, we decided to exit certain lines of business involving foreign operations or operations that primarily serve commercial customers. We have decided to dispose of or discontinue our Australian-based software solutions consulting business, our United Kingdom-based bank remittance processing business, our China-based consulting business, our U.S.-based environmental consulting and remediation business and our U.S.-based application-hosting business. These lines of business have been classified as discontinued operations in our consolidated financial statements. Based on independent valuations, market comparable information and interest expressed in these businesses, we have estimated the likely net gains and losses to income expected from these businesses through the estimated date of disposal. In accordance with Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business and Extraordinary Unusual and Infrequently Occurring Events and Transactions, we have recorded all current and expected future losses and deferred all gains expected to be realized upon disposal of the respective entities.

Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk relates to changes in interest rates for borrowings under our senior term loan and our revolving credit facility. These borrowings bear interest at variable rates. We also have an unsecured note that bears interest at a fixed rate. Based on our senior term loan and our revolving credit facility borrowings during 2000, a hypothetical 10% increase in interest rates would have increased our annual interest expense by approximately $0.5 million and would have decreased our annual cash flow from operations by approximately $0.5 million.

In November 2000, we entered into an interest swap agreement in order to reduce our exposure associated with the market volatility of interest rates. This agreement has a notional amount of $25 million and as of September 30, 2001, had a rate of 6.53%, based on underlying debt carrying LIBOR based interest plus 2.25%, and is settled on a monthly basis. The term of the swap agreement is four years, cancelable after the third year at the issuer's option.

Accounting Pronouncements

In June 2001, the FASB issued SFAS No. 141, Business Combinations (SFAS No. 141). SFAS No. 141 requires that all business combinations be accounted for by a single method—the purchase method. The provisions of SFAS No. 141 apply to all business combinations initiated after June 30, 2001. SFAS No. 141 also applies to all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001, or later. We do not expect the adoption of the provisions of SFAS No. 141 to have an impact on our consolidated financial position or results of operations.

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). SFAS No. 142 requires that, upon its adoption, amortization of goodwill will cease and instead, the carrying value of goodwill will be evaluated for impairment on an annual basis. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of (SFAS No. 121). SFAS No. 142 will be effective for fiscal years beginning after December 15, 2001. We have not yet completed our analysis of this new pronouncement and the impact it will have on the consolidated financial statements.

In July 2001, the FASB issued Statement No. 143, Accounting for Asset Retirement Obligations (SFAS No. 143). SFAS No. 143 requires that the fair
value of a liability for an asset retirement obligation be recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The associated asset retirement cost would be capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 will be effective for fiscal years beginning after June 15, 2002. We have not determined the effect that this statement will have on our consolidated financial position or results of operations.

In October 2001, the FASB issued Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144), that replaces SFAS No. 121. SFAS No. 144 requires that long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001. We have not yet completed our analysis of this new pronouncement and the impact it will have on the consolidated financial statements.

BUSINESS

Overview

ManTech International Corporation delivers a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and intelligence processing infrastructures for our federal government customers. More than 1,700 of our nearly 3,500 employees hold government security clearances, including over 600 with access to Sensitive Compartmented Information allowing us to work with our customers in highly classified environments and at front-line deployments in the United States and 28 countries globally.

We were founded in 1968 and have exhibited strong growth and profitability since 1980 largely as a result of successful long-standing relationships with our customers, having supported many of them for 15 to 30 years. For both the year ended December 31, 2000 and the nine months ended September 30, 2001, approximately 84.0% of our revenues were derived from our customers in the intelligence community and Department of Defense. These customers include the Office of the Secretary of Defense; the Department of State; various intelligence agencies; the U.S. Army, Navy, Air Force and Marine Corps; and joint military commands. We also provide solutions to federal government civilian agencies, including NASA, EPA and the Departments of Justice, Commerce and Energy, as well as to state and local governments and commercial customers.

Industry Background

The federal government is the largest purchaser of information technology and technical services solutions. Federal government spending on information technology and technical services has consistently increased in each year since 1980. This trend is expected to continue, with federal government spending expected to increase from $36.4 billion in 2001 to $60.3 billion in 2006, a compound annual growth rate of 10.6%. We believe that government spending will continue to increase due to several trends:

Increasing U.S. Department of Defense budgets. The Department of Defense is the largest purchaser of information technology and technical services in the federal government. The federal government is projected to increase spending on defense-related programs from $291.0 billion in 2001 to $400.0 billion in 2003, a compound annual growth rate of 17.2%. Within this expanding market, there are several notable trends affecting information technology and technical services providers:

- Command, Control, Communication, Computers and Intelligence (C4I).

According to Frost & Sullivan, the federal government spends approximately $11.3 billion annually on advanced systems and communications for C4I-related activities. We believe that spending on
advanced command and control architectures will increase as the Department of Defense seeks to use information technology to increase combat power, improve battle management and enhance communications and systems interoperability.

Intelligence Spending. The U.S. intelligence community is comprised of 13 federal agencies and organizations responsible for the collection, analysis and dissemination of strategic and tactical intelligence information. Information on the intelligence community is available from the government's website at www.odci.gov/ic. The budget for the intelligence community is coordinated under the Director of Central Intelligence and the Secretary of Defense. The intelligence community budget has traditionally been classified for national security reasons, but figures released to the public for the fiscal years 1997 and 1998 indicated annual budgets in excess of $26.0 billion. While budget numbers for subsequent years have not been released, the proposed federal budget increase of $40.0 billion in emergency funding approved in the aftermath of September 11, 2001, designates new funding for the intelligence community and Department of Defense to address uniform critical infrastructure protection and information assurance.

Homeland Defense Programs. The Pentagon has stated that the military's most urgent priority is to defend the United States from external attack, including cyber-assaults and bioterrorism. To accomplish this mission, we believe the federal government will rely heavily on cooperative and coordinated information systems, technologies and technical services. According to the Government Electronics and Information Technology Association, federal spending on information assurance initiatives is expected to increase from $2.7 billion in 2000 to $6.7 billion in 2005, a compound annual growth rate of approximately 19.9%.

Increasing adoption of commercialized procurement methods in the federal government. Recent changes in procurement legislation have incorporated commercial buying techniques into the government's source selection process. These changes have resulted in reduced supplier selection time and have facilitated "best value" contracting, which considers qualitative selection criteria, such as past performance and technical approach. Other changes allow government technology service providers to attain pre-approved status and gain the opportunity to market their services to federal government customers through contracts with established pricing metrics, such as GSA schedule contracts. These contracts enable government agencies to transition from cost-plus contracts to time-and-materials and fixed-price contracts, which promotes increased efficiencies for federal government customers by incentivizing technology service providers to reduce costs.

Increasing reliance on technology service providers. Market researchers estimate that the federal government information technology outsourcing budget will grow from approximately $6.3 billion in 2001 to approximately $13.2 billion in 2006, a compound annual growth rate of approximately 15.9%, due to the government's need for cost-effective technologies and efficient services. The trend towards use of technology service providers is expected to accelerate in light of staffing challenges facing the government. The National Academy of Public Administrators estimates that approximately 50.0% of the federal government information technology workforce will be eligible to retire by 2006 and that there will be a shortage of technically skilled replacements. Given the difficulty the federal government has experienced in hiring and retaining skilled technology personnel in recent years, we believe the federal government will need to rely heavily on technology service providers that have experience with government legacy systems, can sustain mission-critical operations and have the required government security clearances to deploy qualified personnel in classified environments.

Increasing focus on modernizing information technology and communication infrastructures. Traditionally, the federal government has relied on proprietary legacy systems that were developed with programming and computer standards unique to the government. These legacy systems often are expensive to maintain, lack scalability and are incompatible with current technologies. Nevertheless, the government has a significant amount of money and resources invested in these legacy systems, many of which serve mission-critical
functions where even a minor failure can lead to substantial
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losses, including potential loss of life. The government therefore requires
technology service providers with domain expertise who can successfully
integrate and transition proprietary legacy systems to modern technologies.

Requirements for Government Technology Service Providers

We believe that government technology service providers face significant
challenges when providing services to the intelligence community and Department
of Defense. We believe they must:

. Provide and support comprehensive technology-based solutions;
. Demonstrate expertise in sustaining proprietary government legacy systems
to maintain mission-critical functionality, while integrating or
replacing them with modern systems and applications;
. Comply with strict personnel and facility security clearance requirements
for classified programs;
. Demonstrate domain expertise, a record of past performance and the
ability to successfully manage large and complex programs; and
. Have a strong management team with practical experience in managing
programs for the intelligence community and Department of Defense.

ManTech's Competitive Advantages

We believe we are well positioned to address the requirements of our
customers in the intelligence community and Department of Defense because we
possess the following key competitive advantages:

Comprehensive technology solutions provider. We offer comprehensive systems
life-cycle support, through which we design, develop, procure, implement,
operate, test and maintain sophisticated communication and information
technology systems and infrastructures. Our ability to provide this broad array
of capabilities affords us opportunities to expand our business with existing
customers and to develop relationships with new customers. By offering domain
expertise in customers' systems and infrastructures, we are able to identify,
develop, implement and deploy solutions to support our customers'
mission-critical and enterprise systems.

Extensive experience with government legacy systems. Our expertise with
legacy systems migration, integration, optimization and maintenance enables us
to sustain, modernize, maximize and protect our government customers' investments in systems and infrastructures. For over 30 years, we have worked with a variety of legacy information technology systems and programming languages that are proprietary to our customers in the intelligence community and Department of Defense, and we have gained extensive domain expertise through our on-site presence at government facilities. With this background, we can transition a customer's legacy systems to, or integrate them with, new commercial technologies and web-enabled customized applications, enhancing the interoperability and accessibility of critical enterprise data.

Employees with security clearances. We are able to satisfy the strict
security clearance requirements for personnel who work on classified programs
for the intelligence community and Department of Defense. More than 1,700 of
our approximately 3,500 employees have government security clearances.
Approximately 1,100 of these employees hold Top Secret security clearances,
including more than 600 employees who have access to Sensitive Compartmented
Information. These employees have already completed the lengthy process
necessary to obtain a security clearance, which requires a candidate to be
ponsored by the government for a particular purpose, entails extensive
background investigations that typically take between six months to a year and,
for restricted access clearance, may require successful completion of polygraph
testing. We also maintain facility clearances as required to support classified programs.

Proven track record of providing services to the federal government. We have a successful track record of fulfilling our customer needs as demonstrated by our long-term relationships with many of our largest customers. We have supported technical services programs for the Navy for over 30 years, intelligence activities for the Army for over 20 years and security programs for the Department of State for over 15 years. For example, since 1981 we have provided services under five successive competitively awarded contracts in support of the Naval Aviation Logistics Command Management Information System.

Experienced management team. Our executives and advisory board members provide us extensive experience supporting the intelligence community and Department of Defense. Many of our executives and advisory board members have long tenures in the government marketplace, and several are former senior military officers or intelligence agency executives. With their knowledge, valued relationships and reputations, our management plays a key role in building and sustaining our customer base.

ManTech's Growth Strategy

Our objective is to profitably grow our business as a premier provider of comprehensive information technology and technical services solutions to the federal government market. Our strategies for achieving this objective include:

Expand Our Customer Base. We intend to capitalize on our long-term relationships with our customers and our reputation within the intelligence community and Department of Defense to attract new customers and to cross-sell our broad array of solutions to our existing customers. We intend to pursue these opportunities by hiring key personnel with targeted domain expertise and by pursuing strategic acquisitions. Because our personnel are on-site with or working in close proximity to our customers, we develop close relationships with them and are often able to enhance our customers' operations by rapidly identifying and developing solutions for customer-specific requirements.

Increase Contract Profitability. We intend to continue increasing our profitability by pursuing contracts that require higher value-added solutions and by transitioning our services to more efficient and flexible contract vehicles, such as GSA schedule contracts. We leverage our customer relationships and our existing core competencies to identify and pursue service offerings where we can obtain improved margins by delivering higher value-added solutions. In addition, we have promoted our customers' use of flexible contract vehicles, such as GSA schedule contracts, as a quick, efficient way to engage our services. These procurement methods benefit our federal government customers by providing them competitively priced services without the cost and delay of the government's traditional formal proposal and bid process and by incentivizing us to provide our services on a more cost-efficient basis. If we achieve cost efficiencies through effective management of these contracts, we can increase our profitability. Under GSA schedule contracts, we can also proactively market our advanced technology solutions to our federal government customers.

Target High Growth Segments of the Market. We believe the projected growth in government information technology and technical services spending will offer opportunities for development and delivery of advanced technology solutions for enterprise applications and information systems. We intend to expand our service offerings in high growth program areas. In particular, we intend to focus on providing new or improved solutions in critical infrastructure protection and information assurance, including cybersecurity and homeland defense programs, and other secure systems and infrastructure solutions to the intelligence community, Department of Defense and other civilian agencies. For example, our staffing levels in support of the Department of State’s critical infrastructure and information assurance functions increased from approximately 100 to 450 personnel since 1998.

Attract and Retain Highly Skilled Personnel. We intend to continue to attract and retain skilled professionals, including engineers, scientists, analysts, technicians and support specialists, to ensure we have the capabilities to fulfill our customers' requirements. We target candidates who have served in the military or as civilian experts in the intelligence
community and Department of Defense. We believe we can continue to retain our employees by offering competitive compensation and incentive plans, opportunities for career growth through company-supported education programs and diverse, challenging assignments at over 160 locations worldwide.

Pursue Strategic Acquisitions. We plan to enhance our internal growth by selectively pursuing strategic acquisitions of businesses that can cost-effectively broaden our domain expertise and service offerings and allow us to establish relationships with new customers. We are primarily focused on acquiring businesses that provide value-added solutions for the intelligence community and Department of Defense but will also consider opportunities to acquire other businesses where we can leverage our reputation and experienced management team.

ManTech's Services

We deliver comprehensive information technology and technical services solutions for mission-critical, enterprise information technology and communication systems through three principal areas of expertise, which are offered separately or in combination across our customer base:

Secure Systems and Infrastructure Solutions

We provide a broad range of solutions to enhance systems and network availability and mission-critical performance of our customers' hardware, software, computer, network and telecommunication assets, including:

Intelligence Operations. We provide services for strategic and tactical intelligence systems, networks and facilities in support of the intelligence community and Department of Defense. To support classified systems and facilities designed to collect, analyze, process and report on signals intelligence, we develop and integrate advanced, signal processing systems and new signal processing techniques. Our intelligence-related services also include the design, rapid development and prototyping, integration and management of real-time signal processing systems. For example, when an adversary implements a new communication technique or protocol, we provide rapid prototyping and re-engineering services, which enable our customers in the intelligence community to decipher and exploit the communications.

Communication systems and infrastructure support. We design, develop, modify and maintain secure communication systems and network infrastructures. This process involves evaluating industry standards, systems architectures and applications in order to recommend and develop technology solutions and integrate them into a customer's secure communication systems. We also procure, install and test new voice, data and video communication systems. For example, we provided a comprehensive communication network infrastructure and systems solution in relocating, re-establishing and upgrading a major military command headquarters from Panama to Miami, Florida. We integrated the customer's classified and unclassified information processing and telecommunication network without disruption to the command mission.

Safeguarding critical infrastructures. We identify potential foreign and domestic threats, including terrorism, to quantify exposure to the threats and recommend prudent countermeasures. Our capabilities include threat definition and modeling, vulnerability identification, adversary characterization, lethal force defense analysis, security life-cycle planning and management, physical and cyber countermeasure optimization techniques and operations security assessments. For example, to assist the Department of State in addressing the requirements of Presidential Decision Directive 63, which requires all government agencies to identify and safeguard critical infrastructures from all forms of threats, we provide on-going support in the department-wide vulnerability assessments of their critical infrastructure and resources and perform worldwide network management and other integrated security services.

Information assurance. We provide comprehensive information assurance programs that assess and implement integrated physical, technical, operations, personnel, computer and communication security requirements, including disaster recovery assessment. Our services include systems security architecture development, test and evaluation, certification and accreditation support and compliance audits and inspections. We offer information assurance support for both classified and unclassified systems. For example, for the Department of
State, we design and implement networks and host-based intrusion detection programs that are compatible with their evolving virtual private network architecture.

Information Technology Solutions

We provide a broad range of information technology solutions to our customers, including:

Systems integration services. We perform comprehensive systems integration of hardware and software components using commercial products and our customers' proprietary software and legacy applications for our government and commercial customers. We analyze customer information systems, applications and platforms and develop solutions to sustain or extend systems performance and availability. For example, as a subcontractor on the Navy-Marine Corps Intranet program, we are transitioning legacy software applications to a standardized, end-to-end systems infrastructure for voice, video and data. This includes support of over 10,000 critical legacy business applications serving 350,000 Navy personnel, which must be migrated to the new program architecture. We also develop and provide specialized training programs for information systems, including interactive electronic training and technical manuals and enterprise-wide distance learning programs. We are working with the Internal Revenue Service's General Business Institute to design, develop and implement a web-based training management and delivery solution that provides access to more than 100 training courses via their intranet or the Internet.

In addition, we perform database conversion and application migration services for our customers. For example, we developed a software tool that enhances our database conversion and application migration services. This solution automates the database conversion process to enable better, faster and less expensive conversions and migrations.

Enterprise application solutions. We design, develop, implement, test, maintain and web-enable software applications for our customers' information systems and network infrastructures. We provide comprehensive e-commerce services, including web development efforts that focus on designing and maintaining scalable, interoperable, reliable and portable end-to-end information management solutions. Our e-commerce services also include global web-based collaboration, electronic cataloging, automated document imaging and business process re-engineering. For example, as part of our business process re-engineering services, we are working with the Office of the Secretary of Defense to develop industry-wide electronic data interchange standards.

We design, develop and implement electronic data interchange solutions, which enable different entities to communicate and execute orders and transactions electronically. For example, we developed an electronic data interchange solution for the Defense Commissary Agency, which operates over 370 commissaries worldwide. We also currently provide a web-based integrated solution for managing millions of vital records that document birth, death, marriage and divorce for several state and local governments.

Our information technology solutions allow end-users insight into and control over supply chain management. We have developed and implemented logistics management information systems for the Navy for more than 20 years, including the sophisticated Naval Aviation Logistics Command Management Information System application, which is used on every ship in the Navy and at over 450 shore facilities. We have also expanded our services for the Navy in this area so that we now develop, maintain and provide continuous systems process improvements for 19 other information systems as part of the Navy Tactical Command Support System, which automates numerous logistics functions. Applications we designed for the Navy have been adopted for use by other agencies, including the Marine Corps, the White House Communications Agency and three NASA centers.

Systems/network maintenance services. We have extensive experience in maintaining a wide range of information management resources for our customers. We perform comprehensive systems administration, including 24x7 support for continuous mission operations. For example, for the Army, we provide systems administration and help desk functions at a domestic location for a command and management system, as well as help desk functions in an overseas remote location that supports 1,500 users. For this customer, we also provide on-site
support for the command and management system workstations and networks located throughout countries in Central and South America.

Systems Engineering Solutions

We offer our customers a broad range of systems engineering solutions, including:

- Systems engineering services. We perform comprehensive systems engineering services to analyze and develop solutions for customer hardware and software requirements. We also evaluate existing systems designs to determine if performance enhancements or cost savings can be derived through the integration of current technologies. For more than 15 years, we have provided a broad range of systems engineering services to analyze acoustic data requirements and develop instrumentation to assist the Navy in maintaining or increasing the acoustical advantages of U.S. submarines. As part of these services, we have developed a wide range of hull-mounted and towed array sonar systems and acoustic measurement systems. We also provide systems engineering and technical services that support the design and installation of communication, intelligence, electronic warfare and information systems aboard Navy and Coast Guard ships and at shore-based facilities.

- Testing and evaluation. For the past three decades, we have tested complex and mission-critical hardware and software systems used by the Army, Navy and NASA. We have played key roles in improving the performance, reliability, maintainability, supportability and weapons effectiveness of in-service rotary and fixed wing platforms, including the F/A-18E/F Super Hornet, and their associated ordnance. We are participating in development of plans for testing and evaluating the Joint Strike Fighter. We also perform submarine and surface ship acoustical trials to evaluate stealth abilities and to maintain the acoustical credibility of U.S. submarines. We have performed acoustic testing for every operational class of Navy combat vessel, both surface and submarine, in use today.

Through our work at NASA's Goddard Space Flight Center, our space payload test and integration services have supported every in-house earth orbit program since 1971. We conduct a broad range of tests, including structural, acoustics, vibration, space simulation and electromagnetic tests, to certify that all flight hardware can withstand the extreme conditions of space flight. We have won recognition within both Goddard and the NASA community for our test, integration, transportation and launch site support of the Hubble Space Telescope repair and servicing missions. For example, we received the Goddard Contractor Excellence Award for 2000.

- We also design, manufacture and produce automated test technology for military and commercial customers. For example, we are the prime contractor for the U.S. Marine Corps Third Echelon Test System, a mobile testing platform that is designed to provide electronic repair support on the front lines of the battlefield.

- Our services also include our environmental science, toxicology and ecology research and development services for the EPA, including assessing the human health impacts of a wide variety of air and waterborne contaminants, monitoring and predicting exposures, understanding exposure routes in the event of a release of chemicals or biological agents and modeling migration strategies to predict the movement of airborne and waterborne contaminants. In response to the September 11, 2001 terrorist attacks, we were asked by the EPA's National Exposure Research Laboratory to assemble and calibrate equipment for monitoring pollutants released around the collapsed World Trade Center complex. In less than 48 hours, we defined monitoring needs and configured equipment in a mobile laboratory that was delivered to the World Trade Center site to collect and evaluate samples of contaminants.

- Independent validation and verification. We perform tests to certify that new systems or upgraded systems operate in accordance with their design requirements. For example, we have performed certification services for aircraft weapon systems in support of U.S. Naval Air Systems Command programs.

ManTech's Customers
Our customers include U.S. federal government intelligence, military, and civilian agencies and other state and local governments and commercial customers. We have successful long-standing relationships with our customers, having supported many of them for 15 to 30 years. Representative customers include:

- Intelligence and Department of Defense Customers
  - Office of the Secretary of Defense
  - U.S. Army, Navy, Air Force and Marine Corps
  - Multiple Intelligence and Classified Agencies
  - Department of State
  - Defense Information Systems Agency
  - Defense Logistics Agency
  - Defense Commissary Agency
  - Joint Interoperability Test Command

- Civilian Agencies or Departments
  - Department of Energy
  - Department of Justice
  - National Aeronautics and Space Administration
  - Environmental Protection Agency
  - Internal Revenue Service
  - National Institutes of Health, including the National Cancer Institute

Our revenues derived from our federal government customers, consisting primarily of customers in the intelligence community and Department of Defense, accounted for approximately 95.8% of our revenues for the nine months ended September 30, 2001, and approximately 96.1%, 96.0% and 97.1% of our revenues for 2000, 1999 and 1998, respectively. Our federal government customers typically exercise independent contracting authority, and even offices or divisions within an agency or department may directly, or through a prime contractor, use our services as a separate customer so long as that customer has independent decision-making and contracting authority within its organization. For example, under a blanket purchasing agreement with one of the Army's contracting agencies, program managers throughout the Army and from other services and defense agencies are able to purchase a wide range of our solutions. Even though task orders under this agreement together accounted for 12.5% of our revenues for the nine months ended September 30, 2001, no one task order represented more than 4.7% of our revenues during that period.

For 2000 and the nine months ended September 30, 2001, we derived 7.8% and 8.4%, respectively, of our revenues through relationships with prime contractors, who contract directly with the customer and subcontract to us. For 2000, we derived 98.7% and 1.3% of our revenues from services provided in the United States and abroad, respectively. For the nine months ended September 30, 2001, we derived 98.4% and 1.6% of our revenues from services provided in the United States and abroad, respectively.

Representative Customer Solutions

The following case studies represent the comprehensive information technology and technical services solutions that we provide to our customers.

Intelligence-Related Support

Task Objective: Establish and operate strategic and tactical intelligence systems, networks and facilities in classified environments to support our customers' worldwide intelligence-related operations.

Solution: For over 20 years, we have supported a broad range of strategic programs for classified agency customers to enhance signals intelligence systems and infrastructure.
availability and mission-critical functionality. We design, develop, monitor, maintain and upgrade designated site hardware, software, network and telecommunication assets to support continuous operations. We have consistently achieved required systems availability levels while accommodating a broad range of new technology integration initiatives for our customers’ legacy systems.

For U.S. Army intelligence customers, we currently operate four centers in the United States, one in Germany and one in South Korea to support intelligence, electronic warfare and other systems. These centers must be able to adapt and expand to support a wide range of electronic maintenance or logistics support missions. We perform broad maintenance, logistical and administrative services, including systems and network troubleshooting, maintenance and repair, and installation, integration and testing of electronic, electrical and mechanical equipment designed for vehicular, airborne and portable platforms. We also provide dedicated or on-call support on a 24x7 basis for designated systems during exercise and active deployments.

U.S. Department of State Critical Infrastructure Protection Services

Task Objective: Establish program to support the Department of State's electronic and physical security systems, network intrusion detection systems, and classified communications programs at worldwide embassies and posts.

Solution: We are the primary technology service provider responsible for upgrading all electronic physical security infrastructure at more than 250 U.S. embassies and posts worldwide. This infrastructure includes perimeter surveillance, closed-circuit television, intrusion detection, access control and fire suppression systems. We continually evaluate emerging security technologies for suitability and possible integration into Department of State facilities.

We also assess and test commercial off-the-shelf cyber intrusion detection products to meet the requirements of each location. We test each product in our secure laboratory prior to deployment. We recently designed and implemented a network and PC-based intrusion detection program compatible with the evolving virtual private network architecture serving the Department of State and the foreign affairs community.

We also provide incident handling support and develop procedures for coordinating espionage investigations.

For one of the Secretary of State's highest information technology priorities, we support the development of a secure global network and infrastructure for 190 foreign service post installations worldwide. We build, test and integrate equipment into approved solution configurations, which are shipped overseas and installed in the posts. Based on the customer's connectivity requirements, the solutions we provide range from simple secure dial-up to a more complex secure NT local area network providing classified message and e-mail delivery. To date, we have successfully installed classified Windows NT-based local area network solutions at 52 posts.

We have recently been tasked to provide Internet access worldwide at each department desktop within a secure infrastructure. We are developing a segmented architecture that identifies how security functionality can be implemented on local and wide area networks and host resources.

U.S. Southern Command Headquarters Services
Establish and maintain C4I information management processing capabilities for the headquarters of the U.S. Southern Command in Miami, Florida.

We were the C4I systems integration contractor for the relocation of the headquarters of the U.S. Southern Command from Panama to Miami, Florida. We designed and delivered a comprehensive integrated communications solution for the new facility that enhanced the overall information management capabilities of the command. We designed secure and non-secure local area networks for the new facility and migrated all military information processing and communication networks and commercial telecommunication services into a state-of-the-art, commercial off-the-shelf enterprise solution. We completed this $35 million program within 18 months, on-time, within budget and without any interruption of mission operations.

Since the relocation, we have provided comprehensive services in support of the U.S. Southern Command facility to maintain and administer all automated information systems and networks. Our personnel perform:

- Hardware and software maintenance services for all headquarters systems, including web and software development;
- Multimedia services and video teleconferencing operations;
- Systems administration, help desk services and network systems management on classified and unclassified networks; and
- Technology upgrade integration to meet continuously changing user requirements.

Establish capability to support the Defense Commissary Agency business enterprise systems infrastructure, which consists of over 370 commissaries worldwide that service millions of customers each year.

Since 1995, we have worked with the agency to conduct detailed analyses of current and future agency business requirements and to recommend integration of new commercially available software and hardware products for large-scale upgrades to the agency's legacy systems. Recently, we developed the agency's first executive decision support system that automates many of the accounting functions performed at the individual commissaries and provides a tool for region and zone managers to effectively monitor their assigned stores. We also developed and implemented a web-based electronic data interchange interface that facilitates wholesale point-of-sale capability and allows small grocery vendors to submit product prices directly to the agency. It also provides real-time tracking of all consumer product prices and an on-line payment system. We deployed the solution to all of the agency's regional headquarters and stores in the United States. We believe our solutions played a key role in the agency winning the award for the Best Electronic Commerce Team in the Department of Defense in 1999.

Develop an integrated suite of applications to support mission-critical functions for a widely dispersed user.
population in the Naval aviation community.

Solution: Since 1981, we have been the prime contractor for development, implementation and systems life-cycle support of major applications that comprise the Navy Tactical Command Support System. This sophisticated logistics management information system now consists of 19 applications ranging from stand-alone desktops to web-enabled applications that facilitate management of the information, personnel, material and funds required to maintain and operate surface ships, submarines, aircraft and shore commands. At least one of the 19 systems applications is used aboard every ship in the Navy, in every Navy and Marine Corps aviation organizational maintenance activity and intermediate maintenance activity, by Marine Corps ground combat forces, and by more than 450 shore-based organizations worldwide. Our recent improvements to legacy applications include the integration of new technologies such as automated identification technology for component tracking, two-way data replication to facilitate information exchange among commands and development of interfaces with new tools such as smart cards and portable handheld electronic devices. After re-engineering and modernizing legacy systems, we are managing orderly, phased user migrations from legacy systems to the new optimized systems.

Joint Interoperability Test Command Support Services

Task Objective: Support the Joint Interoperability Test Command in conducting interoperability and certification testing of new or upgraded C4I systems and information exchange standards in the command's verification and interoperability facility.

Solution: For the past 18 years, we have supported a wide range of interoperability, certification and standards conformance testing on tactical and strategic assets in support of all military systems and operations. Our services include comprehensive systems integration support during test and certification processes. We develop test plans and procedures, conduct tests and document test results on the interoperability of all C4I systems. We have developed and implemented networks; performed software development; and provided facility support, including help desk support for the command's 600-user local area network.

We designed, installed, and operate a $65 million Joint Interoperability Testbed and the Network Interoperability Testing Laboratory, consisting of tactical equipment from the various military services interconnected through a distributed test network. This virtual test network is quickly reconfigurable to replicate operational networks and permits the interconnection and testing of equipment and networks anywhere in the world. We also support the Joint Logistics Warfighter Initiative designed to improve military readiness by improving the responsiveness of multiple logistics systems of different military branches by integrating current technologies and business process improvements. We deploy with the command during military exercises and contingency operations and have supported 53 operations globally since 1991.

Backlog and GSA Schedule Contract Value

At September 30, 2001, our backlog was $765.0 million, of which $228.6 million was funded backlog. In addition, we estimate our GSA schedule contract value at September 30, 2001 was $1,051.8 million. Backlog, funded backlog and GSA schedule contract value represent estimates that we calculate on the bases described below. We expect that more than 93.5% of our funded backlog at September 30, 2001 will be recognized as revenues prior to September 30, 2002.
We define backlog as our estimate of the remaining future revenues from existing signed contracts, assuming the exercise of all options relating to such contracts and including executed task orders issued under GSA schedule contracts. This includes an estimate of revenues for solutions that we believe we will be asked to provide in the future under the terms of executed multiple-award contracts in which we are not the sole provider, meaning that the customer could turn to companies other than us to fulfill the contract. It also includes an estimate of revenues from indefinite delivery, indefinite quantity contracts, which specify a maximum, but only a token minimum, amount of goods or services that may be provided under the contract. Backlog does not include the value for contracts where we have been given permission by the customer to begin or continue working, but where a formal contract or contract extension has not yet been signed.

We define funded backlog to be the portion of backlog for which funding currently is appropriated and allocated to the contract by the purchasing agency or otherwise authorized for payment by the customer upon completion of a specified portion of work. Our funded backlog does not include the full value of our contracts, because Congress often appropriates funds for a particular program or contract on a yearly or quarterly basis, even though the contract may call for performance that is expected to take a number of years.

At September 30, 2001, our backlog included $293.2 million of revenues for solutions pursuant to task orders that have been executed under GSA schedule contracts, of which $119.0 million was included in funded backlog. The amount of our revenues generated under GSA schedule contracts has increased in recent years. Specifically, for the years ended December 31, 1998, 1999, and 2000, funded awards under GSA schedule contracts were $35.1 million, $102.5 million and $135.2 million, respectively, and for the nine months ended September 30, 2001, funded awards under GSA schedule contracts were $136.1 million. We believe that potential GSA schedule contract revenues are not fully reflected in traditional backlog calculations because, as described below, while GSA schedule contracts provide our customers with the flexibility to obtain our solutions through a streamlined procurement process, they do not provide for fixed, minimum or maximum purchase commitments. Therefore, we have developed a method of calculating GSA schedule contract value that we use to evaluate estimates for the amount of revenues that we may receive under our GSA schedule contracts. For these purposes, we determine GSA schedule contract value by multiplying the average monthly amount of funded work that we have been awarded under each of our GSA schedule contracts over the past nine months, by the number of months remaining in the term of those contracts, including under existing options, except that we do not take into account remaining contract terms of more than 72 months. Under this method, our GSA schedule contract value as of September 30, 2001 was approximately $1,051.8 million. Beginning in January 2002, we intend to calculate GSA schedule contract value by multiplying the average monthly amount of funded work that we have been awarded under each of our GSA schedule contracts over the preceding twelve months by the number of months remaining in the term of those contracts, including under existing options, except that we do not take into account remaining contract terms of more than 72 months.

GSA schedule contracts are government-wide acquisition contracts negotiated and awarded by the General Services Administration and effectively act as fixed-price or time-and-materials contracts which government agencies may, but are not required to, use to purchase professional services and information technology products at predetermined ceiling prices, terms and conditions. Many of our customers are authorized to use GSA schedule contracts through blanket purchase agreements, which operate similarly to GSA schedule contracts by permitting one or more federal agencies to purchase professional services or products from technology service providers at predetermined prices, terms and conditions. GSA schedule contracts are master agreements that do not, by themselves, authorize the delivery of services or products. Therefore, even though we have been awarded a GSA schedule contract or blanket purchase agreement, we often must actively solicit post-award sales, and it remains difficult for us to estimate the amount of work, if any, we will obtain under the contract.

GSA schedule contracts benefit our federal government customers in a number
of ways. First, they provide customers a streamlined means to competitively obtain professional services and technology products, allowing for a more efficient and timely procurement process. Second, because we must actively promote our services and technology to obtain work under these types of agreements, the customer benefits from continued competition. Third, as with fixed-price or time-and-materials contracts, GSA schedule contracts shift the risks of cost overruns to the technology service provider and promote effective contract management and cost-efficiencies by allowing the technology service provider to receive the benefit of cost savings that it generates. Although we must compete for or solicit individual task orders under GSA schedule contracts, we have found that they can benefit companies such as ours which can respond quickly to emerging customer requirements and can manage contract performance efficiently. Finally, as with traditional fixed-price contracts, GSA schedule contracts involve greater financial risk but we believe offer opportunities for higher profitability because we bear the impact of cost overruns and receive the benefit of cost savings.

Changes in the amount of our backlog, funded backlog and GSA schedule contracts value result from potential future revenues from the execution of new contracts or the extension of existing contracts, reductions from contracts that end or are not renewed, reductions from the early termination of contracts, and adjustments to estimates of previously included contracts. Changes in the amount of our funded backlog and GSA schedule contract value also are affected by the funding cycles of the government. These estimates of future revenues are necessarily inexact and the receipt and timing of any of these revenues is subject to various contingencies, many of which are beyond our control. The actual accrual of revenues on programs included in backlog, funded backlog and GSA schedule contract value may never occur or may change because a program schedule could change or the program could be canceled, a contract could be modified or canceled, an option that we have assumed would be exercised is not exercised or initial estimates regarding the level of solutions that we may provide could prove to be wrong. For the same reason, we believe that period-to-period comparisons of backlog, funded backlog and GSA schedule contract value are not necessarily indicative of future revenues that we may receive.

Sales and Marketing

We market our solutions through the valuable relationships of our senior management, advisory board and business development staff. We also seek to leverage existing customer relationships and respond to competitive solicitations.

We employ a team-selling approach, where our senior management, business development staff and our program managers collaborate in identifying and developing business opportunities. With this approach, we are able to assess opportunities quickly, drawing on the experience and perspective of senior personnel across the company, including those working in close proximity with our customers. We have also established a formal process for making bid/no-bid decisions and use automated resources to track the status of each bid opportunity. We have effectively used GSA schedule contracts to respond quickly to emerging customer requirements.

To supplement or complement our core competencies, we have teaming relationships to work together on contracts with various industry partners, such as Computer Sciences Corporation, Electronic Data Systems Corporation and TRW Inc. While we are the prime contractor on substantially all of our contracts, we serve as subcontractor when teaming in that manner furthers our goals of expanding our customer base or pursuing high growth markets. Similarly, in some cases, we establish joint ventures with other companies in order to present the best value solution or proposal, particularly when we seek to enter new markets.

Employees

As of October 31, 2001, we had 3,539 employees, including 1,758 employees with government security clearances. Of these employees, 1,100 employees hold Top Secret security clearances, including 613 employees who have access to Sensitive Compartmented Information. Our employees with security clearances
have already completed the lengthy process necessary to obtain the clearance. This process typically requires a candidate to be sponsored by the government with respect to a particular requirement, entails extensive background investigations that typically take from six months to a year and, for the most restricted access, may require successful completion of polygraph testing.

Over 3,150 of our employees are technical and service professionals and managers, and over 350 are in administrative or executive functions. Approximately 185 of our employees, all of whom are located at NASA's Goddard Space Flight Center, are represented by the International Brotherhood of Electrical Workers union under a collective bargaining agreement which is due to expire in June 1, 2005. We have not experienced any work stoppage or strike by these employees.

We believe we are successful in retaining our employees by offering competitive salary structures, attractive incentive compensation and benefits programs, career growth opportunities, flexible work assignments and the opportunity to perform mission-critical services, often in classified environments. Our current employees are offered an opportunity to respond to new job opportunities before we pursue external recruiting. We consider our relations with employees to be good.

Competition

We believe that the major competitive factors in our market are distinctive technical competencies, security clearances, price of services, successful past contract performance, reputation for quality and key management with domain expertise. Our key competitors currently include divisions of large defense contractors, such as BAE SYSTEMS, plc, Lockheed Martin Corporation, Northrop Grumman Corporation, Raytheon Company and TRW Inc., as well as information technology service companies, such as Affiliated Computer Systems, Inc., Booz Allen & Hamilton, CACI International, Inc., Computer Sciences Corporation, DynCorp, Electronic Data Systems Corporation, Science Applications International Corporation, Titan Corporation and Veridian Corporation.

Intellectual Property

Our solutions are not generally dependent upon patent protection. We routinely enter into confidentiality and non-disclosure agreements with our employees to protect our trade secrets. Our rights in intellectual property that we develop depend in part on the degree to which the intellectual property is developed with our private funds, rather than with funds of the federal government. Our federal government contracts routinely provide that we may retain ownership rights in works of authorship and inventions developed during the performance of those contracts. However, the rights granted to the federal government are, from time to time, a source of negotiation, and typically include the right of the federal government to use and share our intellectual property with other government contractors, making it impossible for us to prevent their non-exclusive use of our intellectual property. Our ability to protect our rights in intellectual property developed or delivered under government contracts also is dependent upon our compliance with applicable federal procurement statutes and regulations. There can be no assurance that the steps we take to protect our intellectual property will be adequate to deter misappropriation or to prevent use by others of our intellectual property.

Legal Proceedings

On July 29, 1999, Thomas Harris Corporation filed suit in state court in Rockwall County, Texas, against our environmental remediation subsidiary (which is among our businesses included in discontinued operations) and subcontractors to that subsidiary, alleging that our subsidiary or its subcontractors caused soil and groundwater contamination by improperly disposing of dry cleaning solvents, and seeking an unspecified amount of actual, consequential and punitive damages. We vigorously dispute and deny these allegations. Trial in this case has been set for April 22, 2002. While the ultimate outcome of litigation cannot be assured, if and to the extent that the damages alleged by the plaintiffs are ultimately determined to be our responsibility, we believe that we will be able to
recover a portion of the amount from our professional liability insurance, including fees for our attorneys, and that any amounts that we bear will not have a material adverse effect on our business, prospects, financial condition or operating results.

Like most large government defense contractors, our contract costs are audited and reviewed on a continual basis by an in-house staff of auditors from the Defense Contract Auditing Agency. In addition to these routine audits, we are subject from time to time to audits and investigations by other agencies of the federal government. These audits and investigations are conducted to determine if our performance and administration of our government contracts is compliant with contractual requirements and applicable federal statutes and regulations. An audit or investigation may result in a finding that our performance and administration is compliant or, alternatively, may result in the government initiating proceedings against us or our employees, including administrative proceedings seeking repayment of monies, suspension and/or debarment from doing business with the federal government or a particular agency, or civil or criminal proceedings seeking penalties and/or fines. Audits and investigations conducted by the federal government frequently span several years. Other than routine audits of our contract costs, we are not aware of any other government audits or investigations except as set forth below.

On August 17, 2001, we were served with a grand jury subpoena issued by the United States District Court for the Eastern District of Virginia. The U.S. Attorney's Office for the Eastern District of Virginia has advised us that the investigation relates to whether in various contexts we improperly charged certain costs to some of our government contracts. This investigation is in its preliminary stages and accordingly it is too early to tell whether the consequences of the investigation will have a material adverse effect on our business, prospects, financial condition or operating results. We are fully cooperating with the federal government's investigation of this matter.

We also are currently subject to an investigation by the Inspector General of the Department of State regarding our allocation of costs to a contract with the Department of State and an investigation by the Inspector General of the EPA regarding the number of hours we charged in the performance of a contract with the EPA. We do not believe that that the outcome of either of these investigations will have a material adverse effect on business, prospects, financial condition or operating results. We are cooperating with the federal government's investigation of both matters.

In addition to the foregoing, we are subject to certain other legal proceedings, claims and disputes which arise in the ordinary course of our business. Although we cannot predict the outcomes of these other legal proceedings, based on the information now available to us, we do not believe that the ultimate resolution of these matters, either individually or in the aggregate, will have a material adverse effect on our business, prospects, financial condition or operating results.

Facilities

Since 1992, we have leased our corporate headquarters office building in Fairfax, Virginia. We are in the fourth year of a ten-year lease on this facility. As of September 30, 2001, we leased 21 additional operating facilities throughout the metropolitan Washington, D.C. area and 63 facilities in other parts of the United States. We also have employees working at customer sites throughout the United States and in other countries. We believe that our facilities are adequate to support the normal course of business.

MANAGEMENT AND KEY EMPLOYEES

Directors and Executive Officers

The following table sets forth information concerning our directors and officers as of October 31, 2001.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
</table>

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George J. Pedersen -- Co-founder, Chairman of the Board of Directors, Chief Executive Officer and President. Mr. Pedersen, who co-founded ManTech in 1968, has served as Chairman of the Board of Directors since 1979, adding the positions of Chief Executive Officer and President in 1995. Mr. Pedersen has been a Director of GSE Systems, Inc., an affiliated software design and development company, since 1994 and an executive employee since 1999. Mr. Pedersen has served on the Board of Directors of GP Strategies Corporation, a workforce development company that provides training, management systems and engineering services, since 2001. Mr. Pedersen is Chairman of the Board of Directors of the Institute for Software Research, Inc., a not-for-profit corporation that performs research and advanced development of software and related technologies, including research for NASA. Mr. Pedersen also serves as a Director Emeritus of the Professional Services Council, a national association of technology services companies, and as a Director and Executive Committee member of the National Defense Industrial Association, a trade association for the defense industry.

John A. Moore, Jr. -- Executive Vice President, Chief Financial Officer, Treasurer and Director. Mr. Moore joined us in 1982 and has served as Chief Financial Officer since 1993 and Executive Vice President since 1997 and has been a Director of our company since 1994. Mr. Moore oversees our financial operations and our business development activities. Mr. Moore has been a Director of GSE Systems, Inc., since 1997 and an executive employee since 1999. Prior to joining us, Mr. Moore was a supervisory auditor for the Defense Contract Audit Agency, which is responsible for performing contract audits for the Department of Defense.

R. Evans Hineman -- Executive Vice President and Chief Science and Technology Officer, ManTech International Corporation; President, National Security Solutions Group. Mr. Hineman joined us in 2001. From 1999 to 2001, he served as Vice President for Intelligence of Litton Industries Inc.'s Information Systems Group. From 1989 to 1999, Mr. Hineman was an officer of TASC, Inc., a provider of information management and systems engineering solutions, serving as President from 1998 to 1999. From 1964 to 1989, Mr. Hineman worked for the Central Intelligence Agency, serving as Deputy Director for Science and Technology from 1982 to 1989. Prior to 1982, he held various other senior positions with the Central Intelligence Agency, including Director of Weapons Intelligence and Chairman of the Director of Central Intelligence's Weapon and Space Systems Intelligence Committee. Mr. Hineman was one of 50 recipients of the Trailblazer award on the 50th anniversary of the Central Intelligence Agency, and he was awarded the Central Intelligence Agency's Distinguished Intelligence Medal and the National Reconnaissance Office's Distinguished Service Medal.

Eugene C. Renzi -- Executive Vice President, ManTech International Corporation; President, ManTech Telecommunications and Information Systems Corporation (MTISC). Major General, U.S. Army (Ret.). Major General Renzi joined us in 1993 and since 1995 has served as President of MTISC. Prior to 1993, Major General Renzi served in the U.S. Army for more than 32 years, including as Director for Command, Control and Communications Systems for the U.S. Pacific Command from 1988 to 1990. Major General Renzi received numerous awards and decorations for his service in the U.S. Army, including the Defense Superior Service Medal, the Legion of Merit and the Joint Service Commendation Medal.
Jerry L. Unruh -- Senior Vice President, ManTech International Corporation; President, Systems Engineering Group. Vice Admiral, U.S. Navy (Ret.). Vice Admiral Unruh joined us in 1998 and since 1999 has served as President of ManTech Systems Engineering Corporation. From 1996 to 1998, Vice Admiral Unruh served as the President of the Association of Naval Aviation, a not-for-profit corporation that educates the public and national leaders about the role of naval aviation in national defense. Prior to that, Vice Admiral Unruh served in the U.S. Navy for over 37 years, including as Commander of the U.S. Third Fleet in the Pacific, Current Operations and Readiness Officer for the NATO Staff of Supreme Allied Commander Europe and held battlegroup, aircraft carrier and fighter squadron commands. Vice Admiral Unruh received numerous awards for his service in the U.S. Navy, including the Distinguished Service Medal, the Defense Superior Service Medal, the Legion of Merit and the Air Medal.

Bradley H. Feldmann -- Senior Vice President, ManTech International Corporation; President, Information Technology Group. Mr. Feldmann joined us in 2000. Mr. Feldmann served as the Senior Vice President and Chief Operating Officer of Comptek Research, Inc., a company supplying operational signal processing software for military systems that was acquired by Northrop Grumman Corporation in 2000. From 1989 to 1999, Mr. Feldmann worked for Cubic Defense Systems, Inc., a provider of combat training systems, where he served in various positions, including Senior Vice President and Chief Operating Officer. Prior to that, Mr. Feldmann served with the U.S. Air Force for five years and received two Meritorious Service Medals.

Michael D. Golden -- Director. Mr. Golden has been a Director of our company since 1995. He is a founding partner of the law firm of Golden & Nelson, PLLC, where he has practiced law since 1998, focusing on corporate and securities law. Prior to founding Golden & Nelson, PLLC, he was a partner at the law firm of Ginsburg, Feldman & Bress, Chtd. from 1996 to 1997, and prior to that, he was a partner at Verner, Liipfert, Bernhard, McPherson and Hand from 1991 to 1996.

Stephen W. Porter -- Director. Mr. Porter has been a Director of our company since 1991. Mr. Porter is a partner at the law firm of Arnold & Porter where he has practiced law since June 1993, focusing on real estate, tax and corporate law. Mr. Porter became a certified public accountant in 1961. Mr. Porter currently serves on the Board of Directors of the Greater Washington Board of Trade and the District of Columbia Chamber of Commerce. From 1992 to 1994, he served as a member of the Advisory Board of the Center for Strategic and International Studies, a non-partisan public policy institute.

Walter W. Vaughan -- Director. Mr. Vaughan has been a Director of our company since 1991. Mr. Vaughan has been self-employed as a consultant to us since 1990. From 1956 to 1989, Mr. Vaughan worked in the banking industry, serving most recently as an Executive Vice President of American Security Bank N.A. in Washington, D.C., and as the Vice Chairman of the bank's advisory board from 1983 to 1985. From 1986 to 1989, Mr. Vaughan served as Chief Agent for the Receiver for the Maryland Deposit Insurance Fund, for which he received a State of Maryland Governor's citation.

Advisory Board

Our advisory board, which is comprised of recognized leaders in the intelligence community and defense industry, assists us in identifying opportunities to provide our solutions to the federal government. Our advisory board consists of the following individuals as of October 31, 2001:

Richard J. Kerr (Age 66) -- Mr. Kerr has been Chairman of our Advisory Board since 1994. Mr. Kerr currently is a member of the President's Commission on Intelligence Reform. Since 1996, Mr. Kerr has served as President of the Security Affairs Support Association, an organization composed of government and industry members that is focused on national security policy. Prior to that, Mr. Kerr worked at the Central Intelligence Agency for 32 years, including serving as Deputy Director for Central Intelligence. Mr. Kerr formerly served as a member of the Scientific Advisory Board of the National Security Agency and the Board of Visitors of the Joint Military Intelligence College and is currently on the advisory boards of the Los Alamos National Laboratory and the Lawrence Livermore Laboratory. Mr. Kerr was awarded the
Citizens Medal, the second highest civilian award given by the President of the United States, and two National Intelligence Distinguished Service Medals and two Distinguished Intelligence Medals from the Central Intelligence Agency.

Dr. Roger L. Hagengruber (Age 59) -- Dr. Hagengruber has been a member of our Advisory Board since 1994. Dr. Hagengruber is the Senior Vice President for National Security at Sandia National Laboratories, a U.S. government research and development laboratory, where he has held a number of key positions since 1972. Dr. Hagengruber has extensive experience on issues involving arms control, satellite and sensor systems and national security. Dr. Hagengruber has served in a variety of government assignments, including four assignments as a member of various U.S. arms control negotiating teams. In 1979, Dr. Hagengruber was appointed the U.S. expert to an international forum on New Weapons of Mass Destruction.

Harley A. Hughes Lt. Gen., U.S. Air Force (Ret.) (Age 66) -- Lt. General Hughes has been a member of our Advisory Board since 1996. Lt. General Hughes is the Chairman of F & H One, Inc., where he has worked since 1997, and he is the President of USTAR, LLC, where he has worked since 1997, both privately held consulting firms. Prior to that, Lt. General Hughes served for 31 years in the U.S. Air Force, including as the U.S. Air Force Deputy Chief of Staff for plans and operations and the U.S. Air Force Operations Deputy, Joint Chiefs of Staff from 1985 to 1988. Lt. General Hughes received a Silver Star, the Distinguished Flying Cross, the Distinguished Service Medal, the Defense Superior Service Medal and the National Defense Service Medal.

David E. Jeremiah Admiral, U.S. Navy (Ret.) (Age 67) -- Admiral Jeremiah has been a member of our Advisory Board since 1994. From 1994 to the present, Admiral Jeremiah has served as President of Technology Strategies & Alliances Corporation, a strategic advisory and investment banking firm engaged primarily in the aerospace, defense, telecommunications and electronics industries. Prior to that, Admiral Jeremiah served in the U.S. Navy for more than 39 years, including as Vice Chairman, Joint Chiefs of Staff for Generals Colin L. Powell and John M. Shalikashvili from 1990 to 1994.

Admiral Jeremiah serves on the Board of Directors for Alliant Techsystems Inc., a manufacturer and developer of solid propulsion systems, on the board of the National Committee on U.S.-China Relations and on an advisory board for Northrop Grumman Corporation. Admiral Jeremiah also is a member of various government commissions, including a joint Defense Policy Board and Defense Science Board Task Force on Theater Missile Defense, the Commission to Assess U.S. National Security Space Management and Organization, the National Defense Panel on Department of Defense's Quadrennial Defense Review and a Defense Science Board Task Force on Human Resources.

Sir Colin McColl (Age 69) -- Sir Colin McColl has been a member of our Advisory Board since 1998. From 1994 to the present, Sir Colin McColl has been a consultant for Oxford Analytica, an international consulting firm, focusing on political and economic affairs, since 1994. Prior to that, Sir Colin McColl served in the British Secret Intelligence Service from 1988 until 1994. Sir Colin McColl is a Director of the Scottish-American Investment Trust and an advisory director of Campbell Lutyens, an international private equity firm. Sir Colin McColl is an honorable fellow for the Queen’s College, Oxford University.

Thomas C. Richards General, U.S. Air Force (Ret.) (Age 71) -- General Richards has been a member of our Advisory Board since 1994. From 1997 to the present, General Richards has been a member of the Center for Advanced Aviation System Development of the MITRE Corporation, a not-for-profit national technology resource corporation. From 1993 to 1997, General Richards was President and Chief Executive Officer of the National Security Industrial Association, a trade association for the defense industry. In 1992 and 1993, General Richards served as the Administrator of the Federal Aviation Administration, and prior to that served as an appointee of President George H. Bush to the Presidential Commission on Aviation Security and Terrorism. Prior to that, General Richards served in the U.S. Air Force for 33 years, including as Deputy Commander Chief of the U.S. European Command. General Richards is a member of the Federal Aviation Administration Future Planning Committee and the Air Force Senior Statesmen Program. General Richards received the Distinguished Service Medal, the Silver Star with Oak Leaf, the Legion of Merit with Oak
Leaf, the Distinguished Flying Cross, 18 Air Medals, the Bronze Star and the Purple Heart with Oak Leaf.

Board of Directors

Upon the closing of this offering, our board of directors will consist of five individuals. Our board of directors is elected annually, and each director holds office for a one-year term. Mr. Pedersen is, and will continue to be after the closing of this offering, the beneficial owner of a majority of the voting power of our common stock and will be able to unilaterally elect or remove directors.

Committees of our Board of Directors

Our board of directors has a compensation committee and, in connection with this offering, formed an audit committee. Our board of directors may from time to time establish other committees.

Audit Committee. Our audit committee is comprised of two non-employee directors, Mr. Golden and Mr. Vaughan. Following the closing of this offering, our audit committee will be comprised solely of independent directors within the meaning of Nasdaq listing rules. The primary responsibilities of the audit committee are to:

\- Oversee management's conduct of our financial reporting process and systems of internal accounting and financial control;
\- Monitor the independence and performance of our outside auditor;
\- Provide an avenue of communication among the outside auditor, management and our board of directors;
\- Make reports and recommendations to our board and our stockholders as necessary under the rules of the Securities and Exchange Commission or as otherwise within the scope of its functions; and
\- Oversee and, where appropriate report to our board on, our review of and response to any government audit, inquiry or investigation, as they determine to be appropriate.

Compensation Committee. Our board of directors has a compensation committee, which consists of three directors prior to the closing of this offering. Immediately after this offering, at least two directors on the compensation committee will be independent or outside directors, as determined with reference to the rules of the U.S. Securities and Exchange Commission and the Internal Revenue Code. The compensation committee will have the authority to recommend to the board or establish compensation for our directors and officers, to approve employee health and benefit plans and to administer our stock plans.

Compensation Committee Interlocks and Insider Participation. Prior to this offering, our compensation committee has been comprised of Mr. Vaughan as Chairman, Mr. Pedersen and Mr. Moore. Mr. Pedersen also serves as our Chairman, Chief Executive Officer and President. Mr. Moore also serves as our Executive Vice President, Chief Financial Officer, Treasurer and Director.

We have from time to time extended loans to our Chairman of the Board of Directors, Chief Executive Officer and President, George J. Pedersen. This indebtedness is represented by promissory notes executed by Mr. Pedersen, which bear interest at a rate of 8.0%. The largest aggregate amount outstanding since January 1, 1998, was $183,122. As of the date of this prospectus, the outstanding amount of indebtedness is $83,122.

In January 2000, our predecessor corporation, ManTech International Corporation (New Jersey), purchased 6,582 shares of its Class B common stock from Mr. John A. Moore, Jr., our Executive Vice President, Chief Financial Officer, Treasurer and Director, for an aggregate purchase price of $566,082.

Director Compensation

Prior to this offering, Messrs. Golden and Porter were paid annual
retainers of $25,000 for their service as directors and Mr. Vaughan was paid an annual retainer of $40,000 for service as a director and as chairman of our compensation committee. The remaining directors are employed by us and are not separately compensated for their service as directors. Following this offering, the compensation committee will from time to time establish compensation for the non-employee directors.

Executive Compensation

The following table shows the cash compensation and certain other compensation paid to or accrued by our Chief Executive Officer and our four most highly compensated executive officers, with whom we refer to collectively as our named executive officers, for 2000.

Summary Compensation Table

<table>
<thead>
<tr>
<th>Name and Principal Position(1)</th>
<th>Year</th>
<th>Salary</th>
<th>Bonus(2)</th>
<th>All Other Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>George J. Pedersen, Chairman of the Board of Directors, Chief Executive Officer and President</td>
<td>2000</td>
<td>$1,320,010</td>
<td>$500,000</td>
<td>$53,646 (4)</td>
</tr>
<tr>
<td>John A. Moore, Jr., Executive Vice President, Chief Financial Officer, Treasurer and Director</td>
<td>2000</td>
<td>495,019</td>
<td>350,000</td>
<td>--</td>
</tr>
<tr>
<td>Eugene C. Renzi, Executive Vice President</td>
<td>2000</td>
<td>437,507</td>
<td>150,000</td>
<td>--</td>
</tr>
<tr>
<td>William H. Ammann, Senior Vice President</td>
<td>2000</td>
<td>275,018</td>
<td>25,000</td>
<td>--</td>
</tr>
<tr>
<td>Timothy A. Hall, Senior Vice President(6)</td>
<td>2000</td>
<td>235,009</td>
<td>40,000</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) Our executive officers for 2001 are Mr. Pedersen, Mr. Moore, Mr. Hineman, Major General Renzi, Vice Admiral Unruh and Mr. Feldmann. Mr. Hineman is an Executive Vice President and was hired on August 20, 2001. Vice Admiral Unruh is a Senior Vice President and was hired on June 24, 1998. Mr. Feldmann is a Senior Vice President and was hired on December 4, 2000.

(2) Amounts shown in this column reflect bonuses earned in 2000 and paid in 2001.

(3) All Other Compensation consists of the following amounts: (a) matching contributions made to our 401(k) plan in the amount of $3,046 for Mr. Pedersen, $3,115 for Major General Renzi, $3,612 for Mr. Ammann and $850 for Mr. Hall; (b) contributions under our Employee Stock Ownership Plan in the amount of $1,700 each for Mr. Moore, Major General Renzi, Mr. Ammann and Mr. Hall; (c) payments for term life insurance in the amount of $21,229 for Mr. Pedersen, $2,061 for Mr. Moore, $19,922 for Major General Renzi, $2,103 for Mr. Ammann and $1,748 for Mr. Hall; (d) payment of a premium under a split dollar life insurance policy in the amount of $145,302 for Mr. Pedersen; and (e) contributions to supplemental executive retirement plans in the amount of $50,000 for Mr. Pedersen and $25,000 for Mr. Moore.

(4) Other Annual Compensation for Mr. Pedersen includes the portion of an employee's time spent on non-corporate matters, which amounted to $33,370 in 2000.

(5) Mr. Ammann resigned as Senior Vice President and President of MASI U.K. Limited, which is being divested as a discontinued operation, on August 25, 2001.

(6) Mr. Hall resigned as Senior Vice President and President of ManTech Environmental Corporation, which is being divested as a discontinued operation, and ManTech Environmental Technology, Inc. on July 21, 2001.

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Aggregated Option Exercises in 2000 and Year-End Option Values

The following table shows information about the value of unexercised options at the end of 2000. No shares were acquired on the exercise of stock options.
options by these individuals in 2000.

<table>
<thead>
<tr>
<th>Name</th>
<th>Exercisable</th>
<th>Unexercisable</th>
<th>Value of Unexercised In-the-Money Options at Year-End</th>
<th>Exercisable</th>
<th>Unexercisable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pedersen</td>
<td>--</td>
<td>--</td>
<td>$--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Moore...</td>
<td>9,789(1)</td>
<td>--</td>
<td>1,304,188(2)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Renzi...</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Ammann...</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Hall....</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) Exercisable for 9,789 shares of Class B common stock of our corporate predecessor, ManTech International Corporation (New Jersey).

(2) There was no public market for our Class B common stock at December 31, 2000. Amounts shown under the column "Value of Unexercised In-the-Money Options at Year-End" are based on an assumed fair market value of $160.69 per share at December 30, 2000 less the per share exercise price payable for these shares, multiplied by the number of shares underlying the option. This assumed fair market value does not necessarily represent the actual value of our common stock at December 31, 2000.

Retention Agreements

Prior to the closing of this offering, we expect to enter into employment retention agreements with George J. Pedersen and John A. Moore, Jr., and confidentiality and noncompete agreements with R. Evans Hineman, Eugene C. Renzi, Jerry L. Unruh and Bradley H. Feldmann.

2001 Management Incentive Plan

In 2001, the board of directors adopted and our stockholders approved our 2001 Management Incentive Plan. The plan is designed to enable us to attract, retain and motivate our directors, officers and other senior management and technical personnel, and to further align their interests with those of our stockholders, by providing for or increasing their proprietary interest in ManTech. The plan allows us to grant the following types of awards:

- Incentive stock options, which are intended to qualify under Section 422 of the Code;
- Non-qualified stock options, which are not intended to qualify as incentive stock options;
- Incentive bonuses, which represent the right to receive an amount paid in cash or Class A common stock based on satisfaction of performance criteria as specified by the compensation committee; and
- Incentive stock, which is an award or issuance of shares of Class A common stock, the grant, issuance, retention, vesting and/or transferability of which is conditioned upon satisfaction of criteria determined by the compensation committee.

No award may be granted pursuant to the plan after December 31, 2011. Any person who is a director, an employee or a prospective employee of ours or any of our subsidiaries is eligible to be selected as a recipient of an award under the plan. We intend to grant options to our executive officers and key employees exercisable for approximately shares of our Class A common stock at the initial public offering price. Class B common stock may not be issued under the plan.

The plan will be administered by the compensation committee of our board of directors, although the board of directors may exercise any authority of the
committee under the plan and the compensation committee may delegate its authority under the plan. Subject to the express provisions of the plan, the committee has broad authority to administer and interpret the plan, including the discretion, in each case not inconsistent with the plan, to:

. Determine the vesting schedule of options, the events causing an option to expire, the number of shares of our Class A common stock subject to any option, the restrictions on transferability of an option and other terms and conditions;

. Determine the terms of any incentive bonus, including the target and maximum amount payable to a participant as an incentive bonus, the performance criteria and level of achievement versus these criteria that determines the amount payable under an incentive bonus, the period as to which performance will be measured for determining the amount of any payment, the timing of any payment earned by virtue of performance, the dollar amount or number of shares subject to any incentive bonus, restrictions on the alienation or transfer of an incentive bonus prior to payment, forfeiture provisions and other terms and conditions; and

. Determine the terms of any incentive stock award, including the number of shares of Class A common stock subject to an incentive stock award or a formula for determining that number, the purchase price, if any, for the shares, the conditions that determine the number of shares granted, issued, retainable and/or vested, forfeiture provisions, the effect of termination of employment for various reasons and other terms and conditions.

The aggregate number of shares of our Class A common stock that is available for issuance under the plan is plus, in 2003 and each year thereafter, a number of additional shares equal to one and one-half percent of the number of shares of Class A common stock outstanding on January 1st of that year. The number of shares authorized under the plan may be adjusted to account for stock splits, stock dividends, recapitalization and similar events.

The board of directors may amend or alter the plan except that approval from our shareholders is required for certain amendments to the plan, including amendments that materially increase the number of shares available under the plan, extend the term of the plan or alter eligibility standards.

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PRINCIPAL AND SELLING STOCKHOLDER

The following table sets forth information regarding the beneficial ownership of our common stock as of October 31, 2001, and after giving effect to this offering, with respect to:

. Each person or group known to us who beneficially owns five percent or more of the outstanding shares of our common stock;

. Each director and named executive officer;

. Our executive officers and members of our board of directors as a group; and

. The selling stockholder.

Except as indicated in the footnotes to the table, the persons named in the table have sole voting and investment power with respect to all shares beneficially owned. The business address of each person named in the table below is 12015 Lee Jackson Highway, Fairfax, VA 22033-3300.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of the date of this prospectus are deemed outstanding for the purpose of computing the percentage ownership of any person. These shares, however, are not considered outstanding when computing the percentage ownership of any other person.
<table>
<thead>
<tr>
<th>Name</th>
<th>Shares Beneficially Owned Prior to this Offering</th>
<th>Shares to be Beneficially Owned After this Offering</th>
<th>Percent Offered</th>
<th>Percent Number of Shares Before Offering</th>
<th>Percent Number of Shares After Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>George J. Pedersen (selling stockholder, Chairman of the Board of Directors, Chief Executive Officer and President)</td>
<td>(2)</td>
<td>100%</td>
<td>(2)</td>
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<td>John A. Moore, Jr.</td>
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<td>Walter W. Vaughan</td>
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<td>Michael D. Golden</td>
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<td>Bradley J. Feldmann</td>
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<td>R. Evans Hineman</td>
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<td>Stephen W. Porter</td>
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<tr>
<td>Eugene C. Renzi</td>
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<tr>
<td>Terry L. Unruh</td>
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<tr>
<td>All executive officers and directors as a group</td>
<td>%</td>
<td>100%</td>
<td>%</td>
<td>%</td>
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</tr>
</tbody>
</table>

(1) Includes shares of Class A common stock owned by the ManTech Supplemental Executive Retirement Plan for benefit of Mr. Pedersen, but does not include shares of Class B common stock held by Mr. Pedersen, which convert at the option of the holder of the Class B common stock to Class A common stock on a one-for-one basis.

(2) Assumes no exercise of the underwriters' over-allotment option. If the over-allotment option is exercised in full, Mr. Pedersen will own shares (or %) of our Class A common stock after the closing of this offering.

(3) Includes shares of Class B common stock owned by the Pedersen Family Limited Partnership I.

(4) Includes an option to purchase shares of our Class A common stock which is immediately exercisable.

(5) Includes shares of Class A common stock owned by the Defined Benefit Pension Plan and Trust for benefit of Mr. Vaughan.

(6) Includes shares of Class A common stock owned by the Individual Retirement Account of Michael Golden.

**RELATED PARTY TRANSACTIONS**

**GSE Systems, Inc.**

ManTech and its designees hold stock in GSE Systems, Inc. (GSE), a company created by the merger of one of our majority-owned subsidiaries and two other entities in 1994. As of September 30, 2001, we owned approximately 17.6% of GSE's common stock. We also hold warrants that are currently exercisable for 150,000 shares of GSE's common stock.

In October 2000, we extended a loan to GSE, which is evidenced by a demand promissory note for $1.8 million, which was amended and subsequently replaced in March 2001. We amended this note in April 2001 to increase the amount due under the note to $3.9 million. The largest aggregate amount outstanding under this note and its predecessor note since October 2000 has been $3.9 million, and as of October 31, 2001, this amount remains outstanding. Interest accrues on this note at the prime lending rate plus 1.0%. The $3.9 million demand note is convertible into shares of Series A preferred stock of GSE, at the option of the holder any time after issuance and prior to the third anniversary of issuance. We intend to convert the $3.9 million demand note into Series A preferred stock upon the American Stock Exchange's approval of the listing of an additional number of shares of GSE common stock. GSE's Series A preferred stock has no voting rights and is subject to a holding period of one year from the date of issuance, after which it is convertible into GSE common stock at a conversion price of $2.645 per share.

We also extended a loan to GSE, which is evidenced by an additional promissory note to GSE in June 2001. The largest aggregate amount outstanding under this note since June 2001 has been $1.0 million, and as of October 31, 2001 this amount remains outstanding. Interest accrues on this note at the prime lending rate plus 1.0%.

Under a purchasing arrangement with GSE entered into in January 2001, we
combined our purchases of products with purchases for GSE in order to obtain volume discounts, for which GSE paid us the full purchase price plus a handling fee. Purchases under this agreement totaled $843,290 for the nine months ended September 30, 2001. This purchasing arrangement terminated in June 2001, and GSE has no outstanding obligations to us, nor do we have any outstanding obligations to GSE, in connection with this purchasing arrangement.

Our Chairman of the Board of Directors, Chief Executive Officer and President, George J. Pedersen, as well as John A. Moore, Jr., our Executive Vice President, Chief Financial Officer, Treasurer and Director, own 56,250 and 83,295 shares of GSE common stock, respectively, and serve on GSE's board of directors. Mr. Pedersen and Mr. Moore entered into agreements with GSE in 1999 to serve as executive employees providing strategic planning in acquisitions and divestitures, management of financing arrangements and customer and other business development activities. Under these agreements, GSE pays Mr. Pedersen and Mr. Moore annual fees of $120,000 and $60,000, respectively, and granted Mr. Pedersen and Mr. Moore options to purchase 100,000 and 50,000 shares, respectively, of GSE common stock at an exercise price of $3.3125. Mr. Pedersen and Mr. Moore intend to terminate their respective agreements on or prior to the closing of this offering.

MARE, Incorporated

ManTech has loaned money to MARE, Inc., a marine products business. Mr. Pedersen's son-in-law is the president of MARE, Inc., and Mr. Pedersen is the owner of 50.0% of the outstanding capital stock of the company. The loan is evidenced by a demand note that accrues interest at a rate of 10.0%. The largest amount outstanding since January 1, 1998 was $1.5 million. As of the date of this prospectus, this note had an outstanding balance of $1.3 million. The principal outstanding under this note is adjusted on a daily basis, based on amounts advanced to or paid down by MARE. As collateral for this note, MARE has pledged to ManTech all of its assets that are not otherwise encumbered. MARE intends to pay the balance of principal and interest due on this note at the closing of this offering.

Repurchases of Stock

In February 2000, our predecessor corporation purchased 1,000 shares of its Class B common stock from Mr. Michael Golden, one of our directors, for an aggregate purchase price of $86,060, and in December 2000 it purchased an additional 1,000 shares of its Class B common stock for an aggregate purchase price of $123,240.

Legal Services

Mr. Stephen Porter, one of our directors, is a partner in the law firm of Arnold & Porter, Washington, D.C., which has performed legal services for us from time to time and is expected to do so in the future. The amount of fees we paid to Mr. Porter's law firm did not exceed five percent of that firm's gross revenues in each of its last three full fiscal years.

Mr. Michael Golden, one of our directors, is a partner in the law firm of Golden & Nelson PLLC, Washington, D.C., which has performed legal services for us from time to time and is expected to do so in the future. The amount of fees we paid to Mr. Golden's law firm did not exceed five percent of that firm's gross revenues or $60,000. The amount of fees we paid to Mr. Golden's law firm for services rendered totaled $73,644 in 1998 and $77,978 in 1999.

Ownership of Subsidiary Stock

From time to time we have allowed certain of our officers or officers of our subsidiaries to purchase minority interests of common stock in our subsidiaries. These purchases have been pursuant to stock purchase and restriction agreements that generally restrict the transferability of the shares, including granting the subsidiary a right of first refusal with respect to any proposed sale of the common stock by the stockholder and granting the subsidiary a right to call the stock in the event of death, permanent disability or termination of the stockholder's employment by us or the
REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Class A common stock is .

SHARES ELIGIBLE FOR FUTURE SALE

Shares Outstanding and Freely Tradeable After Offering

Upon completion of this offering, we will have shares of Class A common stock and shares of Class B common stock outstanding (assuming that the underwriters do not exercise their over-allotment option). Shares of Class B common stock are convertible at the option of the holder into an equal number of shares of Class A common stock. The shares of Class A common stock to be sold by us in this offering and all shares sold by the selling stockholder will be freely tradeable without restriction or limitation under the Securities Act of 1933, as amended, except for any such shares held by our "affiliates", as such term is defined under Rule 144 of the Securities Act. Shares of Class A and Class B common stock held by our affiliates may be sold only if registered under the Securities Act or sold in accordance with an applicable exemption from registration, such as Rule 144. The remaining shares of our common stock outstanding upon completion of this offering are restricted securities, as defined under Rule 144 and may not be sold publicly unless they are registered under the Securities Act or are sold pursuant to Rule 144 or another exemption from registration.

Rule 144

In general, under Rule 144 under the Securities Act of 1933, as currently in effect, beginning 90 days after the closing of this offering, a person, including an affiliate, who has beneficially owned restricted securities that were last purchased from us or an affiliate of ours at least one year before the date the shares are proposed to be sold would be entitled to sell within any three-month period, a number of shares that does not exceed the greater of:

. 1% of the then outstanding shares of that class of common stock; or
. The reported average weekly trading volume of that class of the common stock on the automated quotation system of a registered securities association or the consolidated transaction reporting system during the four calendar weeks preceding such sale.

Sales under Rule 144 also are subject to certain requirements regarding the manner of sale, notice and availability of current public information about us. In addition, a person who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who holds shares that were last purchased from us or an affiliate of ours more than two years before the date the shares are proposed to be sold, would be entitled to sell such shares under Rule 144(k) without regard to the requirements described above.

We, our existing stockholders, our executive officers and the directors who hold or are entitled to receive shares of common stock under our stock option plans, have agreed not to offer, sell, contract to sell, grant any option to purchase, announce any intention to sell, transfer the economic risk of ownership in, make any short sale, pledge or otherwise dispose of, directly or indirectly, or file a registration statement under the Securities Act relating to, any shares of our common stock or securities or other rights convertible into or exchangeable or exercisable for any shares of our common stock without the prior written consent of the underwriters for a period of 180 days after the date of this prospectus. See "Underwriting." Upon the expiration of this 180-day lock-up period, substantially all

of these shares will become eligible for sale, subject to the restrictions of Rule 144. These restrictions will not affect our ability to:

. Issue and sell shares of our common stock or make any awards pursuant to our stock option plans;
Subject to limitations on the aggregate offering price of a transaction and other conditions, Rule 701 may be relied upon with respect to the resale of securities originally purchased from us by our employees, directors, officers, consultants or advisers prior to the closing of this offering, pursuant to written compensatory benefit plans or written contracts relating to the compensation of such persons. In addition, the Securities and Exchange Commission has indicated that Rule 701 will apply to stock options granted by us before this offering, along with the shares acquired upon exercise of such options. Securities issued in reliance on Rule 701 are deemed to be restricted shares and, beginning 90 days after the date of this prospectus unless subject to the contractual restrictions previously discussed, may be sold by persons other than affiliates subject only to the manner of sale provisions of Rule 144 and by affiliates under Rule 144 without compliance with the two-year minimum holding period requirements.

Stock Plan Registration Statements

We intend to file one or more registration statements under the Securities Act covering approximately [number] shares of common stock reserved for issuance under our 2001 Management Incentive Plan and with respect to the employee stock option held by John A. Moore, Jr. These registration statements are expected to be filed soon after the date of this prospectus and will automatically become effective upon filing. Accordingly, shares registered under the registration statements will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the contractual restrictions described above.

DESCRIPTION OF CAPITAL STOCK, CERTIFICATE OF INCORPORATION AND BYLAWS

General

Our authorized capital stock consists of [number] shares of Class A common stock, $0.01 par value, shares of Class B common stock, $0.01 par value, and [number] shares of preferred stock, $0.01 par value. Together, the Class A common stock and the Class B common stock comprise all of the authorized common stock. As of [date], there were [number] shares of Class A common stock and [number] shares of Class B common stock outstanding and held of record by [number] and stockholders, respectively.

Common Stock

Upon completion of this offering, there will be [number] shares of Class A common stock and shares of Class B common stock outstanding. All of the outstanding Class B common stock is beneficially owned by George J. Pedersen, our Chairman of the Board of Directors, Chief Executive Officer and President. This represents [percent] percent of all of the authorized common stock. In addition an aggregate of [number] shares of our common stock will be reserved for issuance under our stock option plans under which options to purchase [number] shares of our Class A common stock will be outstanding as of the date of this prospectus.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of any series of preferred stock that we may designate and issue in the future. The outstanding shares of our common stock are fully paid and non-assessable.

Voting. Holders of Class A common stock are entitled to one vote for each share held of record, and holders of Class B common stock are entitled to ten votes for each share held of record. The Class A common stock and the Class B
common stock vote together as a single class on all matters submitted to a vote of stockholders, including the election of directors by proxy, except as required by law. Our common stock does not have cumulative voting rights in the election of directors.

As a result of this offering, excluding any over-allotment shares, the percentage of the voting power of the outstanding common stock owned or controlled by Mr. Pedersen will decline to approximately 8% if the underwriters' over-allotment option is exercised in full; but he will continue to control all actions to be taken by the stockholders, including the election of all directors to the board of directors. See "Principal and Selling Stockholders" and "Risk Factors--Our Current Stockholders Will Continue To Control Our Company."

Dividends; Stock Splits. Holders of the common stock are entitled to receive, when and if declared by the board of directors from time to time, such dividends and other distributions in cash, stock or property from our assets or funds legally available for such purposes subject to any dividend preferences that may be attributable to preferred stock that may be authorized. Each share of Class A common stock and Class B common stock is equal in respect of dividends and other distributions in cash, stock or property, except that in the case of stock dividends, only shares of Class A common stock will be distributed with respect to the Class A common stock and only shares of Class B common stock will be distributed with respect to Class B common stock. In no event will either Class A common stock or Class B common stock be split, divided or combined unless the other class is proportionately split, divided or combined. For example, if we effect a two-for-one stock split with respect to the Class A common stock, we will at the same time effect a two-for-one stock split with respect to the Class B common stock.

Conversion. The shares of Class A common stock are not convertible into any other series or class of securities. Each share of Class B common stock, however, is freely convertible into one share of Class A common stock at the option of the Class B stockholder. Shares of Class B common stock may not be transferred to third parties. Except for transfers to certain family members, transfers for estate planning purposes or a pledge of the shares as collateral for indebtedness, any attempt to transfer Class B common stock will result in the automatic conversion of the shares into Class A common shares.

Mergers, Consolidation and Other Transactions. In the event that we enter into any consolidation, merger, combination or other transaction in which shares of common stock are exchanged for other capital stock, cash or property, then the shares of each class of common stock will be exchanged for the same amount of capital stock, cash or property, as the case may be, for which each share of any other class of common stock is exchanged. Holders of each class of common stock may receive different distributions of stock, securities, cash or property if:

- Shares of common stock are exchanged for shares of capital stock, then the shares exchanged may differ to the extent that the Class A common stock and the Class B common stock differ;
- The holders of Class A common stock receive an amount of stock, securities, cash or property per share having a value greater than or equal to the value per share for which each share of any other class of common stock is exchanged; or
- Holders of Class A common stock and holders of Class B common stock receive an amount of stock, securities, cash or property per share in accordance with a transaction approved by the holders of a majority of Class A common stock and by the holders of a majority of Class B common stock, each voting separately as a class.

Nasdaq. We expect the Class A common stock will be quoted on The Nasdaq National Market under the symbol "MANT."

Preferred Stock

Subject to Delaware law, the board of directors, without further action by the stockholders, is authorized to issue an aggregate of shares of preferred stock. No shares of preferred stock are outstanding and the board of
The board of directors may, without stockholder approval, issue preferred stock with dividend rates, redemption prices, preferences on liquidation or dissolution, conversion rights, voting rights and any other preferences, which rights and preferences could adversely affect the voting power of the holders of common stock. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions or other corporate purposes, could have the effects of making it more difficult for a third party to acquire, or could discourage or delay a third party from acquiring, a majority of our outstanding stock and of decreasing the amount of earnings or assets available for distribution to the holders of common stock.

Corporate Governance Provisions of Our Certificate of Incorporation and Bylaws

Advance Notice. Our bylaws require that advance notice of all director nominations or other business matters proposed to be brought before an annual meeting of stockholders be delivered to our secretary at our corporate office not later than 60 days nor more than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the prior year's annual meeting of stockholders. This provision may make it more difficult for stockholders to nominate or elect directors or take action opposed by our board.

Special Meetings. Our certificate of incorporation and bylaws provide that special meetings of the stockholders may be called by our Secretary at the direction of:

- the affirmative vote of a majority of the board of directors;
- the chairman of the board of directors;
- the chief executive officer; or
- the holders of shares representing a majority of the voting power of the outstanding common stock entitled to vote at such meeting of stockholders.

No Stockholder Action by Written Consent. Our certificate of incorporation provides that stockholders entitled to take action on any matter may act solely at a meeting of stockholders duly called and held in accordance with law and our certificate of incorporation and bylaws and may not act by a consent or consents in writing. Accordingly, our stockholders will not be able to take action by written consent in lieu of a meeting. This provision may have the effect of deterring hostile takeovers or delaying changes in control or management.

Indemnification of Directors and Officers. Our certificate of incorporation and bylaws provide a right to indemnification to the fullest extent permitted by law for expenses, attorney's fees, damages, punitive damages, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by any person whether or not the indemnified liability arises or arose from any threatened, pending or completed proceeding by or in ManTech's right by reason of the fact that he or she is or was our director or officer or while our director or officer, is or was serving at our request as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, to the fullest extent permitted under the Delaware General Corporation Law. Our certificate of incorporation and bylaws also provide for the advancement of expenses to an indemnified party. Additionally, we may indemnify any employee or agent of ours to the fullest extent permitted by law. Our bylaws authorize us to take steps to ensure that all persons entitled to the indemnification are properly indemnified, including, if the board of directors so determines, purchasing and maintaining insurance.

Certain Provisions of Delaware Law

We are a Delaware corporation and are therefore subject to the provisions of Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, the statute prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a
period of three years after the date of the transaction by which that person became an interested stockholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior did own, 15.0% or more of our voting stock.

Limitations on Liability and Indemnification of Officers and Directors

Our certificate of incorporation provides that none of the directors shall be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except liability for:

- Any breach of the director's duty of loyalty to us or our stockholders;
- Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- The payment of unlawful dividends and certain other actions prohibited by Delaware General Corporation Law; and
- Any transaction from which the director derived any improper personal benefits.

The effect of this provision of our certificate of incorporation is to eliminate our rights and the rights of our stockholders to recover monetary damages against a director for breach of the fiduciary duty of care as a director, including breaches resulting from negligent or grossly negligent behavior, except in the situations described above. This provision does not limit or eliminate our rights or the rights of any stockholder to seek non-monetary relief, such as an injunction or rescission in the event of a breach of a director's duty of care.

TAX CONSIDERATIONS

This is a general summary of material U.S. federal income and estate tax considerations with respect to your acquisition, ownership and disposition of our common stock if you are a beneficial owner of shares other than:

- A citizen or resident of the United States;
- A corporation, partnership or other entity created or organized in, or under the laws of, the United States or any political subdivision of the United States;
- An estate, the income of which is subject to U.S. federal income taxation regardless of its source;
- A trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or
- A trust that existed on August 20, 1996, was treated as a U.S. person on August 19, 1996, and elected to be treated as a U.S. person.

This summary does not address all of the U.S. federal income and estate tax considerations that may be relevant to you in light of your particular circumstances or if you are a beneficial owner subject to special treatment under United States income tax laws such as a:

- Controlled foreign corporation;
- Passive foreign investment company;
- Foreign personal holding company;
Company that accumulates earnings to avoid U.S. federal income tax;
Foreign tax-exempt organization;
Financial institution;
Broker or dealer in securities; or
Former U.S. citizen or resident.

This summary does not discuss any aspect of state, local or non-United States taxation. This summary is based on current provisions of the Internal Revenue Code, Treasury regulations, judicial opinions, published positions of the U.S. Internal Revenue Service and all other applicable authorities, all of which are subject to change, possibly with retroactive effect. This summary is not intended as tax advice.

We urge prospective non-United States stockholders to consult their tax advisors regarding the United States federal, state, local and non-United States income and other tax considerations of acquiring, holding and disposing of shares of our common stock.

Dividends

In general, any distributions we make to you with respect to your shares of our common stock that constitute dividends for U.S. federal income tax purposes will be subject to U.S. withholding tax at a rate of 30.0% of the gross amount, unless you are eligible for a reduced rate of withholding tax under an applicable income tax treaty and you provide proper certification of your eligibility for such reduced rate (usually on an IRS Form W-8BEN). A distribution will constitute a dividend for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits as determined under the Internal Revenue Code. Any distribution not constituting a dividend will be treated first as reducing your basis in your shares of our common stock and, to the extent it exceeds your basis, as gain from the disposition of your shares of our common stock.

Dividends we pay to you that are effectively connected with your conduct of a trade or business within the United States and, if certain income tax treaties apply, are attributable to a U.S. permanent establishment maintained by you, generally will not be subject to U.S. withholding tax if you comply with applicable certification and disclosure requirements. Instead, such dividends generally will be subject to U.S. federal income tax, net of certain deductions, at the same rates applicable to U.S. persons. If you are a corporation, effectively connected income may also be subject to a "branch profits tax" at a rate of 30.0%, or a lower rate specified by an applicable income tax treaty. Dividends that are effectively connected with your conduct of a trade or business but that under an applicable income tax treaty are not attributable to a U.S. permanent establishment maintained by you may be eligible for a reduced rate of U.S. withholding tax under such treaty, provided you comply with certification and disclosure requirements necessary to obtain treaty benefits.

Sale or Other Disposition of Our Common Stock

You generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of your shares of our common stock unless:

The gain is effectively connected with your conduct of a trade or business within the United States and, under certain income tax treaties, is attributable to a U.S. permanent establishment you maintain;

You are an individual, you hold your shares of our common stock as capital assets, you are present in the United States for 183 days or more in the taxable year of disposition and you meet other conditions, and you are not eligible for relief under an applicable income tax treaty; or

We are or have been a "United States real property holding corporation" for U.S. federal income tax purposes (which we believe we are not and
Gain that is effectively connected with your conduct of a trade or business within the United States generally will be subject to U.S. federal income tax, net of certain deductions, at the same rates applicable to U.S. persons. If you are a corporation, the branch profits tax, as discussed above, also may apply to such effectively connected gain. If the gain from the sale or disposition of your shares is effectively connected with your conduct of a trade or business in the United States but under an applicable income tax treaty is not attributable to a permanent establishment you maintain in the United States, your gain may be exempt from U.S. tax under the treaty. If you are described in the second bullet point above, you generally will be subject to U.S. tax at a rate of 30.0% on the gain realized, although the gain may be offset by some U.S. source capital losses realized during the same taxable year.

Information Reporting and Backup Withholding

We must report annually to the IRS the amount of dividends or other distributions we pay to you on your shares of our common stock and the amount of tax we withhold on these distributions regardless of whether withholding is required. The IRS may make copies of the information returns reporting those dividends and amounts withheld available to the tax authorities in the country in which you reside pursuant to the provisions of an applicable income tax treaty or exchange of information treaty.

The United States imposes a backup withholding tax on dividends and certain other types of payments to U.S. persons at a rate of 30.5% (with scheduled reductions through 2006 and a scheduled increase to 31.0% in 2011) of the gross amount. You will not be subject to backup withholding tax on dividends you receive on your shares of our common stock if you provide proper certification (usually on an IRS Form W-8BEN) of your status as a non-U.S. person or you are a corporation or one of several types of entities and organizations that qualify for exemption.

Information reporting and backup withholding generally are not required with respect to the amount of any proceeds from the sale of your shares of our common stock outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, if you sell your shares of our common stock through a U.S. broker or the United States office of a foreign broker, the broker will be required to report to the IRS the amount of proceeds paid to you and also backup withhold at a rate of 30.5% (with scheduled reductions through 2006 and a scheduled increase to 31.0% in 2011) of that amount unless you provide appropriate certification (usually on an IRS Form W-8BEN) to the broker of your status as a non-U.S. person or you are a corporation or one of several types of entities and organizations that qualify for exemption. Information reporting and backup withholding, if the appropriate certification is not provided, also apply if you sell your shares of our common stock through a foreign broker deriving more than a specified percentage of its income from U.S. sources or having certain other connections to the United States.

Any amounts withheld with respect to your shares of our common stock under the backup withholding rules will be refunded to you or credited against your U.S. federal income tax liability, if any, by the IRS if the required information is furnished in a timely manner.

Estate Tax

Shares of our common stock owned or treated as owned by an individual who is not a citizen or resident, as defined for U.S. federal tax purposes, of the United States at the time of his or her death will be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.
Subject to the terms and conditions stated in the underwriting agreement between us, the selling stockholder and the underwriters, each of the underwriters named below has severally agreed to purchase, and we and the selling stockholder have agreed to sell to each named underwriter, the number of shares set forth opposite the name of each underwriter.

<table>
<thead>
<tr>
<th>Underwriters</th>
<th>Number of Shares</th>
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<tbody>
<tr>
<td>Jefferies &amp; Company, Inc............</td>
<td></td>
</tr>
<tr>
<td>Legg Mason Wood Walker, Incorporated</td>
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<tr>
<td>Total.............................</td>
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</tbody>
</table>

The underwriting agreement provides that the obligations of the several underwriters to purchase the shares offered by us and the selling stockholder are subject to some conditions. The underwriters are obligated to purchase all of the shares offered by us and the selling stockholder, other than those covered by the over-allotment option described below, if any of the shares are purchased. The underwriting agreement also provides that, in the event of a default by an underwriter, in some circumstances the purchase commitments of non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

Prior to this offering, there has been no public market for the Class A common stock. The initial offering price will be negotiated among us and the representatives for the underwriters. Among the factors to be considered in determining the initial public offering price of the Class A common stock shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and consideration of the above factors in relation to market valuations of companies in related businesses. There can be no assurance, however, that the prices at which the Class A common stock shares will sell in the public market after this offering will not be lower than the price at which they are sold by the underwriters or that an active trading market in the shares will develop and continue after this offering.

The underwriters propose to offer the shares to the public initially at the public offering price set forth on the cover of this prospectus, and to some dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and those dealers may reallocate, a discount not in excess of $ per share to other dealers. After this offering, the public offering price, the concession to selected dealers and the reallocation to other dealers may be changed by the underwriters.

We and the selling stockholder have granted to the underwriters an option, exercisable not later than 30 days after the date of this prospectus, to purchase, in whole or in part, up to additional shares at the public offering price less the underwriting discount set forth on the cover of this prospectus.

The underwriters may exercise that option only to cover over-allotments, if any, made in connection with the sale of the shares offered by us and the selling stockholder. To the extent that option is exercised, each underwriter will be obligated, subject to some conditions, to purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment as indicated in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholder. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.
We estimate that the total expenses of this offering, excluding the underwriting discounts and commissions, will be approximately $\ldots$. These expenses will be paid by us and the selling stockholder in proportion to the number of shares sold by each of us and the selling stockholder.

This offering of the shares is made for delivery when, as and if accepted by the underwriters and subject to prior sale and to withdrawal, cancellation or modification of this offering without notice. The underwriters reserve the right to reject an order for the purchase of shares in whole or in part.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect of these liabilities.

We have applied to have the Class A common stock approved for qualification on The Nasdaq National Market under the symbol "MANT."

Our executive officers and directors and certain stockholders holding shares have agreed that they will not, without the prior written consent of Jefferies & Company, Inc. directly or indirectly, offer, sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale, pledge or otherwise dispose (or announce any of the foregoing) of any shares of capital stock, options or warrants to acquire shares of capital stock or any securities convertible into or exchangeable for or any other rights to purchase or acquire shares of capital stock owned by them for a period of 180 days following the date of this prospectus, except for shares offered by this prospectus. We have agreed that we will not, without the prior written consent of Jefferies & Company, Inc. directly or indirectly, offer, sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale, pledge or otherwise dispose (or announce any of the foregoing) of any shares of capital stock, options or warrants to acquire shares of capital stock or any securities convertible into or exchangeable for shares of capital stock for a period of 180 days following the date of this prospectus.

We have been advised by the representatives that, in accordance with Regulation M under the Securities Act, some persons participating in this offering may engage in transactions, including syndicate covering transactions, stabilizing bids or the imposition of penalty bids, that may have the effect of stabilizing or maintaining the market price of the shares at a level above that which might otherwise prevail in the open market.

A "syndicate covering transaction" is a bid for or the purchase of shares on behalf of the underwriters to reduce a syndicate short position incurred by the underwriters in connection with this offering. The underwriters may create a syndicate short position by making short sales of our shares and may purchase our shares in the open market to cover syndicate short positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. Short sales can be either "covered" or "naked." "Covered" short sales are sales made in an amount not greater than the underwriters' over-allotment option to purchase additional shares from us and the selling stockholder in this offering. "Naked" short sales are sales in excess of the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering. If the underwriters create a syndicate short position, they may choose to reduce or "cover" this position by either exercising all or part of the over-allotment option to purchase additional shares from us and the selling stockholder or by engaging in "syndicate covering transactions." The underwriters may close out any covered short
position by either exercising their over-allotment option or purchasing shares in the open market. The underwriters must close out any naked short position by purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.

A "stabilizing bid" is a bid for or the purchase of shares on behalf of the underwriters for the purpose of fixing or maintaining the price of our Class A common stock. A "penalty bid" is an arrangement that permits the representatives to reclaim the selling concession from an underwriter or a syndicate member when shares sold by such underwriter or syndicate members are purchased by the representatives in a syndicate covering transaction and, therefore, have not been effectively placed by the underwriter or syndicate member.

We have been advised by the representatives that these transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time. Similar to other purchase activities, these activities may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Both Jefferies & Company and Quarterdeck Investment Partners, LLC, which is affiliated with Jefferies & Company (which we refer to collectively as our financial advisors), have provided and in the future may provide investment banking and other financial advisory services to us for which we have paid and expect to pay customary fees and expenses. In connection with our engagement of these financial advisors, we have granted to them a right of first refusal to act as managers or co-managers of a subsequent offering of securities by us.

Quarterdeck Investment Partners has provided financial advisory services to us with respect to this offering. In consideration for such services, Quarterdeck will be paid a fee. This fee is included in the table set forth above detailing the underwriters' compensation on a total and per share basis. Quarterdeck Investment Partners does not have any material relationship with us or any of our officers, directors or other controlling persons, except its contractual relationship with us relating to the investment banking and financial advisory services provided to us which are described above.

VALIDITY OF COMMON STOCK

The validity of the shares of Class A common stock offered by us in this offering and the shares of Class A common stock offered by the selling stockholder will be passed upon for us and the selling stockholder by Gibson, Dunn & Crutcher LLP, Washington, D.C. Certain legal matters relating to this offering will be passed upon for the underwriters by Morgan Lewis & Bockius LLP, New York, New York.

EXPERTS

The consolidated financial statements as of December 31, 1999 and 2000 and September 30, 2001 and for the years ended December 31, 1999 and 2000, and the nine months ended September 30, 2001, included in this prospectus and the related financial statement schedule included elsewhere in this registration statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and elsewhere in the registration statement, and have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements for the year ended December 31, 1998 included in this prospectus have been so included in reliance upon the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. We have also included our financial statement schedule for the same period in the registration statement along with PricewaterhouseCoopers LLP report on the schedule.
We have filed with the Securities and Exchange Commission a registration statement on Form S-1, including exhibits and schedules, under the Securities Act with respect to the Class A common stock to be sold in this offering. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules that are part of the registration statement. Any statements made in this prospectus as to the contents of any contract, agreement or other document are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the registration statement, we refer you to the exhibit for a more complete description of the matter involved, and each statement in this prospectus shall be deemed qualified in its entirety by this reference. You may read and copy all or any portion of the registration statement or any reports, statements or other information in the files at the following public reference facilities of the Securities and Exchange Commission:

Washington, D.C.       Chicago, Illinois
Room 1024              500 West Madison Street
450 Fifth Street, N.W. Suite 1400
Washington, D.C. 20549 Chicago, Illinois 60661

You can request copies of these documents upon payment of a duplicating fee by writing to the Securities and Exchange Commission. You may call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of its public reference rooms. Our filings, including the registration statement, will also be available to you on the Internet web site maintained by the Securities and Exchange Commission at www.sec.gov.

We intend to furnish our stockholders with annual reports containing financial statements audited by our independent auditors, and make available to our stockholders quarterly reports for the first three quarters of each year containing unaudited interim financial statements.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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<th>Page</th>
</tr>
</thead>
<tbody>
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<td>Independent Auditors' Report ..........................</td>
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<td>Report of Independent Accountants .....................</td>
</tr>
<tr>
<td>Consolidated Balance Sheets as of December 31, 1999 and 2000 and September 30, 2001 ..................</td>
</tr>
<tr>
<td>Consolidated Statements of Income for the years ended December 31, 1998, 1999 and 2000 and the nine months ended September 30, 2000 (unaudited) and 2001 .....................</td>
</tr>
<tr>
<td>Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1999 and 2000 and for the nine months ended September 30, 2000 (unaudited) and 2001 .....................</td>
</tr>
<tr>
<td>Notes to Consolidated Financial Statements ...............</td>
</tr>
</tbody>
</table>

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
ManTech International Corporation
Fairfax, Virginia:

We have audited the accompanying consolidated balance sheets of ManTech International Corporation and subsidiaries (the Company) as of December 31, 1999 and 2000 and September 30, 2001, and the related consolidated statements of income, stockholders' equity, and cash flows for the years ended December 31, 1999 and 2000 and the nine months ended September 30, 2001. 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 auditing standards generally accepted in the United States of America. 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 consolidated financial statements present fairly, in all material respects, the financial position of ManTech International Corporation and subsidiaries at December 31, 1999 and 2000 and September 30, 2001, and the results of their operations and their cash flows for the years ended December 31, 1999 and 2000 and the nine months ended September 30, 2001 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 8, effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended.

DELOITTE & TOUCHE LLP
McLean, Virginia
November 16, 2001

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REPORT OF INDEPENDENT ACCOUNTANTS
To the Board of Directors and Stockholders of
MANTECH INTERNATIONAL CORPORATION:

In our opinion, the accompanying consolidated statement of income, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the results of operations and cash flows of ManTech International Corporation (the Company) for the year ended December 31, 1998, in conformity with accounting principles generally accepted in the United States of America. 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 audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
McLean, Virginia
April 26, 1999, except for Note 16, as to which the date is June 7, 1999 and Note 15, as to which the date is November 15, 2001

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### MANTECH INTERNATIONAL CORPORATION

#### CONSOLIDATED BALANCE SHEETS

**(Dollars in Thousands)**

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$19,571</td>
<td>$29,578</td>
</tr>
<tr>
<td>Receivables--net</td>
<td>88,482</td>
<td>83,481</td>
</tr>
<tr>
<td>Inventory</td>
<td>756</td>
<td>--</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>5,757</td>
<td>11,893</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>34,770</td>
<td>26,521</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>149,336</strong></td>
<td><strong>151,473</strong></td>
</tr>
<tr>
<td>Property and equipment--net</td>
<td>8,803</td>
<td>7,033</td>
</tr>
<tr>
<td>Goodwill and other intangibles</td>
<td>14,598</td>
<td>12,347</td>
</tr>
<tr>
<td>Investments</td>
<td>4,614</td>
<td>3,810</td>
</tr>
<tr>
<td>Employee supplemental savings plan assets</td>
<td>6,045</td>
<td>5,282</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>186,070</strong></td>
<td><strong>186,843</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES AND STOCKHOLDERS' EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT LIABILITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of debt</td>
<td>$4,501</td>
<td>$4,200</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>21,781</td>
<td>19,923</td>
</tr>
<tr>
<td>Accrued salaries and related expenses</td>
<td>13,502</td>
<td>15,349</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>15,882</td>
<td>16,722</td>
</tr>
<tr>
<td>Billings in excess of revenue earned</td>
<td>3,243</td>
<td>7,939</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>23,643</td>
<td>15,458</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>82,552</strong></td>
<td><strong>79,591</strong></td>
</tr>
<tr>
<td>Debt--net of current portion</td>
<td>72,005</td>
<td>73,000</td>
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<tr>
<td>Deferred rent</td>
<td>513</td>
<td>441</td>
</tr>
<tr>
<td>Accrued retirement</td>
<td>7,548</td>
<td>8,382</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>2,347</td>
<td>2,139</td>
</tr>
<tr>
<td>Minority interest</td>
<td>95</td>
<td>34</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>165,060</strong></td>
<td><strong>163,587</strong></td>
</tr>
<tr>
<td><strong>COMMITMENTS AND CONTINGENCIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REDEEMABLE CLASS B COMMON STOCK</strong></td>
<td>1,462</td>
<td>1,462</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### MANTECH INTERNATIONAL CORPORATION

#### CONSOLIDATED BALANCE SHEETS

**(Dollars in Thousands)**

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td><strong>LIABILITIES AND STOCKHOLDERS' EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT LIABILITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of debt</td>
<td>$4,501</td>
<td>$4,200</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>21,781</td>
<td>19,923</td>
</tr>
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<td>Accrued salaries and related expenses</td>
<td>13,502</td>
<td>15,349</td>
</tr>
<tr>
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<td>16,722</td>
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<td><strong>Total current liabilities</strong></td>
<td><strong>82,552</strong></td>
<td><strong>79,591</strong></td>
</tr>
<tr>
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<td>72,005</td>
<td>73,000</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>513</td>
<td>441</td>
</tr>
<tr>
<td>Accrued retirement</td>
<td>7,548</td>
<td>8,382</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>2,347</td>
<td>2,139</td>
</tr>
<tr>
<td>Minority interest</td>
<td>95</td>
<td>34</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>165,060</strong></td>
<td><strong>163,587</strong></td>
</tr>
<tr>
<td><strong>STOCKHOLDERS’ EQUITY:</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Common stock, Class A--no par value; 25,000,000 shares authorized; 4,111,502 shares issued; 1,022,882, 1,033,938 and 1,040,566 shares outstanding at December 31, 1999 and 2000, and September 30, 2001,
respective....................................................... 1,179  1,179  1,179
Common stock, Class C—no par value; 100,000 shares authorized;
71,664 shares issued and outstanding.......................... 21  21  21
Additional paid in capital.................................... --  1,326  2,468
Retained earnings.............................................. 31,770  33,509  33,246
Accumulated other comprehensive loss........................ (159)  (240)  (1,540)
Deferred compensation........................................ 640  640  640
Treasury stock—at cost; 3,088,620, 3,077,564 and 3,070,936 shares of
Class A; and 39,156, 47,738 and 47,738 shares of Class B at
December 31, 1999 and 2000, and September 30, 2001, respectively... (13,903) (14,641) (14,612)
Total stockholders' equity................................... 19,548  21,794  21,402
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY................ 186,070  186,843 177,061

See notes to consolidated financial statements.

MANTECH INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands Except Per Share Amounts)

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Nine Months Ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unaudited)</td>
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<tr>
<td>REVENUES........................</td>
<td>$314,309</td>
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<tr>
<td>COST OF SERVICES.............</td>
<td>265,189</td>
</tr>
<tr>
<td>GROSS PROFIT..................</td>
<td>49,120</td>
</tr>
<tr>
<td>COSTS AND EXPENSES:</td>
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<tr>
<td>General and administrative..</td>
<td>33,389</td>
</tr>
<tr>
<td>Depreciation and amortization.</td>
<td>2,984</td>
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<tr>
<td>Total costs and expenses....</td>
<td>36,473</td>
</tr>
<tr>
<td>INCOME FROM OPERATIONS.......</td>
<td>13,447</td>
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<tr>
<td>Interest expense.............</td>
<td>4,026</td>
</tr>
<tr>
<td>Loss from investment default</td>
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<tr>
<td>Equity in (earnings) losses of affiliates</td>
<td>(511)</td>
</tr>
<tr>
<td>Other income.................</td>
<td>(29)</td>
</tr>
<tr>
<td>INCOME BEFORE PROVISION FOR INCOME</td>
<td>7,175</td>
</tr>
<tr>
<td>TAxES AND MINORITY INTEREST..</td>
<td>5,137</td>
</tr>
<tr>
<td>Provision for income taxes...</td>
<td>(2,183)</td>
</tr>
<tr>
<td>Minority interest............</td>
<td>(33)</td>
</tr>
<tr>
<td>INCOME FROM CONTINUING OPERATIONS</td>
<td>2,898</td>
</tr>
<tr>
<td>Loss from discontinued operations-net</td>
<td>(1,268)</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations-net</td>
<td>--</td>
</tr>
<tr>
<td>NET INCOME (LOSS)...........</td>
<td>$ 1,630</td>
</tr>
<tr>
<td>INCOME FROM CONTINUING OPERATIONS AVAIlABLE TO COMMON STOCKHOLDERS</td>
<td>$ 2,838</td>
</tr>
<tr>
<td>BASIC EARNINGS (LOSS) PER SHARE:</td>
<td></td>
</tr>
<tr>
<td>Income from continuing operations........</td>
<td>$ 2,838</td>
</tr>
<tr>
<td>Loss from discontinued operations........</td>
<td>(1,100)</td>
</tr>
<tr>
<td>Weighted average common shares outstanding...........</td>
<td>71,664</td>
</tr>
<tr>
<td>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</td>
<td>1,168,289</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
## MANTECH INTERNATIONAL CORPORATION
### CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Treasury Stock</th>
<th>Common Stock</th>
<th>Additional Paid In Capital</th>
<th>Comprehensive Income (Loss)</th>
<th>Comprehensive Earnings</th>
<th>Deferred Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,200</td>
<td>1,260</td>
<td>1,663</td>
<td>$26,135</td>
<td>($163)</td>
<td>$240</td>
</tr>
</tbody>
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**Accumulated Other**

<table>
<thead>
<tr>
<th>Stockholders' Equity</th>
<th>Treasury Stock</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,200</td>
<td>$2,468</td>
</tr>
</tbody>
</table>

**BALANCE, JANUARY 1, 1998**

- Net income: $1,200
- Other comprehensive income (loss):
  - Net unrealized holding gain--net of income tax: $110
  - Translation adjustments: $70
- Comprehensive income: $1,653

**BALANCE, DECEMBER 31, 1998**

- Common stock held in rabbi trust: $640
- Net income: $4,069
- Other comprehensive loss: $36

**BALANCE, DECEMBER 31, 1999**

- Redemption of Class B common stock: $83
- Contribution of Class A common stock to Employee Stock Ownership Plan: $1,326
- Net loss: $263

**BALANCE, SEPTEMBER 30, 2001**

- Contribution of Class A common stock to Employee Stock Ownership Plan: $1,142
- Net income: $2,468
- Other comprehensive loss:
  - Cash flow hedge: $1,251
  - Translation adjustments: $49

**BALANCE, DECEMBER 31, 2000**

- Redemption of Class B common stock: $640
- Contribution of Class A common stock to Employee Stock Ownership Plan: $1,326

**BALANCE, DECEMBER 31, 1999**

- Redemption of Class B common stock: $83
- Contribution of Class A common stock to Employee Stock Ownership Plan: $1,142

**BALANCE, DECEMBER 31, 1998**

- Redemption of Class B common stock: $640
- Contribution of Class A common stock to Employee Stock Ownership Plan: $1,326

**BALANCE, SEPTEMBER 30, 2001**

- Contribution of Class A common stock to Employee Stock Ownership Plan: $1,142
- Redemption of Class B common stock: $640
BALANCE, JANUARY 1, 1998........................... $ (10,337) $16,831
Net income....................................... 1,653

Other comprehensive income (loss):
Net unrealized holding gain--net of income tax provision of $70............................
Translation adjustments............................

Other comprehensive income............................

Comprehensive income............................

Dividends on redeemable common stock............... (83)
Redemption of Class B common stock.......... (2,926) (2,926)
Common stock held in rabbi trust......................... (640) --

BALANCE, DECEMBER 31, 1998......................... (15,903) 15,515
Net income....................................... 4,069

Other comprehensive loss:
Translation adjustments............................

Other comprehensive loss............................ (36)

Comprehensive income............................

Contribution of Class A common stock to Employee Stock Ownership Plan............................ 37 1,363
Redemption of Class B common stock............... (775) (775)

BALANCE, DECEMBER 31, 2000......................... (14,641) 21,794
Net loss......................................... (263)

Other comprehensive loss:
Cash flow hedge..................................
Translation adjustments.............................

Other comprehensive loss............................ (1,300)

Comprehensive loss............................

Contribution of Class A common stock to Employee Stock Ownership Plan............................ 29 1,171

BALANCE, SEPTEMBER 30, 2001....................... $ (14,612) $21,402

See notes to consolidated financial statements.

F-7
CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$1,653</td>
<td>$4,069</td>
<td>$1,739</td>
<td>$1,270</td>
<td>$(263)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile net income to net cash provided by (used in) operating activities:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity in (earnings) losses of affiliates</td>
<td>(911)</td>
<td>(810)</td>
<td>1,162</td>
<td>(53)</td>
<td>(869)</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>1,268</td>
<td>2,727</td>
<td>4,667</td>
<td>3,124</td>
<td>6,533</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(196)</td>
<td>(338)</td>
<td>981</td>
<td>451</td>
<td>(134)</td>
</tr>
<tr>
<td>Minority interest in income of consolidated subsidiaries</td>
<td>33</td>
<td>37</td>
<td>15</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Loss from investment default</td>
<td>5,230</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Loss (gain) on disposal of property and equipment</td>
<td>6</td>
<td>(183)</td>
<td>142</td>
<td>289</td>
<td>88</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,379</td>
<td>5,635</td>
<td>5,548</td>
<td>4,173</td>
<td>3,868</td>
</tr>
</tbody>
</table>

Change in assets and liabilities—net of effects from acquired and disposed businesses:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase) decrease in receivables</td>
<td>(3,133)</td>
<td>(9,965)</td>
<td>5,010</td>
<td>(5,885)</td>
<td>(7,389)</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses and other</td>
<td>(160)</td>
<td>2,637</td>
<td>(8,180)</td>
<td>(6,246)</td>
<td>4,157</td>
</tr>
<tr>
<td>(Increase) increase in inventory</td>
<td>(263)</td>
<td>171</td>
<td>755</td>
<td>755</td>
<td>--</td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable and accrued expenses</td>
<td>(740)</td>
<td>5,144</td>
<td>(1,377)</td>
<td>(4,734)</td>
<td>(54)</td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable and accrued expenses</td>
<td>(503)</td>
<td>10</td>
<td>3,211</td>
<td>5,601</td>
<td>3,953</td>
</tr>
<tr>
<td>(Decrease) increase in billings in excess of revenue earned</td>
<td>(1,418)</td>
<td>(1,380)</td>
<td>4,699</td>
<td>516</td>
<td>(3,537)</td>
</tr>
<tr>
<td>(Decrease) increase in deferred rent</td>
<td>(44)</td>
<td>51</td>
<td>(73)</td>
<td>(17)</td>
<td>157</td>
</tr>
<tr>
<td>Increase in accrued retirement</td>
<td>2,708</td>
<td>1,582</td>
<td>834</td>
<td>1,228</td>
<td>97</td>
</tr>
</tbody>
</table>

Net cash provided by operating activities of continuing operations | 7,909   | 9,387   | 19,852  | 1,202   | 12,516  |

CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property and equipment</td>
<td>(3,538)</td>
<td>(2,181)</td>
<td>(1,344)</td>
<td>(964)</td>
<td>(1,616)</td>
</tr>
<tr>
<td>Proceeds from sales of property and equipment</td>
<td>113</td>
<td>1,168</td>
<td>225</td>
<td>222</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from notes receivable</td>
<td>207</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Loans receivable from GSE</td>
<td>--</td>
<td>--</td>
<td>(1,550)</td>
<td>--</td>
<td>(3,350)</td>
</tr>
<tr>
<td>Investment in GSE Common Stock</td>
<td>--</td>
<td>--</td>
<td>(500)</td>
<td>(500)</td>
<td>--</td>
</tr>
<tr>
<td>Investment in capitalized software products</td>
<td>(1,787)</td>
<td>(900)</td>
<td>(316)</td>
<td>(233)</td>
<td>(933)</td>
</tr>
<tr>
<td>Investment in REVIVE</td>
<td>--</td>
<td>(677)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>(Investment in) dividends from MASI U.K</td>
<td>--</td>
<td>(216)</td>
<td>--</td>
<td>(216)</td>
<td>285</td>
</tr>
</tbody>
</table>

Net cash used in investing activities of continuing operations | (5,005) | (2,609) | (4,197) | (2,063) | (5,614) |

CASH FLOWS FROM FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase (decrease) in borrowings under lines of credit</td>
<td>5,717</td>
<td>7,900</td>
<td>4,413</td>
<td>(269)</td>
<td>(4,344)</td>
</tr>
<tr>
<td>Repayment of term loan</td>
<td>(800)</td>
<td>(3,200)</td>
<td>(2,400)</td>
<td>(1,600)</td>
<td>(2,400)</td>
</tr>
<tr>
<td>Repayment of notes payable</td>
<td>(375)</td>
<td>(1,204)</td>
<td>(276)</td>
<td>(276)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Repayment of mortgage</td>
<td>(75)</td>
<td>(1,163)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Payment of not-to-compete financings</td>
<td>(443)</td>
<td>(337)</td>
<td>(1,000)</td>
<td>(1,000)</td>
<td>--</td>
</tr>
<tr>
<td>Repurchase of Class B common stock</td>
<td>(2,926)</td>
<td>--</td>
<td>(775)</td>
<td>(652)</td>
<td>--</td>
</tr>
<tr>
<td>Redemption of preferred stock</td>
<td>(8,029)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from subordinated debt</td>
<td>8,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options</td>
<td>269</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(83)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

MANTECH INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>(Unaudited)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Net cash provided by (used in) financing activities of continuing operations............................... 1,255 1,996 (38) (3,797) (7,744)

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS............................... 5 (39) 167 (98) 3

NET CASH USED IN DISCONTINUED OPERATIONS...................................... (6,910) (3,736) (5,777) (3,449) (10,508)

NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS................................  (2,746) 4,999 10,007 (8,205) (11,347)

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD....................................... 17,318 14,572 19,571 19,571 29,578

CASH AND CASH EQUIVALENTS, END OF PERIOD..........................................  $14,572 $19,571 $29,578 $11,366 $ 18,231

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Business

ManTech International Corporation delivers a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and infrastructures for our federal government customers in the United States and 28 countries worldwide.

2. Summary of Significant Accounting Policies

Principles of Consolidation--The accompanying consolidated financial statements include the accounts of ManTech International Corporation and its majority-owned subsidiaries (the Company). Minority interest represents minority stockholders' proportionate share of the equity in one of the Company's consolidated subsidiaries. The Company's share of affiliates' earnings (losses) is included in the consolidated statements of income using the equity method (see note 12). All intercompany accounts and transactions have been eliminated.

Use of Accounting Estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. These estimates involve judgments with respect to, among other things, various future economic factors that are difficult to predict and are beyond the control of the Company. Therefore, actual amounts could differ from these estimates.

Revenue Recognition--The majority of the Company's revenues are derived from cost-plus-fixed-fee, cost-plus-award-fee, firm-fixed-price, or time-and-materials contracts. Under cost-plus-fixed or award-fee contracts, revenues are recognized as costs are incurred and include an estimate of applicable fees earned. Under firm-fixed-price contracts, revenues are estimated on the percentage of completion method, on the basis of costs incurred in relation to estimated total costs, or upon delivery of specific products or services, as appropriate. For time-and-material contracts, revenues
are computed by multiplying the number of direct labor-hours expended in the performance of the contract by the contract billing rates and adding other billable direct costs. Performance incentives are incorporated in certain contracts, which provide increased and decreased revenues based on actual performance compared to established targets. Incentives based upon cost performance are recorded currently and other incentives and awards are recorded when the amounts can be reasonably determined, or are awarded. In certain circumstances, revenues are recognized when contract amendments have not been finalized. Anticipated losses are recognized in the accounting period in which they are first determined.

Cost of Services--Cost of services consists primarily of compensation expenses for program personnel and direct expenses incurred to complete programs, including cost of materials and subcontract efforts.

Cash and Cash Equivalents--For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and short-term investments with maturity dates of three months or less at the date of purchase.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


2. Summary of Significant Accounting Policies (Continued)

Property and Equipment--Property and equipment are recorded at original cost. Upon sale or retirement, the costs and related accumulated depreciation or amortization are eliminated from the respective accounts and any resulting gain or loss is included in income. Maintenance and repairs are charged to expense as incurred.

Depreciation and Amortization--Furniture and office equipment are depreciated using the straight-line method with estimated useful lives ranging from five to fifteen years. Leasehold improvements are amortized using the straight-line method over a life of five years, or the term of the lease, whichever is shorter.

Inventory--Inventory is carried at the lower of cost or market. Cost is computed on a specific identification basis.

Goodwill and Other Intangibles--Goodwill, the excess of cost over the fair value of net tangible and identifiable intangible assets of acquired companies, is amortized on a straight-line basis over periods ranging from two to twenty years. Contract rights and other intangibles are amortized on a straight-line basis over periods ranging from three to five years.

Software Development Costs--The Company accounts for software development costs in accordance with Statement of Financial Accounting Standards (SFAS) No. 86, Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed. For projects fully funded by the Company, significant development costs are capitalized from the point of demonstrated technological feasibility until the point in time that the product is available for general release to customers. Once the product is available for general release, capitalized costs are amortized on a straight-line basis over a five-year period or other such shorter period as may be required. The Company recorded $29,000, $431,000, and $665,000 of amortization expense for the years ended December 31, 1998, 1999 and 2000, respectively, and $499,000 for the nine months ended September 30, 2001. Capitalized software costs included in other intangibles at December 31, 1999 and 2000, and September 30, 2001 were $2,380,000, $2,031,000 and $2,465,000, respectively.

Impairment of Long-Lived Assets--Whenever events or changes in circumstances indicate that the carrying amount of long-lived assets, including goodwill, software development costs and other intangibles, may not be fully recoverable, the Company evaluates the probability that future undiscounted net cash flows, without interest charges, will be less than the carrying amount of the assets. If any impairment were indicated as a result of this review, the Company would recognize a loss based on the amount by which the carrying amount
exceeds the estimated discounted future cash flows. The Company believes that no impairments exist as of September 30, 2001.

Income Taxes--Deferred income taxes are recognized based on the estimated future 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. Valuation allowances are established when necessary to reduce deferred tax assets to amounts expected to be realized. Income tax expense represents the current tax provision for the period and the change during the period in deferred tax assets and liabilities. No provision is made for U.S. taxes on foreign subsidiaries where earnings are expected to be reinvested indefinitely.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


2. Summary of Significant Accounting Policies (Continued)

Foreign Currency Translation--All assets and liabilities of foreign subsidiaries are translated into U.S. dollars at fiscal year-end exchange rates. Income and expense items are translated at average monthly exchange rates prevailing during the fiscal year. The resulting translation adjustments are recorded as a component of Accumulated other comprehensive income (loss).

Comprehensive Income (Loss)--Comprehensive income (loss) consists of net income (loss), unrealized gains or losses on certain investments, cash flow hedge and foreign currency translation adjustments and is presented in the Consolidated Statements of Changes in Stockholders' Equity.

Stock-Based Compensation--As permitted under SFAS No. 123, Accounting for Stock-Based Compensation, the Company accounts for stock-based awards using the intrinsic value method prescribed in Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees. Accordingly, no compensation expense has been recognized in the financial statements related to employee stock option awards.

Fair Value of Financial Instruments--The carrying value of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values.

New Accounting Pronouncements--In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, Business Combinations, which requires that all business combinations be accounted for by a single method - the purchase method. The provisions of SFAS No. 141 apply to all business combinations initiated after June 30, 2001. SFAS No. 141 also applies to all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001, or later. The Company does not expect the adoption of the provisions of SFAS No. 141 to have a material impact on its consolidated financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 requires that, upon its adoption, amortization of goodwill will cease and instead, the carrying value of goodwill will be evaluated for impairment on an annual basis. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. SFAS No. 142 will be effective for fiscal years beginning after December 15, 2001. The Company has not yet completed its analysis of this new pronouncement and the impact it will have on the consolidated financial statements.

In July 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The associated asset retirement cost would be capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 will be effective for fiscal years beginning after June 15, 2002. The Company has not yet completed its analysis of this new
pronouncement and the impact it will have on the consolidated financial statements.

In October 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, which replaces SFAS No. 121. SFAS No. 144 requires that long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001. The Company has not yet completed its analysis of this new pronouncement and the impact it will have on the consolidated financial statements.

Reclassifications—Certain reclassifications have been made to previously reported balances to conform with the current-period presentation.

3. Earnings per Share

Basic earnings per share has been computed by dividing net income available to common stockholders by the weighted average number of shares of Class A, Class B and Class C Common Stock outstanding during each period. Shares issued during the period and shares reacquired during the period are weighted for the portion of the period that they were outstanding. Diluted earnings per share have been computed in a manner consistent with that of basic earnings per share while giving effect to all potentially dilutive common shares that were outstanding during each period.

Basic and diluted earnings available to common stockholders are the same and are computed as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations.............</td>
<td>2,921</td>
<td>6,796</td>
<td>7,125</td>
<td>5,113</td>
</tr>
<tr>
<td>Less: Dividends paid to Redeemable Class B common stockholders.........................</td>
<td>(83)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Income from continuing operations available to common stockholders.....................</td>
<td>2,838</td>
<td>6,796</td>
<td>7,125</td>
<td>5,113</td>
</tr>
</tbody>
</table>

The weighted average number of common shares outstanding is computed as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic weighted average common shares outstanding..........................</td>
<td>1,153</td>
<td>1,135</td>
<td>1,132</td>
<td>1,130</td>
</tr>
<tr>
<td>Effect of potential exercise of stock options</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>
4. Business Segment and Geographic Area Information

The Company operates as one segment, delivering a broad array of information technology and technical services solutions under contracts with the U.S. Government. No single customer accounted for 10% or more of the Company's accounts receivable or revenues as of or for the years ended December 31, 1998, 1999 and 2000, and nine months ended September 30, 2001. In addition, there were no sales to any customers within a single country except for the United States where the sales accounted for 10% or more of total revenue. Substantially all assets of continuing operations were held in the United States for the years ended December 31, 1998, 1999 and 2000, and nine months ended September 30, 2001. Revenues by geographic customer and the related percentages of total revenues for the years ended December 31, 1998, 1999 and 2000, and the nine months ended September 30, 2001, were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31</th>
<th>Nine Months Ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998 1999 2000 2001</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>$312,507  $352,423  $373,989  $311,214</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>1,802  1,501  4,838  5,052</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$314,309  $353,924  $378,827  $316,266</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>99.4%  99.6%  98.7%  98.4%</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>0.6%  0.4%  1.3%  1.6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100.0%  100.0%  100.0%  100.0%</td>
<td></td>
</tr>
</tbody>
</table>

5. Revenues and Receivables

The Company delivers a broad array of information technology and technical services solutions under contracts with the U.S. Government. Revenues from the U.S. Government under prime contracts and subcontracts, as compared to total contract revenues, were approximately 97%, 96% and 96% for the years ended December 31, 1998, 1999 and 2000, respectively, and approximately 96% for the nine months ended September 30, 2001. Approximately 44%, 45%, 40% and 36% of the Company's revenues were generated under cost-reimbursable contracts for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

The components of contract receivables are as follows (in thousands):
<table>
<thead>
<tr>
<th>Reconciliation of Billed and Unbilled Receivables</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billed receivables</td>
<td>$61,025</td>
<td>$59,561</td>
<td>$71,335</td>
</tr>
<tr>
<td>Unbilled receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts currently billable</td>
<td>20,612</td>
<td>16,529</td>
<td>14,192</td>
</tr>
<tr>
<td>Revenues recorded in excess of estimated contract value or funding</td>
<td>4,914</td>
<td>4,307</td>
<td>1,385</td>
</tr>
<tr>
<td>Retainage</td>
<td>2,198</td>
<td>1,761</td>
<td>1,665</td>
</tr>
<tr>
<td>Indirect costs incurred in excess of provisional billing rates</td>
<td>1,571</td>
<td>2,755</td>
<td>4,212</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(1,838)</td>
<td>(1,432)</td>
<td>(1,940)</td>
</tr>
<tr>
<td></td>
<td>$88,482</td>
<td>$83,481</td>
<td>$90,849</td>
</tr>
</tbody>
</table>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


5. Revenues and Receivables (Continued)

Indirect cost rates in excess of provisional billing rates on U.S. Government contracts are generally billable at actual rates less a reduction of .5% of the actual general and administrative rate base before a Defense Contract Audit Agency (DCAA) audit is completed. The balance remaining, as well as any retainage, is billable upon completion of a DCAA audit (see note 13). Revenues recorded in excess of contract value or funding are billable upon receipt of contractual amendments. Amounts currently billable consist principally of amounts to be billed within the next month.

6. Property and Equipment

Major classes of property and equipment are summarized as follows (in thousands):

<table>
<thead>
<tr>
<th>Property and Equipment Description</th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and equipment</td>
<td>$24,202</td>
<td>$22,504</td>
<td>$23,170</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>4,672</td>
<td>4,511</td>
<td>4,407</td>
</tr>
<tr>
<td></td>
<td>28,874</td>
<td>27,015</td>
<td>27,577</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(20,071)</td>
<td>(19,982)</td>
<td>(20,831)</td>
</tr>
<tr>
<td></td>
<td>$8,803</td>
<td>$7,033</td>
<td>$6,746</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001 was $2,606,000, $2,912,000, $2,837,000 and $1,816,000, respectively.

7. Goodwill and Other Intangibles

The components of goodwill and other intangibles are as follows (in thousands):

<table>
<thead>
<tr>
<th>Goodwill and Other Intangibles Description</th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>$17,948</td>
<td>$18,092</td>
<td>$18,092</td>
</tr>
<tr>
<td>Other intangibles</td>
<td>8,691</td>
<td>9,007</td>
<td>9,939</td>
</tr>
<tr>
<td></td>
<td>26,639</td>
<td>27,099</td>
<td>28,031</td>
</tr>
<tr>
<td>Less: Accumulated amortization</td>
<td>(12,041)</td>
<td>(14,752)</td>
<td>(16,805)</td>
</tr>
<tr>
<td></td>
<td>$14,598</td>
<td>$12,347</td>
<td>$11,226</td>
</tr>
</tbody>
</table>
Goodwill amortization expense for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001 was $836,000, $1,033,000, $1,124,000 and $863,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


8. Debt

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving credit facility</td>
<td>$53,100</td>
<td>$57,496</td>
<td>$53,133</td>
</tr>
<tr>
<td>Term loan</td>
<td>12,000</td>
<td>9,600</td>
<td>7,200</td>
</tr>
<tr>
<td>Subordinated credit agreement</td>
<td>8,000</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Other notes</td>
<td>3,406</td>
<td>2,104</td>
<td>1,104</td>
</tr>
<tr>
<td><strong>Total debt</strong></td>
<td><strong>76,506</strong></td>
<td><strong>77,200</strong></td>
<td><strong>69,437</strong></td>
</tr>
<tr>
<td>Less: Current portion of debt</td>
<td>4,501</td>
<td>4,200</td>
<td>2,769</td>
</tr>
<tr>
<td><strong>Debt--net of current portion</strong></td>
<td><strong>$72,005</strong></td>
<td><strong>$73,000</strong></td>
<td><strong>$66,668</strong></td>
</tr>
</tbody>
</table>

On October 27, 2000, the Company executed the Second Amendment to the Amended and Restated Business Loan and Security Agreement (the Agreement) with Mellon Bank N.A. (Mellon), First Union Commercial Corporation (First Union) and PNC Bank N.A., which provides for maximum borrowings of $76.0 million. The Agreement consists of a $60.0 million revolving credit facility and a $16.0 million term loan. Under the revolving portion of the Agreement, the Company may borrow the lesser of defined percentages of receivables or $60.0 million. The maximum available borrowing under the revolving credit facility at September 30, 2001 was $60.0 million. Under the term loan portion of the Agreement, the principal balance is payable in consecutive quarterly installments of $800,000 on the last business day of each quarter commencing with the last business day of December 1998. A final payment of $6.4 million is due upon expiration of the Agreement on December 31, 2001. In conjunction with the execution of the Agreement, the Company recorded $175,000 in loan origination costs, included in other assets, which are being amortized ratably over the term of the Agreement.

Borrowings under the Agreement are collateralized by the Company's eligible contract receivables, inventory, and certain property and equipment and bear interest at the agreed-upon London Interbank Offering Rate (LIBOR) plus 2.25% for the first $25.0 million outstanding, at LIBOR plus 2.75% for the $7.2 million associated with the term loan, at LIBOR plus 2.03125% for European currency loans of $1.0 million, and at the bank's prime rate plus 1.00% for outstanding amounts greater than $33.2 million. At September 30, 2001, the agreed-upon LIBOR rate was 2.79% for $15.0 million, 3.52% for $10.0 million, 3.49% for $6.4 million, 4.95% for $1.0 million and the bank's prime rate was 6.00% for the remaining $27.9 million. The aggregate annual weighted average interest rates were 8.15%, 7.52% and 8.75% for 1998, 1999 and 2000, respectively. The aggregate weighted average interest rate for the nine months ended September 30, 2001 was 8.49%. Under the Agreement, the Company is required to maintain specified financial covenants relating to fixed charge coverage, interest coverage, debt coverage, and minimum consolidated net worth. The Agreement also places limitations on additional borrowing, mergers, and related party transactions, issuance of capital stock and payment of dividends, and limitations with respect to capital expenditures. The weighted average
borrowings under the revolving portion of the Agreement during the years ended December 31, 1998, 1999 and 2000, and the nine months ended September 30, 2001, were $43,663,000, $32,357,000, $43,876,000 and $36,848,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Debt (Continued)

On November 13, 2001, the Company executed a commitment letter (the Commitment) with Mellon Bank N.A, PNC Bank N.A, Branch Banking and Trust Company, and Chevy Chase Bank, F.S.B. to refinance and replace the Agreement. The Commitment provides for maximum borrowings of $71.4 million and consists of a $65.0 million revolving credit facility and a $6.4 million term loan. Under the term loan portion of the Commitment, the principal balance is payable in consecutive quarterly installments of $492,308 on the last business day of each quarter commencing with the last business day of December 2001. The maturity date of the facilities described in the Commitment is December 31, 2004. Other terms and conditions associated with the Commitment are no more restrictive than those contained in the Agreement. It is anticipated that the Commitment will be replaced with a formal lending agreement prior to December 31, 2001. As the Company has both the ability and intent to refinance its existing credit facility, the balance outstanding at September 30, 2001 has been classified as noncurrent.

As of September 30, 2001, the Company was contingently liable under letters of credit totaling $6,703,000, which reduce the availability to borrow under the revolving portion of the Agreement.

The Company had $16.0 million and $20.5 million in borrowings under the existing credit facility at December 31, 1999 and 2000, respectively, and $13.8 million in borrowings at September 30, 2001, which were repaid immediately after the end of the respective periods.

On January 15, 1998, the Company redeemed all 75,000 shares of its then outstanding Preferred Stock for a total of $8,029,000, or $107.05 per share (see note 10). In order to provide the funding necessary to redeem the Preferred Stock, the Company executed a seven-year Subordinated Credit Agreement with First Source Financial LLP for $8,000,000 on January 9, 1998. The remaining $29,000 of funding was provided by the Company's revolving credit facility. The principal balance is payable in eight consecutive quarterly installments of $888,889 on the first business day of each quarter commencing with the first business day of January 2003. A ninth and final payment of $888,888 is due on the last business day of December 2004. Interest under the Subordinated Credit Agreement accrues at a fixed rate of 12% per annum and is payable quarterly in arrears.

Debt outstanding at September 30, 2001, is scheduled to mature by the following calendar year ends: $1,292,000 in 2001, $1,969,000 in 2002, $6,525,000 in 2003, and $59,546,000 in 2004, and $104,000 in 2005.

The total interest paid was $4,510,000, $6,094,000, $6,073,000 and $3,614,000, for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

The Company uses interest rate swap agreements to manage exposure to fluctuations in interest rates. At September 30, 2001, the Company had an unleveraged swap agreement with First Union with a notional principal amount of $25,000,000. This agreement was placed on November 22, 2000 with
8. Debt (Continued)

A fixed LIBOR rate of 6.53% and is settled in cash on a monthly basis. The term of the agreement is four years, but is cancelable at the option of First Union after the third year.

Effective January 1, 2001, the Company adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which, as amended by SFAS No. 138, establishes accounting and reporting standards for derivative instruments, including some derivative instruments embedded in other contracts, and for hedging activities. Upon adoption of SFAS No. 133, the Company recorded a $704,000 ($422,000 net of tax) transition adjustment in other comprehensive loss as a cumulative effect of a change in accounting principle. The Company will reclassify this amount into interest expense over the remaining life of the interest rate swap.

The Company hedges the cash flows of some of its long-term debt using an interest rate swap. The Company enters into these derivative contracts to manage its exposure to interest rate movements by achieving a desired proportion of fixed rate versus variable rate debt. In an interest rate swap, the Company agrees to exchange the difference between a variable interest rate and either a fixed or another variable interest rate, multiplied by a notional principal amount.

As of September 30, 2001, the Company has recognized the cash flow hedge at its fair value of $2,084,000 in accounts payable and accrued expenses on the consolidated balance sheet. The interest rate swap qualifies for cash flow hedge accounting, therefore, an unrealized loss of $1,380,000 ($829,000 net of tax), representing the effective portion of the change in its fair value, is reported in other comprehensive loss and will be reclassified into interest expense. The ineffective portion of the change in fair value of the swap qualifying for cash flow hedge accounting is recognized in the consolidated statements of income in the period of the change. For the nine months ended September 30, 2001, the swap did not have any ineffectiveness for the cash flow hedge.

Management believes that the fair value of debt is not significantly different from what is recorded by the Company, based on comparable market rates on similar issues.

9. Income Taxes

The domestic and foreign components of income before provision for income taxes and minority interest were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Nine Months Ended</th>
<th>Year Ended December 31,</th>
<th>September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1998</td>
<td>1999</td>
</tr>
<tr>
<td>Domestic</td>
<td></td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td>$4,454</td>
<td>$11,556</td>
</tr>
<tr>
<td>Domestic</td>
<td></td>
<td>683</td>
<td>743</td>
</tr>
<tr>
<td></td>
<td></td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$5,137</td>
<td>$12,299</td>
</tr>
</tbody>
</table>

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The provision for income taxes was comprised of the following components (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
<td>1999</td>
</tr>
</tbody>
</table>
| Current provision (benefit): 
Federal              | $1,540 | $5,352 | $4,291 | $9,215 |
| State                | 828   | 1,064 | 1,893 | 1,959 |
| Foreign              | --    | (10)  | (203) | 143   |
|                      | 2,368 | 6,406 | 5,981 | 11,317 |
| Deferred provision (benefit): 
Federal              | (371) | (1,227)| 606   | (1,947) |
| State                | (25)  | 48    | (732) | (427) |
| Foreign              | 211   | 239   | 119   | 119   |
|                      | (185) | (940) | (7)   | (2,255) |
| Total provision for income taxes | $2,183 | $5,466 | $5,974 | $9,062 |

The provision for income taxes varies from the amount of income tax determined by applying the applicable U.S. statutory tax rate to pre-tax income as a result of the following:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
<td>1999</td>
</tr>
<tr>
<td>Statutory U.S. Federal tax rate</td>
<td>35.0%</td>
<td>35.0%</td>
</tr>
</tbody>
</table>
| Increase (decrease) in rate resulting from: 
Foreign taxes                     | (1.7) | 0.2   | (0.4) | (0.2) |
| Other--additional provision         | --    | --    | 2.8   | --    |
| Nondeductible items: 
Goodwill amortization         | 6.1   | 2.6   | 2.5   | 1.2   |
| Other                        | (1.8) | 2.0   | 1.8   | 1.5   |
| Effective tax rate             | 42.5% | 44.4% | 45.6% | 42.7% |

The Company paid income taxes, net of refunds, of $1,996,000, $1,648,000, $4,100,000 and $2,711,000 for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. A summary of the tax effect of the significant components of deferred income taxes follows (in thousands):
Gross deferred tax liabilities:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables and payables</td>
<td>$19,720</td>
<td>$20,628</td>
<td>$19,536</td>
</tr>
<tr>
<td>Investments</td>
<td>1,846</td>
<td>1,323</td>
<td>1,546</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,294</td>
<td>1,016</td>
<td>1,308</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>109</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td>22,969</td>
<td>22,967</td>
<td>22,390</td>
</tr>
</tbody>
</table>

Gross deferred tax assets:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credits and net operating loss carryforwards</td>
<td>(2,708)</td>
<td>(2,751)</td>
<td>(2,468)</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>(1,703)</td>
<td>(1,431)</td>
<td>(1,404)</td>
</tr>
<tr>
<td>Cash flow hedge</td>
<td>--</td>
<td>--</td>
<td>(833)</td>
</tr>
<tr>
<td>Allowance for potential contract losses and other contract reserves</td>
<td>(1,231)</td>
<td>(631)</td>
<td>(675)</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>--</td>
<td>(195)</td>
<td>(75)</td>
</tr>
<tr>
<td>Total</td>
<td>(5,642)</td>
<td>(5,008)</td>
<td>(5,455)</td>
</tr>
<tr>
<td>Less: Valuation allowance</td>
<td>902</td>
<td>902</td>
<td>902</td>
</tr>
<tr>
<td>Total</td>
<td>(4,740)</td>
<td>(4,106)</td>
<td>(4,553)</td>
</tr>
</tbody>
</table>

Net deferred tax liabilities:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$18,229</td>
<td>$18,861</td>
<td>$17,837</td>
</tr>
</tbody>
</table>

At September 30, 2001, the Company has state net operating losses of approximately $13,300,000 that expire beginning 2001 through 2020. At September 30, 2001, the Company had a capital loss carryforward of $2,127,000 that expires in 2003.

10. Capital Stock, Employee Stock Plan

Common Stock--Class A Common Stock is voting, no par value. The Company has 25,000,000 shares authorized with 4,111,502 shares issued and 1,022,882, 1,033,938 and 1,040,566 shares outstanding at December 31, 1999 and 2000, and September 30, 2001, respectively. There were 3,088,620, 3,077,564 and 3,070,936 shares of Class A Common Stock held as Treasury Stock at December 31, 1999 and 2000, and September 30, 2001, respectively. At December 31, 1999 and 2000, and September 30, 2001, there were an additional 37,366 shares of Class A Common Stock, with a cost value of $640,000, reflected as Treasury Stock in accordance with Emerging Issues Task Force Abstract 97-14, Accounting for Deferred Compensation Arrangements where Amounts Earned are Held in a Rabbi Trust and Invested. These shares are held in a Rabbi Trust to satisfy a defined contribution pension obligation, to be paid in stock for the benefit of a senior Company employee.
redeemed 1,000 shares of Class B Common Stock from an outside Director for $86,060. On December 18, 2000, the Company redeemed an additional 1,000 shares of Class B Common Stock from an outside Director for $123,240. All of these shares were placed in Treasury at their redemption value. The Company had 250,000 shares of Class B Common Stock authorized, 80,269 shares issued, and 41,113, 32,531 and 32,531 shares outstanding at December 31, 1999 and 2000, and September 30, 2001, respectively.

On December 18, 1998, the Board of Directors approved a change to the Company By-Laws, effective January 1, 1999, to conform Class B Common Stock dividend rights on a pari-passu basis with Class A and Class C Common Stock. Prior to this amendment, the Board of Directors paid an annual, per share dividend on the Class B Common Stock using the prime rate announced periodically by the Company's primary lender. These dividends were paid quarterly. The 1998 Class B Common Stock cash dividends totaled $83,200, or $1.43 per share. Class B Common Stock dividends paid in 1998 totaled $69,200, whereas dividends payable at December 31, 1998, paid on January 15, 1999, totaled $14,000.

With respect to liquidation rights, the Class C Common Stock is on a pro rata parity with the Class A and Class B Common Stock.

Preferred Stock--Each December 31, beginning in 1994, the Company had the right to require the holders of Preferred Stock to sell all or any part of the 75,000 authorized and issued shares of Preferred Stock for the Redemption Price, which equated to the greater of (i) the par value plus accrued but unpaid dividends or (ii) the fair market value of the Preferred Stock. In December 1997, the Company's Board of Directors chose to exercise this right and announced its intention to repurchase all of the Preferred Stock shares based on a valuation performed as December 31, 1997.

On January 15, 1998, the Company redeemed and retired all 75,000 shares of the Preferred Stock for a total of $8,029,000, or $107.05 per share. In accordance with the terms of the Preferred Stock, the per share redemption price was based on a valuation performed by an independent third party as of December 31, 1997. In order to provide the funding necessary to redeem the Preferred Stock, the Company executed a seven-year Subordinated Credit Agreement with First Source Financial LLP for $8,000,000 on January 9, 1998 (see note 8).

Stock Options--The Company has a nonqualified fixed option plan that reserves shares of Class B Common Stock for issuance to key employees. The Company has adopted the disclosure-only

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The Company maintains nonqualified supplemental defined benefit pension plans for certain retired employees of an acquired company. The weighted average assumptions used in accounting for the Company's pension plans in 1999, 2000 and 2001 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>8.0%</td>
<td>8.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The discount rate is the estimated rate at which the obligation for pension benefits could effectively be settled. The expected return on plan assets reflects the average rate of earnings that the Company estimates will be generated on the assets of the plans. The Plans were partially funded beginning in 1999. The rate of compensation increase reflects the Company's best estimate of the future compensation levels of the individual employees covered by the plans and is not applicable, as all covered employees had retired prior to 1998.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


11. Retirement Plans (Continued)

The following table sets forth the status of the plans (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Change in benefit obligation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit obligation at beginning of period</td>
<td>$1,748</td>
<td>$1,693</td>
</tr>
<tr>
<td>Interest cost</td>
<td>132</td>
<td>131</td>
</tr>
<tr>
<td>Actuarial (gain) loss</td>
<td>(16)</td>
<td>58</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(171)</td>
<td>(175)</td>
</tr>
<tr>
<td>Benefit obligation at end of period</td>
<td>1,693</td>
<td>1,707</td>
</tr>
<tr>
<td>Change in plan assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets at beginning of period</td>
<td>--</td>
<td>180</td>
</tr>
<tr>
<td>Employer contribution</td>
<td>351</td>
<td>198</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(171)</td>
<td>(175)</td>
</tr>
<tr>
<td>Fair value of plan assets at end of period</td>
<td>180</td>
<td>203</td>
</tr>
<tr>
<td>Funded status at end of period</td>
<td>(1,513)</td>
<td>(1,504)</td>
</tr>
<tr>
<td>Unrecognized actuarial loss</td>
<td>28</td>
<td>83</td>
</tr>
<tr>
<td>Unrecognized prior-service cost</td>
<td>110</td>
<td>79</td>
</tr>
<tr>
<td>Unrecognized net transition obligation</td>
<td>41</td>
<td>20</td>
</tr>
<tr>
<td>Net amount recognized at end of period</td>
<td>$(1,334)</td>
<td>$(1,322)</td>
</tr>
</tbody>
</table>

The components of net periodic pension cost for the Company's defined benefit plans are provided in the following table (in thousands):

The components of net periodic pension cost for the Company's defined benefit plans are provided in the following table (in thousands):
<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>1999  2000  2001</td>
</tr>
<tr>
<td>Interest cost on projected benefit obligation........</td>
<td>$134 $132 $131 $ 98</td>
</tr>
<tr>
<td>Net amortization of prior-service cost and transition obligation........................................</td>
<td>53  52  54  42</td>
</tr>
<tr>
<td>Net periodic pension cost........................</td>
<td>$187 $184 $185 $140</td>
</tr>
</tbody>
</table>

The Company maintains two qualified defined contribution plans, which cover substantially all employees, that comply with Section 401 of the Internal Revenue Code. Under these plans, the Company's stipulated Basic Matching Contribution matches a portion of the participants' contribution based upon a defined schedule. Contributions are invested by an independent investment company in one or more of several investment alternatives. The choice of investment alternatives is at the election of each participating employee. The Company's contributions to the plans were approximately $2,091,000, $2,317,000, $2,420,000 and $1,917,000 for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

The Company also maintains a nonqualified deferred compensation plan for certain key employees. Under this plan, eligible employees may defer up to 18% of qualified annual compensation. Employee contributions to this plan were approximately $1,729,000, $1,911,000, $1,875,000 and $1,598,000 for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

On December 18, 1998, the Board of Directors approved the establishment of a qualified Employee Stock Ownership Plan (ESOP), effective January 1, 1999, for the benefit of substantially all of the Company's U.S. domestic-based employees. The ESOP is non-leveraged and will be funded entirely through Company contributions based on a percentage of eligible employee compensation, as defined in the plan. Participants must be employees of the Company or eligible Company subsidiaries and must meet minimum service requirements to be eligible for annual contributions. The ESOP specifies a five-year vesting schedule over which participants become vested in the Class A Common Stock allocated to their participant account. The amount of the Company's annual contribution to the ESOP is at the discretion of the Company's Board of Directors.

For the years ended December 31, 1999 and 2000, the Company contributed and allocated to participants' accounts $1,363,000 and $1,419,000, respectively, worth of Class A common stock and cash. The Board of Directors has authorized an additional ESOP contribution for the year ended December 31, 2001. It is anticipated that shares attributable to the year ended December 31, 2001 commitment will be issued to the ESOP during the second quarter 2002, after an independent appraisal of the stock value as of December 31, 2001, has occurred. At September 30, 2001, an obligation to fund $910,000 was accrued.

As required under Statement of Position No. 93-6, Employers' Accounting for Employee Stock Ownership Plans, compensation expense is recorded for shares
committed to be released to employees based on the fair market value of those
shares in the period in which they are committed to be released. The difference
between cost and fair market value of the released shares, which was $1,326,000
and $1,142,000, for the year ended December 31, 2000 and the nine months ended
September 30, 2001, respectively, is recorded in additional paid in capital.

12. Investments

GSE Systems, Inc.--The Company and its designees hold stock in GSE Systems,
Inc. (GSE), which was created by the merger of one of the Company's
majority-owned subsidiaries and two other entities in April 1994. In January
2000, the Company purchased 116,959 additional shares of common stock in GSE,
increasing the Company's ownership to 17.61%, which is where it remains at

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 1998, 1999 and 2000 and Nine Months Ended September 30,
2001

12. Investments (Continued)

The Company also holds notes receivable from GSE totaling $4.9 million as
of September 30, 2001. Of this amount, $3.9 million is convertible into GSE
preferred stock. The Company intends to convert the $3.9 million note into
preferred stock and the balance of the notes is due to be repaid in December

During the nine months ended September 30, 2001, the Company determined
that it had obtained significant influence with respect to GSE. As a result,
for the nine months ended September 30, 2001, the Company began accounting
for its investment in GSE using the equity method and recorded $469,000 in equity
earnings for the nine months ended September 30, 2001. Additionally the Company
has restated prior year amounts and has recorded $219,000, $16,000,
($1,555,000) in equity earnings (losses) for the years ended December 31, 1998,
1999 and 2000, respectively. The after-tax impact to net income as a result of
this restatement was $130,000, $10,000, and ($934,000) for the years ended
December 31, 1998, 1999 and 2000, respectively. The related impact to basic and
diluted earnings per share was $0.11, $0.01, and ($0.82) for the years ended
December 31, 1998, 1999 and 2000, respectively.

majority-owned subsidiary of the Company, and Vosper Thornycroft Limited
entered into a Joint Venture agreement to form Vosper-ManTech Limited (the
Joint Venture). The Joint Venture is owned 40% by MASI U.K. Limited and 60% by
Vosper Thornycroft Limited. In 2000, the Joint Venture began work on a ten-year
follow-on contract providing outsourcing of the Government Communications
Headquarters (GCHQ) for the United Kingdom's logistics and engineering services.

The Company's interest in the Joint Venture is accounted for using the
equity method. The Company recorded $692,000, $794,000, $393,000 and $400,000
in equity earnings for the years ended December 31, 1998, 1999 and 2000, and
for the nine months ended September 30, 2001, respectively.

The components of investments are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
<th>September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>GSE Systems, Inc.</td>
<td>$2,753</td>
<td>$1,698</td>
</tr>
<tr>
<td>Vosper-ManTech Limited</td>
<td>1,861</td>
<td>2,112</td>
</tr>
<tr>
<td>Total investments</td>
<td>$4,614</td>
<td>$3,810</td>
</tr>
</tbody>
</table>

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13. Commitments and Contingencies

Payments to the Company on cost-reimbursable contracts with the U.S. Government are provisional payments subject to adjustment upon audit by the DCAA. Audits through 1999 have been completed and resulted in no material adjustments. The audits for 2000 through 2001 are not expected to have a material effect on the results of future operations.

The Company is involved in certain legal proceedings, claims and disputes arising from the normal course of business and has litigation pending under several suits; however, management believes that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

In February 2000, a judgment was entered against the Company in favor of Boston Properties, a real estate management firm, in the amount of $1,175,000 for unpaid rent under a lease held by Boston Properties with Global-InSync, Inc. (Global). Global is the successor to a business sold by the Company in 1996 (see note 16). The Company provided a financial guarantee to Boston Properties on the lease to facilitate the timely closing of this business sale. Boston Properties and Global extended the original lease without notice to the Company. The legal action sought to recover unpaid rent beyond the term of the original lease. After losing the appeal, the Company paid this judgment and other related expenses in August 2000.

The Company leases office space and equipment under long-term operating leases. A number of the leases contain renewal options and escalation clauses. At September 30, 2001, aggregate future minimum rental commitments under these leases are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Office Space</th>
<th>Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three months ending</td>
<td>1,929</td>
<td>1,191</td>
<td>3,120</td>
</tr>
<tr>
<td>December 31, 2001</td>
<td>6,288</td>
<td>3,069</td>
<td>9,357</td>
</tr>
<tr>
<td>December 31, 2002</td>
<td>5,333</td>
<td>2,508</td>
<td>7,841</td>
</tr>
<tr>
<td>December 31, 2004</td>
<td>4,752</td>
<td>1,934</td>
<td>6,686</td>
</tr>
<tr>
<td>December 31, 2005</td>
<td>4,214</td>
<td>1,523</td>
<td>5,737</td>
</tr>
<tr>
<td>Thereafter</td>
<td>8,193</td>
<td>1,269</td>
<td>9,462</td>
</tr>
<tr>
<td>Total</td>
<td>30,709</td>
<td>11,494</td>
<td>42,203</td>
</tr>
</tbody>
</table>

Office space and equipment rent expense totaled approximately $6,303,000, $7,441,000, $9,578,000 and $7,715,000 for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

14. Acquisitions

Each of the following acquisitions has been accounted for as a purchase, and accordingly, the operating results of each of the acquired entities have been included in the Company's consolidated financial statements since the respective dates of acquisition. The aggregate amount of goodwill and other intangibles resulting from the excess of the respective purchase prices over the fair market value of net assets acquired in 1999 was approximately $3,558,000.
REVIVE Technologies, Inc.--On April 16, 1999, the Company acquired certain assets and liabilities of REVIVE Technologies, Inc. (REVIVE) for a cash purchase price of $500,000 and a note payable of $1,105,000 (interest accrues at a rate of 6.50%), due and payable in four equal quarterly installments beginning in July 1999. REVIVE specializes in the automated conversion of legacy mainframe databases.

Advanced Development Group, Inc.--On January 5, 1999, the Company acquired all of the outstanding stock of Advanced Development Group, Inc. (ADG) for a purchase price of $2,000,000 in the form of a note payable over two years (interest accrues at the prime rate). This acquisition also provided for additional cash payments, not to exceed $5,000,000, to be made over the three years following the closing, based on the attainment of certain earnings levels. In May 2000, the Company paid $495,000 against this obligation.

ADG specializes in the development of interactive multimedia and distance learning training products. It is the leading Interactive Multimedia Instruction (IMI) developer for the U.S. Army. In addition, ADG has developed a proprietary IMI Course Builder Program(C) to enable the development of high-quality, low-cost training products that incorporate sophisticated animation, graphics and video.

15. Discontinued Operations

On September 26, 2001, the Company executed a formal plan to exit certain commercial and foreign lines of business that no longer contribute to the core competencies. The businesses include the the Australian-based software solutions consulting business, the United Kingdom-based bank remittance processing business, the China-based consulting business, the U.S.-based environmental consulting and remediation business and the U.S.-based application-hosting business. Although some of these ventures show promise and growth, these businesses are oriented towards commercial customers and do not contribute to the core competencies on which the Company is currently focused. All of these businesses are expected to be sold, and all of the dispositions are expected to be completed on or before June 30, 2002. Based on independent valuations, market comparable information and interest expressed in these businesses, an estimate has been provided for the likely net gains and losses to income expected from these businesses through the estimated date of disposal. As a result, in accordance with APB Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, results of operations have been classified as discontinued and prior periods have been restated. The Company has segregated the net assets and liabilities held for sale, recorded all current and expected future losses and deferred all gains expected to be realized upon disposal of the respective entities. The amounts the Company will ultimately realize could differ in the near term from the amounts estimated in arriving at the loss on disposal of the discontinued operations.

Revenues and losses from discontinued operations are as follows (in thousands):


<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
<td>1999</td>
</tr>
<tr>
<td>Income statement data:</td>
<td>Revenues</td>
<td>85,976</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td>87,034</td>
<td>101,428</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------</td>
<td>---------</td>
</tr>
<tr>
<td>Operating loss</td>
<td>1,058</td>
<td>3,925</td>
</tr>
<tr>
<td>Minority interest</td>
<td>716</td>
<td>652</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>506</td>
<td>1,850</td>
</tr>
<tr>
<td>Loss from discontinued operations net of tax and minority interest</td>
<td>(1,268)</td>
<td>(2,727)</td>
</tr>
</tbody>
</table>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


15. Discontinued Operations (Continued)

The estimated net loss on disposal of discontinued operations recorded for the nine months ended September 30, 2001 was $5,890,000, net of an income tax benefit of $3,818,000. This loss included a provision for anticipated closing costs and net operating losses through the estimated date of disposal of $3,852,000, net of an income tax benefit of $2,404,000.

The Company's Australian-based software solutions consulting business disposed of its Local Government business on June 30, 2000 and recorded a loss on the disposal of $719,000, net of tax. The revenues and operating losses of this business unit were not significant for the periods presented.

16. Loss From Investment Default

On September 16, 1996, the Company sold certain assets of the Systems Integration business to Global in exchange for notes receivable of $1,956,000, due and payable in full over the next five years, and stock in their parent company, Global Intellicom, Inc. as follows: 49,778 shares of common stock and convertible exchangeable preferred stock with a carrying value of $3,080,000, based upon an independent third-party valuation as of the date of sale.

At December 31, 1997, Global was in default on its note obligations but had proposed a payment plan satisfactory to the Company to cure this default. In 1998, Global was unable to discharge the payment plan and defaulted on the full note obligations in early 1999. As a result of the general financial condition of Global Intellicom, Inc. and a sharp decline in the trading value of their stock, it is the belief of the Company management that the value of all investments in Global Intellicom, Inc. are permanently impaired. A pre-tax charge of $5,230,000 ($3,138,000 after tax) was recorded against 1998 earnings, representing the total recorded value of all notes and stock in Global and Global Intellicom, Inc., respectively.

* * * * *

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[INSIDE BACK COVER ART]
PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The estimated expenses in connection with this offering (all of which will be borne by the registrant), are as follows:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities and Exchange Commission registration fee</td>
<td>$</td>
</tr>
<tr>
<td>Nasdak filing fee</td>
<td></td>
</tr>
<tr>
<td>Nasdaq listing fees</td>
<td></td>
</tr>
<tr>
<td>Printing expenses</td>
<td></td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td></td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td></td>
</tr>
<tr>
<td>Blue Sky fees and expenses</td>
<td></td>
</tr>
<tr>
<td>Transfer agent's fees and expenses</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$*</td>
</tr>
</tbody>
</table>

* To be included by amendment.


Section 145 of the Delaware General Corporation Law (DGCL) generally provides that all directors and officers (as well as other employees and individuals) may be indemnified against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with certain specified actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation -- a "derivative action"), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard of care is applicable in the case of derivative actions, except that indemnification extends only to expenses (including attorneys' fees) actually and reasonably incurred in connection with defense or settlement of an action and the DGCL requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. Section 145 of the DGCL also provides that the rights conferred thereby are not exclusive of any other right which any person may be entitled to under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, and permits a corporation to advance expenses to or on behalf of a person to be indemnified upon receipt of an undertaking to repay the amounts advanced if it is determined that the person is not entitled to be indemnified.

The registrant's bylaws provide that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding by reason of the fact that he is or was a director or officer of the registrant (or is or was serving at the request of the registrant as director, officer, employee or agent of another entity), shall be indemnified and held harmless by the registrant to the fullest extent authorized by the DGCL, as in effect (or to the extent that indemnification is broadened, as it may be amended), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. Except with respect to actions
initiated by an officer or director against the registrant to recover the
amount of an unpaid claim, the registrant is required to indemnify an officer
or director in connection with an action, suit or proceeding initiated by such
person only if such action, suit or proceeding was authorized by the board of
directors of the registrant. The bylaws further provide that an officer or
director may (60 days after a written claim has been received by the
registrant) bring suit against the registrant to recover an unpaid claim and,
if such suit is successful, the expense of bringing such suit. While it is a
defense to such suit that the claimant has not met the applicable standards of
court which make indemnification permissible under the DGCL, neither the
failure of the board of directors to have made a determination that
indemnification is proper, nor an actual determination that the claimant has
not met the applicable standard of conduct, shall be a defense to the action or
create a presumption that the claimant has not met the applicable standard of
conduct.

The bylaws also provide that the rights conferred thereby are contract
rights, that they are not exclusive of any other rights which an officer or
director may have or hereafter acquire under any statute, any other provision
of the certificate of incorporation, bylaw, agreement, vote of stockholders or
disinterested directors or otherwise, and that they include the right to be
paid by the registrant the expenses incurred in defending any specified action,
suit or proceeding in advance of its final disposition provided that, if the
DGCL so requires, such payment shall only be made upon delivery to the
registrant by the officer or director of an undertaking to repay all amounts so
advanced if it shall ultimately be determined that such director or officer is
not entitled to be indemnified under the bylaws or otherwise.

Item 15. Recent Sales of Unregistered Securities

On September 17, 2001, we made a net contribution of 6,628 shares of our
Class A common stock to the Employee Stock Ownership Plan Trust.

The transaction described above was undertaken in reliance upon the
exemptions from the registration requirements of the Securities Act of 1933
afforded by Rule 701 promulgated thereunder, as a transaction pursuant to the
compensatory benefit plans and contracts relating to compensation. The
registrant believes that exemptions other than the foregoing exemption may
exist for this transaction.

Item 16. Exhibits and Financial Statement Schedule

(a) Exhibits

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EXHIBIT INDEX

Exhibit
Number  Description of Exhibit
-------  ----------------------
*1.1  Form of Underwriting Agreement
*3.1  Certificate of Incorporation of the Registrant
*3.2  Bylaws of the Registrant
*4.1  Form of Common Stock Certificate.
*4.2  Amended and Restated Business Loan and Security Agreement with Mellon Bank N.A., First Union
        Commercial Corporation and PNC Bank N.A.
*5.1  Opinion of Gibson, Dunn & Crutcher LLP
*10.1 Retention Agreement, effective as of the closing of the offering, between John A. Moore and
        ManTech International Corporation.
*10.2 Form of Confidentiality, Nonsolicitation and Noncompete Agreement, effective as of the closing of
        the offering, between specified executive officers and ManTech International Corporation.
INDEPENDENT AUDITORS' REPORT ON SCHEDULE

To the Board of Directors and Stockholders of
ManTech International Corporation
Fairfax, Virginia:

We have audited the consolidated financial statements of ManTech International Corporation as of December 31, 1999 and 2000 and September 30, 2001 and for the years ended December 31, 1999 and 2000 and the nine months ended September 30, 2001, and have issued our report thereon dated November 16, 2001. Such consolidated financial statements and report are included elsewhere in this Registration Statement. Our audits also included the financial statement schedule of ManTech International Corporation listed in Item 16(b). This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

DELOITTE & TOUCHE LLP
McLean, Virginia
November 16, 2001

Report of Independent Accountants on
Financial Statement Schedule

To the Board of Directors and Stockholders of
MANTECH INTERNATIONAL CORPORATION:

Our audit of the consolidated financial statements referred to in our report dated April 26, 1999, except for Note 16, as to which the date is June 7, 1999 and Note 15, as to which the date is November 15, 2001, appearing in the Registration Statement under the Securities Act of 1933 of ManTech International Corporation also included an audit of the financial statement schedule listed in Item 16(b) of this Registration Statement. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP
Valuation and Qualifying Accounts

Activity in the Company's allowance accounts for the years ended December 31, 1998, 1999 and 2000 and the nine months ended September 30, 2001 was as follows (in thousands):

**Doubtful Accounts**

<table>
<thead>
<tr>
<th>Period</th>
<th>Balance at Beginning of Period</th>
<th>Charged to Costs and Expenses</th>
<th>Deductions</th>
<th>Other*</th>
<th>Balance at End of Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998.....</td>
<td>$2,314</td>
<td>217</td>
<td>(1,152)</td>
<td>439</td>
<td>$1,818</td>
</tr>
<tr>
<td>1999.....</td>
<td>1,818</td>
<td>901</td>
<td>(1,033)</td>
<td>152</td>
<td>1,838</td>
</tr>
<tr>
<td>2000.....</td>
<td>1,838</td>
<td>313</td>
<td>(1,183)</td>
<td>464</td>
<td>1,432</td>
</tr>
<tr>
<td>Sept. 2001</td>
<td>1,432</td>
<td>523</td>
<td>(357)</td>
<td>342</td>
<td>1,940</td>
</tr>
</tbody>
</table>

*Other represents doubtful account reserves recorded as part of Net Revenues.

**Deferred Tax Asset Valuation**

<table>
<thead>
<tr>
<th>Period</th>
<th>Balance at Beginning of Period</th>
<th>Charged to Costs and Expenses</th>
<th>Deductions</th>
<th>Other*</th>
<th>Balance at End of Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998.....</td>
<td>$902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>$902</td>
</tr>
<tr>
<td>1999.....</td>
<td>902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>902</td>
</tr>
<tr>
<td>2000.....</td>
<td>902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>902</td>
</tr>
<tr>
<td>Sept. 2001</td>
<td>902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>902</td>
</tr>
</tbody>
</table>

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Washington, D.C., on November 23, 2001.

MAMTECH INTERNATIONAL CORPORATION

By: /s/ George J. Pedersen
-----------------------
George J. Pedersen
Chairman of the Board of
Directors, Chief Executive Officer
and President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints George J. Pedersen and John A. Moore, Jr. his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to the registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on November 23, 2001.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ George J. Pedersen</td>
<td>Chairman of the Board of Directors, Chief Executive Officer, and President</td>
</tr>
<tr>
<td>/s/ JOHN A. MOORE, JR.</td>
<td>Executive Vice President, Chief Financial Officer, Treasurer and Director</td>
</tr>
<tr>
<td>/s/ MICHAEL D. GOLDEN</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ STEPHEN W. PORTER</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ WALTER W. VAUGHAN</td>
<td>Director</td>
</tr>
</tbody>
</table>
FIRST AMENDMENT TO DEED OF LEASE

THIS FIRST AMENDMENT TO DEED OF LEASE (the "First Amendment") is made and entered into as of this 24 day June, 1998, by and between Commonwealth Atlantic Land II Inc., a Virginia corporation, herein called "Landlord" and ManTech International Corporation, a New Jersey corporation, hereinafter called "Tenant".

WITNESSETH:

WHEREAS, by Deed of Lease dated _______, 1997 (the "Lease"), Tenant has leased from Landlord certain space in the office building situated at 12015 Lee Jackson Highway, Fairfax, Virginia (the "Building").

WHEREAS, Landlord and Tenant desire to amend the Lease in accordance with the provisions contained in this First Amendment.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby amend the Lease as follows:

1. Lease of Additional Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term and upon the conditions hereinafter provided, approximately 8,739 square feet of rentable area known as Suite 410 on the fourth floor of the Building (the "Additional Premises"). The Additional Premises is outlined on the floor plan attached hereto and made a part hereof as Exhibit A. Effective on the Amendment Commencement Date (as hereinafter defined), the term "Premises" in the Lease shall be deemed to include the Additional Premises except where the context of this First Amendment indicates otherwise.

2. Term. The term of this First Amendment shall commence on the later to occur of (i) June 12, 1998 or (ii) the date upon which Landlord delivers actual possession of the Additional Premises to the Tenant (hereinafter called the "Amendment Commencement Date") and expire on the Expiration Date provided for in the lease. Landlord shall not be liable to Tenant for any damages or claims arising from or related to Landlord's failure to deliver possession of the Additional Premises to Tenant due to the existing tenant's refusal to vacate or for any other reason not within Landlord's control.

3. Rent. The Base Rent for the Additional Premises ("Additional Premises Base Rent") is payable commencing on the Amendment Commencement Date and shall be (computed based on an annual rental rate of $23.50 per rentable square foot) $205,366.50, payable in equal monthly installments of $17,113.88. The Additional Premises Base Rent shall be increased on each anniversary of the Amendment Commencement Date by an amount equal to two and one-half percent (2 1/2%) of the previous year's Additional Premises Base Rent. The Additional Premises Base Rent shall otherwise be payable in accordance with Article 5 of the Lease.

4. Operating Expenses and Real Estate Taxes. If Operating Expenses or Real Estate Taxes increase during any year after Calendar Year 1998, Tenant shall pay to Landlord, as additional rent, Tenant's proportionate share of the increase in such Operating Expenses or Real Estate Taxes in accordance with and subject to the provisions of Articles 7 and 8 of the Lease. Tenant's proportionate share shall be the percentage which the total square feet of the Additional Premises bears to the total square feet of all office and retail rentable areas in the Building, which percentage is 5.79%. Tenant shall have no obligation with respect to increases in Operating Expenses or Real Estate Taxes for the period ending on the date prior to the first anniversary of the
Amendment Commencement Date.

5. Parking. Landlord shall reserve for Tenant throughout the term hereof, including any extension hereof, an allocation of an additional 28 parking spaces in the Parking Facilities serving the Building, except that all such additional parking spaces shall be non-exclusive, the additional parking and spaces shall be provided by Landlord in accordance with and subject to the terms and conditions of Article 9 of the Lease.

6. Condition of Premises. Tenant shall accept the Additional Premises in its "as is" condition. Tenant shall not be entitled to any allowance for tenant improvements. It is understood that Tenant is interested in purchasing from the existing tenant of the Premises certain furniture and equipment, but the effectiveness of this Amendment and Tenant’s lease of the Additional Premises shall in no way be conditioned upon Tenant’s purchase of any such furniture or equipment.

7. Broker. Landlord and Tenant each represent and warrant one to another that, except as hereinafter set forth, neither of them has employed any broker in carrying on any negotiations, or had any dealings with any broker, relating to this First Amendment. Tenant represents that it has employed Julien J. Studley, Inc. as its broker; Landlord represents that it has employed CB Richard Ellis, Inc. as its broker and Landlord further agrees to pay the commissions accruing to each identified broker pursuant to certain outside agreements. Landlord shall indemnify and hold Tenant harmless, and Tenant shall indemnify and hold Landlord harmless, from and against any claim or claims for brokerage or other commission arising from or out of any breach of the foregoing representation and warranty by the respective Indemnitors.

8. Miscellaneous.

   (a) Except as specifically provided in this First Amendment, capitalized words used in this First Amendment shall have the meanings ascribed to them in the Lease.

   (b) Except as herein amended, all terms and provisions of the Lease are incorporated herein by reference and shall remain in full force and effect except for Article 6.

Section 13.1 and Exhibit B, Work Agreement, which shall not apply to the Additional Premises. In the event of a conflict between the provisions of this First Amendment and the provisions contained in the Lease, the provisions contained in this First Amendment shall control.

(c) This First Amendment may be executed in two or more counterparts, all of which counterparts shall have the same force and effect as if all parties had executed a single copy of this First Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

LANDLORD:

COMMONWEALTH ATLANTIC LAND II INC., a Virginia corporation

By: Atlantic American Properties Management, Inc., a Virginia corporation, its property manager

By: /s/ Carol A. Chiodo (SEAL)

Name: Carol A. Chiodo

Title: Sr. VP-Asset Management
DEED OF LEASE

BETWEEN

Commonwealth Atlantic Land II Inc.,
-----------------------------------
as Landlord,

AND

ManTech International Corporation,
----------------------------------
as Tenant

Dated:___________, 1997

For Premises Located At

Greenwood Corporate Center
12015 Lee Jackson Highway
Fairfax County, Virginia

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Exhibit C   Rules and Regulations
Exhibit D   Declaration of Commencement Date
Exhibit E   Subordination, Non-Disturbance and Attornment Agreement

DEED OF LEASE

THIS DEED OF LEASE ("Lease") is made as of the ___ day of ______, 1997
Landlord and Tenant, intending legally to be bound, hereby covenant and agree as set forth below.

ARTICLE 1: BASIC LEASE PROVISIONS

The following are the basic terms of this Lease which shall have the meanings indicated:

1.1 Premises. The Premises is deemed to be approximately 43,848 square feet of rentable area, located on the first (1st), sixth (6th) and eighth (8th) floors of the Building as outlined on Exhibit A attached hereto and made a part of hereof.

1.2 Building. The Building contains 150,961 square feet of rentable area and includes all alterations, additions, improvements, restorations or replacements now or hereafter made thereto, including the Common Area, with an address of 12015 Lee Jackson Highway, Fairfax, Virginia, 22030.

1.3 Term. The term commencing on the Commencement Date and terminating on the Expiration Date.

1.4 Commencement Date. April 1, 1997, for the space located on the first (1st) floor as outlined on Exhibit A-1 attached hereto and made a part hereof (hereinafter referred to as the "New 1st Floor Space"), and June 1, 1997 for the balance of the Premises (which includes the portion of the first (1st) floor known as the "CB Commercial Space"), both of which are subject to adjustment as set forth in Article 4.

1.5 Rent Commencement Date. June 1, 1997, subject to adjustment as set forth in Article 4.

1.6 Expiration Date. May 31, 2007, subject to adjustment as set forth in Article 4.

1.7 Base Rent. $868,190.40 for the first Lease Year payable in equal monthly installments of $72,349.20. The Base Rent shall be increased annually, beginning the first day of the second Lease Year, either (i) by an amount equal to one hundred fifty percent (150%) of any increase in the CPI (as calculated below) or (ii) as the Landlord determines in its sole discretion, but in either instance, the increase shall not exceed more than four percent (4%) of the previous Lease Year's Base Rent. The amount of the adjustment shall be determined by multiplying the previous Lease Year's then current Base Rent by the product of (a) 150% multiplied by (b) a fraction, the numerator of which shall be (i) the CPI for the month immediately preceding the anniversary date of the Lease Year for which the adjustment is to be made, minus (ii) the CPI for the same month in the immediately preceding Lease Year, and the denominator of which shall be the CPI for the same month in the immediately preceding Lease Year. CPI as used herein shall be defined as the United States Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average - All items (1982-1984 = 100), not seasonally adjusted. If the CPI is not published for any of the above described months, then the CPI published for the month closest, but prior to, the described month shall be used in its place. If the CPI is discontinued or replaced, the parties shall agree upon a comparable index based upon the cost of living or purchasing power of the consumer dollar published by any other governmental agency. If no such index is available, then the parties shall agree upon the selection of a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication.
1.8 Security Deposit. $72,349.20 in the form as set forth in Article 6.

1.9 Base Year for Operating Expenses. The Base Year for calculation of Operating Expenses shall be Calendar Year 1997.

1.10 Base Year for Real Estate Taxes. The Base Year for calculation of taxes shall be Calendar Year 1997.

1.11 Tenant's Proportionate Share of Operating Expenses. 29.05% of the Operating Expenses allocable to the Building which is based upon the Premises containing 43,848 square feet of rentable area (on the Commencement Date) of the total Building containing 150,961 square feet of rentable area (on the Commencement Date).

1.12 Tenant's Proportionate Share of Real Estate Taxes. 29.05% of the Real Estate Taxes allocable to the Building which is based upon the Premises containing 43,848 square feet of rentable area (on the Commencement Date) of the total Building containing 150,961 square feet of rentable area (on the Commencement Date).

1.13 Parking Space Allocation. 3.22 spaces per one thousand (1,000) square feet of rentable area unreserved, non-exclusive parking spaces in the Parking Facilities.

1.14 Permitted Use. General office use and for no other purpose.

1.15 Tenant's Trade Name. ManTech International Corporation and all its affiliates.

1.16 Broker(s).

Landlord's: CB Commercial Real Estate Group, Inc.
Tenant's: Julien J. Studley, Inc.

1.17 Landlord's Address for Payment of Rent.

c/o CB Commercial Real Estate, Inc.
Greenwood Corporate Center
12015 Lee Jackson Highway
Fairfax, Virginia 22033
Attn: Property Manager

1.18 Landlord's Address for Notice Purposes.

c/o Commonwealth Atlantic Properties, Inc.
Main Street Centre
600 East Main Street
Suite 2300
Richmond, Virginia 23219
Attn: Jeffrey T. Sherman
Senior Vice President

With a copy to:

McGuire Woods Battle & Boothe, L.L.P.
8280 Greensboro Drive, Suite 900
McLean, Virginia 22102
Attention: Partner in Charge of Real Estate
ARTICLE 2: DEFINITIONS

In addition to the terms defined in Article 1 above, the following defined terms are used in this Lease and shall have the meanings indicated.

2.1 Additional Rent. As defined in Section 5.3.

2.2 Agents. Officers, partners, directors, trustees, mortgagees, collateral agents, employees, agents, licensees, customers, contractors, invitees, affiliates, sublessees and assignees.

2.3 Alterations. Alterations, decorations, additions or improvements of any kind or nature to the Premises or the Building, whether structural or non-structural, interior, exterior or otherwise.

2.4 Calendar Year. A period of twelve (12) months commencing on each January 1 during the Term, except that the first Calendar Year shall be that period from and including the Commencement Date through December 31 of that same year, and the last Calendar Year shall be that period from and including the last January 1 of the Term through the earlier of the Expiration Date or date of Lease termination.

2.5 Common Area. All areas, improvements, facilities and equipment from time to time designated by Landlord for the common use or benefit of Tenant, other tenants of the Building and their Agents, including, without limitation, entrances and exits, landscaped areas, exterior lighting, loading areas, pedestrian walkways, roadways, sidewalks, atriums, courtyards, concourses, stairs, ramps, washrooms, maintenance and utility rooms and closets, exterior utility lines, hallways, lobbies, elevators and their housing and rooms, common window areas, common walls, common ceilings, common trash areas and Parking Facilities. Landlord may in its reasonable discretion designate other land and improvements outside the boundaries of the Land and Building to be part of the Common Area, provided that such other land and improvements have a reasonable and functional relationship to the Land and Building.

2.6 Event of Bankruptcy. As defined in Article 23.

2.7 Event of Default. As defined in Article 22.

2.8 [Intentionally Deleted]

2.9 Hazardous Materials. As defined in Article 27.

2.10 Herein, hereafter, hereunder and hereof. Under this Lease, including, without limitation, all Exhibits and Riders.
2.11 Interest Rate. Per annum interest rate listed as the base rate on
          corporate loans at large U.S. money center commercial banks as published from
time to time under "Money Rates" in The Wall Street Journal plus two percent
          (2%), but in no event greater than the maximum rate permitted by law. In the
event The Wall Street Journal ceases to publish such rates, Landlord shall
choose at Landlord's sole discretion a similar publication which publishes such
rates.

2.12 Force Majeure. As defined in Section 28.15.

2.13 Land. The piece or parcel of land described as lot and Square as
defined in Section 1.2 herein and all rights, easements and appurtenances
thereunto belonging or pertaining to, or such portion thereof as shall be
allocated by Landlord to the Building.

2.14 Lease Year. Each consecutive twelve (12) month period elapsing after
(i) the Commencement Date if the Commencement Date occurs on the first
day of a month.

2.15 Legal Requirements. All laws, statutes, ordinances, orders, rules,
ordinances, regulations and requirements (including but not limited to any and
all energy conservation requirements applicable to the Building and customary
industry indoor air quality standards and practices) of all federal, state and
municipal governments, and the appropriate agencies, officers, departments,
boards and commissions thereof whether now or hereafter in force which relate or
are applicable to the Land, Premises or the Building or any part thereof.

2.16 Mortgage. Any mortgage, deed of trust, security interest or title
retention interest affecting the Building or the Land, including a leasehold or
subleasehold mortgage, and any and all renewals, modifications, consolidations
of any such interest.

2.17 Mortgagee. The holder of any note or obligation secured by a mortgage,
deed of trust, security interest or title retention interest affecting the
Building or the Land, including, without limitation, lessors under ground
leases, sale-leasebacks and lease-leasebacks.

2.18 Normal Business Hours. Between 8:00 a.m. and 6:00 p.m., Monday
through Friday, and between 8:00 a.m. and 1:00 p.m. on Saturday, except for
legal holidays observed by the federal government.

2.19 Operating Expenses. As defined in Section 7.2.

2.20 Parking Facilities. All parking areas now or hereafter made
available by Landlord for use by tenants, and their Agents, including, without
limitation, surface parking, parking decks and parking areas under or within the
Building, whether reserved, exclusive, non-exclusive or otherwise.

2.21 Real Estate Taxes. As defined in Section 8.1.

2.22 Rent. Base Rent and Additional Rent.

2.23 Rules and Regulations. The rules and regulations set forth in Exhibit
C attached hereto and made a part hereof, as the same may be amended or supplemented from time to time as set forth in Article 20.

2.24 Substantial Completion. As defined in the Work Agreement attached hereto and made a part hereof as Exhibit B.

2.25 Substantial Part. More than fifty percent (50%) of the rentable square feet of the Premises or the Building, as the case may be.

2.26 Tenant's Property. Any and all personal property, furniture, business trade fixtures, inventory and equipment located in the Premises and owned by, or in the care, custody and control of, Tenant together with all leasehold and tenant improvements and Alterations installed in or performed by Tenant or its Agents or on behalf of Tenant pursuant to the Work Agreement (as hereinafter defined) or the terms of this Lease but expressly excluding those items of standard base building work insured by Landlord and provided at Landlord's sole cost and expense as more fully described in the Work Agreement.

2.27 Work Agreement. As set forth in Exhibit B attached hereto and made a part of.

ARTICLE 3: THE PREMISES

3.1 Lease of Premises. In consideration of the agreements contained herein, Landlord hereby conveys, bargains, grants and leases a leasehold interest in the Premises to Tenant, and Tenant hereby leases a leasehold interest in the Premises from Landlord, for the Term and upon the terms and conditions hereinafter provided. As an appurtenance to the Premises, Tenant shall have the non-exclusive right, together with other tenants of the Building and their Agents, to use the Common Area. Landlord shall retain absolute dominion and control over the Common Area and shall operate and maintain the Common Area in such a manner as Landlord, in its reasonable discretion, shall determine; provided, however, such exclusive right shall not operate to prohibit Tenant from its use of the Premises for the Permitted Use. The Premises are leased subject to, and Tenant agrees not to violate, all present and future covenants, conditions and restrictions of record which affect the Building. The Premises shall not include an easement for light, air or view.

3.2 Landlord's Reservations. In addition to the other rights of Landlord under this Lease, Landlord reserves the right (i) to change the street address and/or name of the Building, (ii) to install, erect, use, maintain and repair mains, pipes, conduits and other such facilities to serve the Building's tenants in and through the Premises, (iii) to grant to anyone the exclusive right to conduct any particular business or undertaking in the Building, (iv) to establish a condominium regime for the Building, the Land and/or the Common Area and to include the Premises therein, (v) to control the use of the roof and exterior walls of the Building for any purpose, and (vi) perform such other acts and make such other changes with respect to the Common Area and Building as Landlord may, in the exercise of sound business judgment, deem to be appropriate and consistent with other similarly situated first-class buildings in the area. Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance or interruption of the business of Tenant or Tenant's use or occupancy of the Premises; provided, however, Tenant's access to the Premises shall not be materially adversely affected thereby.

ARTICLE 4: TERM

4.1 Lease Term. Subject to Tenant's exercise of the opinion to terminate as
set forth in Article 28, the Term shall commence on the Commencement Date and expire at midnight on the Expiration Date for occupancy purposes and shall commence on the Rent Commencement Date and expire on midnight on the Expiration Date for payment of Rent purposes. Landlord and Tenant acknowledge that Tenant is occupying a Substantial Part of the space comprising the Premises pursuant to a prior lease which is scheduled to expire prior to the Commencement Date. Landlord shall accept the Premises in "as is" condition subject to the work to be performed pursuant to Exhibit B, attached hereto. If requested by Landlord, Tenant shall within fifteen (15) days of such request sign a declaration acknowledging the Commencement Date, the Rent Commencement Date and the Expiration Date in the form attached hereto and made a part hereof as Exhibit D.

ARTICLE 5: RENT

5.1 Base Rent. Tenant shall pay to Landlord the Base Rent as specified in Section 1.7.

5.2 Payment of Base Rent. Subject to Subsections 21.1 and 21.2, Base Rent for each Lease Year shall be payable in equal monthly installments, in advance, without demand, notice, deduction, offset or counterclaim, on or before the first day of each and every calendar month during the Term. If the Commencement Date occurs on a date other than on the first day of a calendar month, Base Rent shall be prorated from such date until the first day of the following month. Tenant shall pay the Base Rent and all Additional Rent, by good check or in lawful currency of the United States of America, to Landlord at the address set forth in Section 1.17 herein, or to such other address or in such other manner as Landlord from time to time specifies by written notice to Tenant. Any payment made by Tenant to Landlord on account of Base Rent may be credited by Landlord to the payment of any late charges then due and payable and to any Base Rent or Additional Rent then past due before being credited to Base Rent currently due.

5.3 Additional Rent. All sums payable by Tenant under this Lease, other than Base Rent, shall be deemed "Additional Rent," and, unless otherwise set forth herein, shall be payable in the same manner as set forth above for Base Rent. Whenever the word "rent" or "Rent" is used in this Lease it shall be deemed to include Additional Rent unless the context specifically or clearly implies that only the Base Rent is referenced. All remedies available to Landlord pursuant to the terms of this Lease for non-payment of Base Rent shall be applicable for non-payment of Additional Rent.

5.4 Acceptance of Rent. If Landlord shall direct Tenant to pay Base Rent or Additional Rent to a "lockbox" or other depository whereby checks issued in payment of Base Rent or Additional Rent (or both, as the case may be) are initially cashed or deposited by a person or entity other than Landlord (albeit on Landlord's authority), then, for any and all purposes under this Lease: (i) Landlord shall not be deemed to have accepted such payment until ten (10) days after the date on which Landlord shall have actually received such funds, and (ii) Landlord shall be deemed to have accepted such payment if (and only if) within said ten (10) day period, Landlord shall not have refunded (or attempted to refund) such payment to Tenant. Nothing contained in the immediately preceding sentence shall be construed to place Tenant in default of Tenant's obligation to pay Rent if and for so long as Tenant shall timely pay the Rent required pursuant to this Lease in the manner designated by Landlord.
ARTICLE 6: SECURITY DEPOSIT

6.1 General. Simultaneously with the execution of this Lease, Tenant shall deposit in the form of cash or an irrevocable letter of credit the Security Deposit with Landlord, which shall be held by Landlord, without obligation for interest, as security, for the performance of Tenant's obligations and covenants under this Lease. It is expressly understood and agreed that such deposit is not an advance rental deposit or a measure of Landlord's damages in case of an Event of Default. Landlord shall endeavor in good faith and use its reasonable efforts to conduct a "Post Move-Out Inspection" of the Premises within ten (10) business days after the Expiration Date or earlier termination of this Lease, and Tenant shall be notified of the date for and have the right to be present at such Post Move-Out Inspection. If there has not been an Event of Default (beyond applicable notice and cure periods) during the first five (5) Lease Years and Tenant has maintained a substantial net worth, Landlord shall return the Security Deposit or any remaining balance thereof to Tenant within thirty (30) days after the expiration of the fifth (5th) Lease Year. Otherwise, Landlord shall return the Security Deposit or any remaining balance thereof to Tenant within thirty (30) days of the Post Move-Out Inspection.

6.2 Security in the Form of Cash. If an Event of Default shall occur or if Tenant fails to surrender the Premises in the condition required by this Lease, Landlord shall have the right (but not the obligation), and without prejudice to any other remedy which Landlord may have on account thereof, to apply all or any portion of the Security Deposit to cure such default or to remedy the condition of the Premises. If Landlord so applies the Security Deposit or any portion thereof before the Expiration Date or earlier termination of this Lease, Tenant shall deposit with Landlord, upon written demand, the amount necessary to restore the Security Deposit to its original amount. The amounts deducted from the Security Deposit shall be the actual costs incurred to cure such default and shall not include items such as administrative fees and interest. The demand letter shall provide sufficient documentation to support such expenditures. If Landlord shall sell or transfer its interest in the Building, Landlord shall have the right to transfer the Security Deposit to such purchaser or transferee, in which event Tenant shall look solely to the new landlord for the return of the Security Deposit. Although the Security Deposit shall be deemed the property of Landlord, any remaining balance of the Security Deposit shall be returned to Tenant within thirty (30) days of the Post Move-Out Inspection.

6.3 [Intentionally Deleted].

ARTICLE 7: OPERATING EXPENSES

7.1 Tenant's Proportionate Share of Operating Expenses. Tenant shall pay to Landlord throughout the Term, as Additional Rent, Tenant's Proportionate Share of the amount by which the Operating Expenses during each Calendar Year exceed the Operating Expenses during the Base Year for Operating Expenses. In the event that the Commencement Date or the Expiration Date are other than the first day of a Calendar Year then Tenant's Proportionate Share of the Operating Expenses shall be adjusted to reflect the actual period of occupancy during the Calendar Year. Notwithstanding the foregoing, any expense incurred by Landlord in maintaining Tenant's cooling tower and emergency generator as well as any expense incurred by Landlord in monitoring Tenant's Suite Access Control security system shall be directly passed through to Tenant.

7.2 Operating Expenses Defined.

(a) As used herein, the term "Operating Expenses" shall mean all expenses, disbursements and costs of every kind and nature, consistent with similar first-class office buildings in Fairfax County, Virginia, which Landlord incurs because of or in connection with the ownership, maintenance, management, repair, alteration, replacement and operation of the Building (which expressly includes the Land, the Parking Facilities and the Common Area) including, without
limitation, the following:

(1) Wages and salaries of all employees, including without limitation an on-site management agent and staff, whether employed by Landlord or the Building's management company and all costs related to or associated with such employees or the carrying out of their duties, including uniforms and their cleaning, taxes, auto allowances and insurance and benefits (including, without limitation, contributions to pension and/or profit sharing plans and vacation or other paid absences), provided such wages, salaries and related costs are usual and customary for employees in similar positions;

(2) All supplies and materials, including janitorial and lighting supplies:

(3) All utilities, including, without limitation, electricity, telephone (including, without limitation, all costs and expenses of telephone service for the sprinkler alarm system, if any), water, sewer, power, gas, heating, lighting and air conditioning for the Building, except to the extent such utilities are charged directly to or paid directly by, a tenant of the Building;

(4) All insurance (including any deductibles) purchased by Landlord or the Building's management company relating to the Building and any equipment or other property contained therein or located thereon including, without limitation, casualty, liability, rental loss, sprinkler and water damage insurance;

(5) All repairs to the Building and all mechanical components and equipment therein (excluding repairs paid for by the proceeds of insurance or by Tenant or other third parties other than as a part of the Operating Expenses), including interior, exterior, structural or non-structural, and regardless of whether foreseen or unforeseen;

(6) All maintenance of the Building and all mechanical components and equipment therein including, without limitation, painting, ice and snow removal, landscaping, groundskeeping and the patching, painting and resurfacing of surfaces that are a part of the Parking Facilities;

(7) A management fee payable to Landlord and/or the company or companies managing the Building including but not limited to a separate fee for the Parking Facilities, if any, provided such management fee shall be comparable to the fees charged for other first-class office buildings in Norther Virginia;

(8) All maintenance, operation and service agreements for the Building, and any equipment related thereto, including, without limitation, service and/or maintenance agreements for the sprinkler system in the Building, if any (excluding those paid for by Tenant or any third parties other than as a part of Operating Expenses);

(9) Commercially reasonable accounting, consulting and legal fees;

(10) Any additional services not provided to the Building at the Commencement Date but thereafter provided by Landlord as Landlord shall deem necessary or desirable;

(11) All condominium dues and related charges and all assessments, whether general, special or otherwise, levied against Landlord or the Building pursuant to any condominium regime or any declaration or other instrument affecting the Building or any part or component thereof;

(12) All computer rentals for energy management or security monitoring systems, if any;

(13) Any capital improvements made to the Building after the Commencement Date (other than those made for the addition of rentable square footage to the Building or for the sole benefit of a Building tenant pursuant to its lease), the cost of which shall be amortized over such reasonable period as Landlord
(14) All costs incurred in implementing and operating any transportation management program, ride sharing program or similar program including, but not limited to, the cost of any transportation program fees, mass transportation fees or similar fees charged or assessed by any governmental or quasi-governmental entity or pursuant to any Legal Requirements;

(15) Any payments made by the Landlord under any easement or license agreement, declaration, restrictive covenant or instrument pertaining to the payment of sharing of costs among property owners; and

(16) Reasonable reserves for replacements, repairs and contingencies.

(b) If during any Calendar Year (including the Base Year for Operating Expenses), the average occupancy rate for the Building is less than ninety-five percent (95%) or Landlord is not supplying

services to 95% of the rentable area of the Building at any time during any such Calendar Year, Operating Expenses for such Calendar Year shall be deemed to include all additional costs and expenses of ownership, maintenance, management and operation of the Building which Landlord determines that it would have paid or incurred during any such Calendar Year if such average occupancy rate for the Building had been 95% and had Landlord been supplying services to 95% of the rentable square feet of the Building throughout such Calendar Year. If any amounts comprising Operating Expenses are incurred not just with respect to the office area of the Building, but also with respect to the retail area of the Building, if any, then Landlord shall endeavor in good faith and use its reasonable efforts to allocate such amounts between the office and retail areas of the Building. Such allocation shall be made on a fair and equitable basis, based on the usage of or benefits received from the service, utility or item in question.

7.3 Exclusions from Operating Expenses.

(a) Operating Expenses shall not include the following:

(1) Legal fees, space planners' fees, real estate brokers' leasing commissions and advertising expenses incurred in connection with the original or future leasing of space in the Building;

(2) Costs and expenses of alterations or improvements of the Premises or the leasehold premises of other individual tenants in the Building;

(3) Costs of correcting defects in, or inadequacy of, the design or construction of the Building or the materials used in the construction of the Building or the equipment or appurtenances thereto to the extent covered by warranties and recovered by Landlord;

(4) Depreciation, interest and principal payments on mortgages and other financing costs, if any, other than amortization of and the interest factor attributable to permitted capital improvements;

(5) Costs and expenses associated with the operation of the business of the person or entity which constitutes Landlord as the same are distinguished from the costs of operation of the Building, including accounting and legal matters, costs of defending any lawsuits with any Mortgagee (except to the extent
the actions of Tenant or any other tenant may be in issue), costs of selling or financing any of Landlord’s interest in the Building and outside fees paid in connection with disputes with other tenants;

(6) Costs and expenses directly resulting from the gross negligence or willful misconduct of Landlord or its Agents to the extent provable by Tenant:

(7) Real Estate Taxes;

(8) Ground lease rents;

(9) Costs incurred by Landlord for the repair of damage to the Building to the extent that Landlord is reimbursed by insurance or other third parties;

(10) Any cost representing an amount paid for first class services and/or materials to a related person, firm, or entity to the extent such amount exceeds the amount that would be paid for such first class services and/or materials at the then existing market rates to an unrelated person, firm, or entity;

(11) Costs incurred due to the late payment of taxes, utility bills or other amounts owing, so long as Landlord was obligated to make such payments and did not in good faith dispute the amount of such payments; and

(12) Costs or expenses incurred by Landlord in financing, refinancing, pledging, selling, granting or otherwise transferring or encumbering ownership rights in the Building or Land.

7.4 Estimated Payments. Landlord shall submit to Tenant, before the ________________
beginning of each Calendar Year, a statement of Landlord's estimate of the Operating Expenses payable by Tenant during such Calendar Year. In addition to the Base Rent, Tenant shall pay to Landlord on or before the first day of each month during such Calendar Year an amount equal to one-twelfth (1/12) of the estimated Operating Expenses payable by Tenant for such Calendar Year as set forth in Landlord's statement, subject, however, to Subsections 21.1 and 21.2 of this Lease. If Landlord fails to give Tenant notice of its estimated payments due under this Section for any Calendar Year, then Tenant shall continue making monthly estimated payments in accordance with the estimate for the previous Calendar Year until a new estimate is provided by Landlord. If Landlord determines that, because of unexpected increases in Operating Expenses or other reasons, Landlord's estimate of the Operating Expenses was too low, then Landlord shall have the right to give a new statement of the estimated Operating Expenses due from Tenant for such Calendar Year or the balance thereof and to bill Tenant for any deficiency which may have accrued during such Calendar Year, and Tenant shall thereafter pay monthly estimated payments based on such new statement.

7.5 Actual Operating Expenses. Within one hundred twenty (120) days after ________________
the end of each Calendar Year, Landlord shall submit a statement to Tenant showing the actual Operating Expenses for such Calendar Year and Tenant's Proportionate Share of the amount by which such Operating Expenses exceed the Operating Expenses during the Base Year. If for any Calendar Year, Tenant’s estimated monthly payments exceed Tenant's Proportionate Share of the amount by which the actual Operating Expenses for such Calendar Year exceed the Operating Expenses during the Base Year, then Landlord shall give Tenant a credit in the amount of the overpayment toward Tenant's next monthly payments of estimated Operating Expenses, unless the Lease has expired wherein Landlord shall send such refund to Tenant at Tenant's forwarding address. If for any Calendar Year Tenant's estimated monthly payments are less than Tenant's Proportionate Share of the amount by which the actual Operating Expenses for such Calendar Year exceed the Operating Expenses during the Base Year, then Tenant shall pay the total amount of such deficiency to Landlord within thirty (30) days after receipt of the statement from Landlord. Landlord's and Tenant's obligations with respect to any overpayment or underpayment of Operating Expenses shall survive the expiration or earlier termination of this Lease.
7.6 Tenant's Right to Audit. Tenant shall pay to Landlord all amounts payable pursuant to Sections 7.4 and 7.5 herein without offset or deduction within the time periods provided for in each respective Section notwithstanding that Tenant may object to Landlord's statement rendered pursuant thereto. In the event Tenant shall dispute the amount set forth in Landlord's statement as described in Section 7.5 herein and Tenant pays the full amount set forth in Landlord's reconciliation statement then, Tenant shall have the right, not later than sixty (60) days following receipt of such statement, to cause Landlord's books and records with respect to the preceding Calendar Year to be audited by an independent Certified Public Accountant mutually acceptable to Landlord and Tenant, and who shall not be compensated on a contingency basis. Such audit shall occur upon not less than twenty (20) days prior written notice to Landlord, at Landlord's place of business or the actual location of Landlord's books and records if different from Landlord's place of business, during Landlord's normal business hours. The amounts payable under this Section by Landlord to Tenant or by Tenant to Landlord, as the case may be, shall be appropriately adjusted on the basis of such audit. If such audit discloses a liability for further refund by Landlord to Tenant in excess of five percent (5%) of the payments previously made by Tenant for such Calendar Year, the actual out-of-pocket cost of such audit incurred by Tenant shall be borne by Landlord and paid within thirty (30) days of demand from Tenant subject to Landlord's right to dispute the results of Tenant's audit as hereinafter described; otherwise, the cost of such audit shall be borne by Tenant. Notwithstanding the foregoing, in no event shall Landlord's cost for such audit exceed Three Thousand Dollars ($3,000). If Tenant shall not request an audit in accordance with the provisions of this Section within sixty (60) days of receipt of Landlord's reconciliation statement of actual Operating Expenses, such statement shall be conclusive and binding upon Landlord and Tenant.

ARTICLE 8: TAXES

8.1 Tenant's Proportionate Share of Real Estate Taxes. Tenant shall pay to Landlord throughout the Term, as Additional Rent, Tenant's Proportionate Share of the amount by which the Real Estate Taxes during each Calendar Year exceed the Real Estate Taxes for the Base Year for Real Estate Taxes. In the event the Commencement Date or the Expiration Date are other than the first day of a Calendar Year, the Tenant's Proportionate Share of the Real Estate Taxes shall be adjusted to reflect the actual period of occupancy during the Calendar Year.

(a) As used herein, the term "Real Estate Taxes" shall mean all taxes and assessments, general or special, ordinary or extraordinary, foreseen or unforeseen, assessed, levied or imposed by any governmental authority upon the Building (which expressly includes the Land, the Parking Facilities and the Common Area) and upon the fixtures, machinery, equipment or systems in, upon or used in connection with any of the foregoing, and the rental, revenue or receipts derived therefrom, under the current or any future taxation or assessment system or modification of, supplement to, or substitute for such system. Real Estate Taxes also shall include special assessments which are in the nature of or in substitution for real estate taxes, including, without limitation, road improvement assessments, special use area assessments, school district assessment, vault space rentals and any business, professional and occupational license tax payable by Landlord in connection with the Building. If at any time the method of taxation prevailing at the Date of Lease shall be altered so that in lieu of, as a substitute for or in addition to the whole or any part of the taxes now levied or assessed, there shall be levied or assessed a tax of whatever nature, then the same shall be included as Real Estate Taxes hereunder. Further, for the purposes of this Article, Real Estate Taxes shall include the reasonable expenses (including, without limitation, attorneys' fees) incurred by Landlord in challenging or obtaining or attempting to obtain a reduction of such Real Estate Taxes, regardless of the outcome of such challenge. Notwithstanding the foregoing, Landlord shall have no obligation to challenge Real Estate Taxes. If as a result of any such challenge, a tax
refund is made to Landlord, then the amount of such refund less the expenses of the challenge shall be deducted from Real Estate Taxes due in the Lease Year such refund is received.

8.2 Estimated and Actual Payments. Landlord shall charge Tenant for its proportionate share of Real Estate Taxes and Tenant shall pay such charges in accordance with the procedures established under Sections 7.4 and 7.5 for payment of Operating Expenses.

ARTICLE 9: PARKING

9.1 Parking Spaces. During the Term, Tenant shall be entitled to its Proportionate Share of parking spaces in the Parking Facilities, as available, by contracting for them separately at the then-prevailing monthly rate, including any rate increases.

9.2 Changes to Parking Facilities. Landlord shall have the right, from time to time, without Tenant's consent, to change, alter, add to, temporarily close or otherwise affect the Parking Facilities in such manner as Landlord, in its sole discretion, deems appropriate including, without limitation, the right to designate reserved spaces available only for use by one or more tenants (however, in such event, those parking spaces shall still be deemed Common Area for the purpose of the definition of Operating Expenses), provided that, except in emergency situations or situations beyond Landlord's control, Landlord shall use commercially reasonable efforts to provide alternative Parking Facilities; provided, further, however, in no event shall Landlord's use of its discretion herein diminish Tenant's Parking Space Allocation at any time.

ARTICLE 10: USE

10.1 General. Tenant shall occupy the Premises solely for the Permitted Use under Tenant's Trade Name. The Premises shall not be used for any other purpose without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Tenant shall comply, at Tenant's expense, with (i) all Legal Requirements applicable to the Premises, and (ii) any reasonable requests of Mortgagee or any insurance company providing coverage with respect to the Premises. Tenant shall not knowingly use or occupy the Premises or knowingly allow the Premises to be used in violation of any recorded covenants, conditions and restrictions affecting the Premises or the Building or of any Legal Requirements, or of any certificate of occupancy issued for the Premises or Building or in any manner that is dangerous or that shall constitute waste, unreasonable annoyance or a nuisance to Landlord or the other tenants of the Building.

10.2 Tenant's Personal Property. Tenant shall pay before delinquency any business, rent or other tax or fee that is now or hereafter assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business in the Premises or Tenant's Property. If any such tax or fee is enacted or altered so that such tax or fee is imposed upon Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay the amount of such tax or fee as Additional Rent.

10.3 Indoor Air Quality. Tenant shall not permit any person to smoke tobacco in any part of the Building except in those areas that are clearly designated by the Landlord as smoking areas and in the area used as Tenant's executive offices. Landlord reserves the right to prohibit all smoking in the Building. Tenant shall not use, store or handle or permit the usage, storing or handling of any materials in levels that exceed those established for indoor air quality pursuant to applicable Legal Requirements.
ARTICLE 11: ASSIGNMENT AND SUBLETTING

11.1 General. Except as otherwise expressly provided in this Article, no Transfer (as hereinafter defined) shall be permitted without Landlord's prior written consent which consent Landlord may withhold in its sole and absolute discretion.

11.2 Restriction on Transfer. Subject to the provisions of Sections 11.3, 11.4 and 11.5, Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned, assign, or otherwise transfer or convey this Lease or any interest herein or sublet the Premises or any part thereof or enter into any licenses or concessions or permit the use and occupancy of the Premises by any party other than Tenant, its affiliates, subsidiaries, joint ventures or its Defense Contracting Audit Agency (DCCAA) auditors or transfer the Premises or any part thereof by operation of law or other voluntary or involuntary transfer (any such assignment, sublease or any of the other foregoing shall sometimes be hereinafter referred to as a "Transfer). Tenant shall not mortgage or encumber this Lease or any interest herein without the prior written consent of Landlord, which consent may be withheld at Landlord's absolute discretion, and any such mortgage or encumbrance shall be deemed a "Transfer." Any Transfer without Landlord's consent shall constitute an Event of Default by Tenant under this Lease, without the benefit of any additional notice or cure period specified in Section 22.2(ii) herein, and in addition to all of Landlord's other remedies at law, in equity or under this Lease, such Transfer shall be voidable at Landlord's election. In addition, this Lease shall not, nor shall any interest of Tenant herein be assignable by operation of law without the written consent of Landlord. For purposes of this Article 11, if Tenant is a corporation, partnership or other entity, (i) any transfer, assignment, encumbrance or hypothecation of fifty percent (50%) or more (individually or in the aggregate) of any stock or other ownership interest in such entity, (ii) any transfer, assignment, hypothecation or encumbrance that changes the current management and effective control of Tenant's business by and from George J. Pedersen, and/or (iii) any transfer, assignment, hypothecation or encumbrance of any controlling ownership or voting interest in such entity, or any merger or consolidation in which the Tenant is involved, shall be deemed an assignment of this Lease and shall be subject to all of the restrictions and provisions contained in this Article 11. Notwithstanding the foregoing, the immediately preceding sentence shall not apply to any transfers of stock of Tenant if Tenant is, or becomes, a publicly-held corporation and such stock is transferred publicly over a recognized security exchange or over-the-counter market.

11.3 Landlord's Options. If at any time or from time to time during the Term, Tenant desires to effect a Transfer, Tenant shall deliver to Landlord written notice ("Transfer Notice") setting forth the terms and provisions of the proposed Transfer and the identity of the proposed assignee, sublessee or other transferee (sometimes referred to hereinafter as a "Transferee"). Tenant shall also deliver to Landlord with the Transfer Notice, a current financial statement and financial statements for the preceding two (2) years of the Transferee which have been certified or audited by a reputable independent accounting firm acceptable to Landlord, and such other information concerning the business background and financial condition of the proposed Transferee as Landlord may reasonably request. Landlord shall have the option, exercisable by written notice delivered to Tenant within twenty (20) days after Landlord's receipt of the Transfer Notice, such financial statements and other information, either to:

(a) approve or disapprove such Transfer, which approval shall not be unreasonably withheld, delayed or conditioned; or

(b) terminate this Lease with respect to the entire Premises in the case of a request to Transfer the entire Premises (or, in the case of a proposed Transfer of less than the entire Premises, only that portion of the Premises which the Tenant has requested to Transfer), which termination shall be effective thirty (30) days after Tenant's receipt of Landlord's notice.
11.4 Additional Conditions; Excess Rent. If Landlord does not exercise its termination option and instead approves of the proposed Transfer pursuant to Section 11.3(a) above, Tenant may enter into the proposed Transfer with such proposed Transferee subject to the following further conditions:

(a) the Transfer shall be on the same terms set forth in the Transfer Notice delivered to Landlord (if the terms have materially changed, Tenant must submit a revised Transfer Notice to Landlord and Landlord shall have another twenty (20) days after receipt thereof to make the election in Section 11.3(a) or 11.3(b) above);

(b) no Transfer shall be valid and no Transferee shall take possession of the Premises until an executed counterpart of the assignment, sublease or other instrument effecting the Transfer has been delivered to Landlord pursuant to which the Transferee shall expressly assume all of Tenant's obligations under this Lease (or with respect to a sublease of a portion of the Premises or for a portion of the Term, all of Tenant's obligations applicable to such portion);

(c) no Transferee shall have a further right to assign, encumber or sublet except on the terms herein contained; and

(d) fifty percent (50%) of any rent or other economic consideration received by Tenant as a result of such Transfer which exceeds, in the aggregate, (i) the total rent which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any reasonable brokerage commissions, attorneys' fees and moving costs actually paid by Tenant in connection with such Transfer, shall be paid to Landlord within ten (10) days after receipt thereof as Additional Rent under this Lease, without affecting or reducing any other obligations of Tenant hereunder.

11.5 Reasonable Disapproval. Landlord and Tenant hereby acknowledge that Landlord's disapproval of any proposed Transfer pursuant to Section 11.3(a) shall be deemed reasonably withheld if based upon any reasonable factor, including, without limitation, any or all of the following factors: (i) the proposed Transfer would result in more than two subleases of portions of the Premises being in effect at any one time during the Term; (ii) the net effective rent payable by the Transferee (adjusted on a rentable square foot basis) is less than the net effective rent then being quoted by Landlord for new leases in the Building for comparable size space for a comparable period of time; (iii) the proposed Transferee is an existing tenant of the Building or is negotiating with Landlord (or has negotiated with Landlord in the last six (6) months for space in the Building; (iv) the proposed Transferee is a governmental entity; (v) the portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and egress; (vi) the use of the Premises by the Transferee (A) is not permitted by the use provisions in Article 10 hereof, or (B) violates any exclusive use granted by Landlord to another tenant in the Building; (vii) the Transfer would likely result in significant increase in the use of the parking areas or Common Areas by the Transferee's employees or visitors, and/or significantly increase the demand upon utilities and services to be provided by Landlord to the Premises; (viii) the Transferee does not have the financial capability to fulfill the obligations imposed by the Transfer; (ix) the Transferee is not in Landlord's reasonable opinion of reputable or good character or consistent with Landlord's desired tenant mix; or (x) the Transferee is a real estate developer or landlord or is acting directly or indirectly on behalf of a real estate developer or landlord.

11.6 Release. No Transfer shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the rent and to
perform all other obligations to be performed by Tenant hereunder. If there is an Event of Default under this Lease, Landlord may thereafter require that any Transferee of Tenant remit directly to Landlord on a monthly basis, all monies due Tenant by said Transferee. However, the acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent by Landlord to one Transfer shall not be deemed consent to any subsequent Transfer. If an Event of Default occurs by any Transferee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Transferee or successor. Landlord may consent to subsequent assignments of the Lease or sublettings or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

11.7 Administrative and Attorneys' Fees. If Tenant effects a Transfer or requests the consent of Landlord to any Transfer, then Tenant shall, upon demand, pay Landlord a non-refundable administrative fee of Five Hundred Dollars ($500.00), plus any consultants', engineers' and reasonable attorneys' fees incurred by Landlord in connection with such Transfer or request for consent. Landlord shall provide an estimate of the consultants', engineers' and reasonable attorneys' fees at the time of Tenant's request for consent. Acceptance of

the $500.00 administrative fee and reimbursement of Landlord's attorneys' and paralegal fees shall in no event obligate Landlord to consent to any proposed Transfer.

11.8 Material Inducement. Tenant understands, acknowledges and agrees that

(i) Landlord's option to terminate this Lease upon any proposed Transfer as provided in Section 11.3(b) above rather than approve the proposed Transfer, and
(ii) Landlord's right to receive any excess consideration paid by a Transferee in connection with an approved Transfer as provided in Section 11.4(d) above, are a material inducement for Landlord's agreement to lease the Premises to Tenant upon the terms and conditions herein set forth.

ARTICLE 12: MAINTENANCE AND REPAIR

12.1 Landlord's Obligation. Except for repairs which Tenant is required to

make pursuant to Section 12.2, Landlord shall keep and maintain in good repair and working order the Building, including the Common Area and the equipment within and serving the Premises and the Building (excluding Tenant's Property) that are required for the normal maintenance and operation of the Premises and the Building. In addition, Landlord shall assume responsibility for the maintenance of Tenant's cooling tower and emergency generator. The cost of such maintenance and repairs to the Building and said equipment shall be included in the Operating Expenses and paid by Tenant as provided in Article 7 herein. All work shall be performed in a first-class workmanlike manner. Tenant shall use its best efforts to immediately give Landlord written notice of any defect or need for repairs. After such notice, Landlord shall have a reasonable opportunity to repair or cure such defect. Landlord's liability with respect to any defects, repairs or maintenance for which Landlord is responsible under any of the provisions of this Lease shall be limited to the cost of such repairs or maintenance or the curing of such defect.

12.2 Tenant's Obligation. Tenant shall, at its own expense, maintain the

Premises and all of Tenant's Property in good, clean and safe condition, promptly making all necessary repairs and replacements. Tenant shall repair at its expense, any and all damage caused by Tenant or Tenant's Agents to the Building, Common Area, the Premises and Tenant's Property, including equipment within and serving the Building, ordinary wear and tear excepted. Such maintenance and repairs shall be performed with due diligence, lien-free and in a first-class workmanlike manner, by such contractor(s) selected by Tenant and approved by Landlord,
which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall bear the cost of, but shall not itself perform any such repairs which would (i) affect the Building's structure or mechanical or electrical systems, (ii) which would be visible from the exterior of the Building or from any interior Common Area of the Building, or (iii) were originally performed by Landlord under the Work Agreement. Where Landlord performs such repairs, Tenant shall promptly pay to Landlord upon written demand all costs incurred in connection therewith together with interest thereon at the Interest Rate accruing from the date such costs become past due until paid. Without the prior written consent of the Landlord which may be withheld in Landlord's sole discretion, Tenant shall not have access to the roof of the Building for any purpose whatsoever, provided, however, if Tenant shall require access to its cooling tower located on the roof or in the event Tenant requires installation of additional communications equipment (i.e., a satellite dish) on the roof, Landlord shall use commercially reasonable efforts to accommodate Tenant's requests after receipt of written notice of such requests. Tenant shall be required to obtain all permits and approvals prior to installation of additional communications equipment and such installation shall be subject to any existing restrictive covenants.

12.3 Landlord's Right to Maintain or Repair. If, within ten (10) days following receipt of notice to Tenant, Tenant fails to commence to repair or replace any damage to the Building, Common Area, Premises or Tenant's Property which is Tenant's obligation to perform, and diligently pursue timely completion of such repair and replacement, Landlord may, at its option, perform Tenant's obligations and Tenant shall promptly pay Landlord all costs incurred in connection therewith plus interest thereon at the Interest Rate accruing from the date such costs are past due until paid.

ARTICLE 13: ALTERATIONS

13.1 Initial Construction. Landlord and Tenant agree that the construction of the Tenant Work (as defined in the Work Agreement) and other initial construction with respect to the Premises shall be performed in accordance with the Work Agreement attached hereto as Exhibit B and made a part hereof.

13.2 Tenant's Alterations. Tenant shall not make or perform, or permit the making or performance of, any Alterations without Landlord's prior consent, which approval shall not be unreasonably withheld, delayed or conditioned. Within thirty (30) days after Landlord receives Tenant's request for approval of an Alteration,

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together with the plans and the identity of the contractors to perform the Alterations, Landlord shall give Tenant a notice of its approval or disapproval of Tenant's request. Notwithstanding the foregoing provisions of this Section or Landlord's consent to any Alterations, all Alterations shall be made and performed in conformity with and subject to the following provisions: (i) except as otherwise provided in Section 13.1, all Alterations shall be made and performed at Tenant's sole cost and expense and at such time and in such manner as Landlord may reasonably designate; (ii) Alterations shall be made only by contractors or mechanics approved by Landlord, which approval shall not be unreasonably withheld; (iii) no Alterations shall materially and adversely affect any part of the Building or adversely affect any service required to be furnished by Landlord to Tenant or to any other tenant or occupant of the Building; (iv) all business machines and mechanical equipment shall be placed and maintained by Tenant in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance to other tenants or occupants of the Building; (v) Tenant shall (a) submit to Landlord reasonably detailed plans and specifications for each proposed Alteration and (b) not commence any such Alteration without first obtaining Landlord's approval of such plans and specifications, which approval will not be unreasonably withheld, conditioned or delayed; (vii) notwithstanding Landlord's approval of plans and specifications for any Alterations, all Alterations shall be made and performed
in full compliance with all Legal Requirements and in accordance with the Rules and Regulations; (viii) all materials and equipment to be incorporated in the Premises as a result of all Alterations shall be of reasonably good quality and the Alterations shall be performed in a good and workmanlike manner; and (ix) Tenant shall require any contractor performing Alterations to carry and maintain at all times during the performance of the work, at no expense to Landlord. (A) a policy of commercial general liability, contractual liability coverage, completed operations coverage, contractor’s protective liability coverage and a broad form property damage coverage, naming Landlord and (at Landlord's request) any Mortgagor of the Building and any management agent as additional insured(s), with such policy to afford protection to the limit of not less than Two Million and 00/100 Dollars ($2,000,000.00) each occurrence, general aggregate and products/completed operations aggregate and (B) workers’ compensation or similar insurance in the form and amounts required by the laws of the Commonwealth of Virginia.

13.3 Mechanics' Liens. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's, materialman's or other lien for any such labor or materials shall attach to or affect the reversion or other estate or interest of Landlord in and whenever and as often as any mechanic's lien or materialman's lien shall have been filed against the Premises or the Building based upon any act or interest of Tenant or of anyone claiming through Tenant, or if any lien or security interest with respect thereto shall have been filed affecting any materials, machinery or fixtures used in the construction, repair or operation thereof or annexed thereto by Tenant or its successors in interest, including but not limited to the Tenant's Property, Tenant shall cause such lien to be removed or satisfied by bonding, deposit or otherwise payment in full within thirty (30) days after receipt of written notice from Landlord. In the event Tenant fails to remove or satisfy said lien or encumbrance within said 30-day period, Landlord, in addition to any other remedy under this Lease, may pay the amount secured by such lien or security interest or discharge the same by deposit and the amount so paid or deposited shall be collectible as Additional Rent plus interest thereon at the Interest Rate accruing from the date paid or deposited until repaid by Tenant.

13.4 Landlord's Alterations. Landlord shall have no obligation to make any Alterations in or to the Premises, the Building, the Common Area or the Land except as specifically provided in the Work Agreement. Landlord hereby reserves the right, from time to time, to make Alterations to the Building, change the Building dimensions, erect additional stories thereon and attach other buildings and structures thereto, and to erect such scaffolding and other aids to construction as Landlord deems appropriate, and no such Alterations, changes, construction or erection shall constitute an eviction, constructive or otherwise, or permit Tenant any abatement of Rent or claim; provided, however, Landlord shall not make Alterations to the Building that materially adversely affect Tenant's access to the Premises.

ARTICLE 14: SIGNS

14.1 General. No sign, advertisement or notice shall be inscribed, painted, affixed, placed or otherwise displayed by Tenant on any part of the Land or the outside or the inside (including, without limitation, the windows) of the Building or the Premises. Landlord shall, at its expense, provide one (1) building standard door sign per floor and directory strips in the amount representing Tenant's proportional share of the Building on the Building directory located in the main lobby. Landlord and Tenant acknowledge that Tenant already has signage installed on the front of the building. Such signage shall remain exclusively on the front of the Building; provided, however, that Landlord reserves the right to reduce its size to the minimum extent necessary to accommodate another tenant in the Building. If any prohibited sign, advertisement or notice is nevertheless exhibited by Tenant, Landlord shall have the right to remove the same, and Tenant shall pay any and
all expenses incurred by Landlord in such removal upon demand, together with interest thereon at the Interest Rate, accruing five (5) days after the date of removal until the date paid. Landlord shall have the right to prohibit any new sign, advertisement, notice or statement to the public by Tenant which, in Landlord's reasonable opinion, tends to impair the reputation of the Building or its desirability as a first-class office building.

ARTICLE 15: TENANT'S PROPERTY

15.1 Tenant's Equipment. Except for equipment already installed and in use in the Premises. Tenant shall not install or operate in the Premises (i) any electrically operated equipment or other machinery, other than normal and customary general office equipment that does not require wiring, cooling or other service in excess of Building standards, (ii) any equipment of any kind or nature whatsoever which will require any changes, replacements or additions to, or changes in the use of, any water, heating, plumbing, air conditioning or electrical system of the Premises or the Building, or (iii) any equipment which causes the floor load to exceed the load limits set by Landlord for the Building. Landlord's consent to such installation or operation may be withheld in Landlord's commercially reasonable discretion and if such consent is given shall be conditioned upon, among other things, the payment by Tenant of additional compensation for any excess consumption of utilities and any additional power, wiring, cooling or other service (as determined in the sole discretion of Landlord) that may result from such equipment. In order to ensure that Building standards are not exceeded and to avert a possible adverse effect upon the Building electrical service, Tenant shall give prior notice to Landlord whenever Tenant wants to connect to the Building electrical distribution system any electrically operated equipment other than lamps, personal computer terminals and other similar normal and customary small general office equipment. Machines and equipment which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein so as to be objectionable to Landlord or any other Building tenant shall, to the extent permitted by Landlord, be installed and maintained by Tenant, at its expense, on vibration eliminators or other devices sufficient to eliminate such noise and vibration. Neither Tenant nor its Agents, shall at any time enter, adjust, tamper with, touch or otherwise in any manner affect the building systems or facilities of the Building. Tenant shall turn over to Landlord in good working condition its cooling tower and generator. Afterwards, Tenant shall continue to own the cooling tower and generator, but Landlord shall maintain the cooling tower and generator and pass through to Tenant the cost of such maintenance.

15.2 Removal of Tenant’s Property. Except to the extent Tenant requests and Landlord designated otherwise at the time of Landlord's approval of the Alterations or Tenant's repair or replacement, all or any part of the Tenant's Property (excluding any items of Tenant's personal property, furniture, and business trade fixtures which subject to Section 22.9 herein, shall be removed by Tenant at the expiration or earlier termination of this Lease or be subject to the terms of Section 22.5 herein), whether made with or without the consent of Landlord, shall, at the election of Landlord, either be removed by Tenant at its expense before the expiration of the Term (and Tenant shall restore the Premises to its prior condition reasonable wear and tear, and damage by fire or other casualty excepted) or shall remain upon the Premises and be surrendered therewith at the Expiration Date or earlier termination of this Lease as the property of Landlord without disturbance, molestation or injury and in good operating condition. Notwithstanding, Tenant shall retain ownership of its interior decorative glass windows and shall remove such glass at the expiration or termination of the Term and shall install suitable replacement glass. Any and all damage or injury to the Premises or the Building caused by the moving or removal of the Tenant's Property into or out of the Premises, or due to the same being on the Premises, shall be repaired by Landlord, at the expense of Tenant and paid to Landlord upon demand plus interest thereon at the Interest Rate accruing five (5) days after the date of repair until paid. Tenant shall promptly remove from the Common Area any of Tenant's Property there deposited.
ARTICLE 16: RIGHT OF ENTRY

16.1 General. Except in emergency situations, Tenant shall permit Landlord or its Agents, with notice and a Tenant escort, to enter the Premises, without charge therefor to Landlord and without diminution of Rent, (i) to examine, inspect and protect the Premises and the Building, (ii) to make such Alterations and repairs or perform such maintenance which in the reasonable judgment of Landlord may be deemed necessary or desirable in accordance with Article 12, (iii) to exhibit the Premises to prospective purchasers of the Building or to present or future Mortgagees or (iv) to exhibit the Premises to prospective tenants during the last nine (9) months of the Term and to erect on the Premises a suitable sign indicating the Premises are available.

ARTICLE 17: INSURANCE

17.1 Insurance Rating. Tenant shall not conduct or permit any activity, or place any equipment or material, in or about the Premises, the Building or the Common Area which will invalidate or increase the rate of fire or other insurance on the Building or insurance benefitting any other tenant of the Building; and if any increase in the rate of insurance is stated by any insurance company or the applicable insurance rating bureau to be due to any activity, equipment or material of Tenant in or about the Premises, the Building, or the Common Area, such statement shall be conclusive evidence that the increase is due to the same and, as a result thereof, Tenant shall pay such increase to Landlord upon demand plus interest thereon at the Interest Rate until paid. If any insurance coverage carried by Landlord pursuant to this Article 17 or otherwise with respect to the Building or any property therein shall be canceled or reduced (or cancellation or reduction thereof shall be threatened) by reason of the use or occupancy of the Premises by Tenant or by anyone permitted by Tenant to be upon the Premises, and if Tenant fails to remedy such condition within five (5) days after delivery of written notice thereof, it shall be deemed an Event of Default under this Lease, without the benefit of any additional notice or cure period specified in Section 22.2 (ii) herein, and Landlord shall have all remedies provided in this Lease, at law or in equity, including, without limitation, the right (but not the obligation) to enter upon the Premises and attempt to remedy such condition at Tenant's sole cost and expense which will be Additional Rent when incurred by Landlord payable upon demand plus interest thereon at the Interest Rate accruing five (5) days after demand until paid. Notwithstanding anything herein to the contrary, Landlord agrees that Tenant's Permitted Use (i.e., general office) of the Premises shall not be deemed to conflict with, invalidate or cause a cancellation of any of Landlord's insurance ratings or cost of insurance.

17.2 Liability Insurance. Tenant shall, at its sole cost and expense, procure and maintain throughout the Term a commercial general liability policy insuring against claims, demands or actions for bodily injury, death, personal injury, and loss or damage to property arising out of or in connection with: (i) the Premises and Tenant's Property; (ii) the condition of the Premises; (iii) Tenant's operations in, maintenance and use of the Premises, Building and Common Area, and (iv) Tenant's liability assumed under this Lease. Such insurance shall afford protection of not less than the following limits: $2,000,000 each occurrence, $2,000,000 general aggregate, and $2,000,000 products/completed operations aggregate. Landlord shall have the right to review the coverage amounts, and increase such coverage amounts, in accordance with commercially reasonable industry practices, every three (3) years. Endorsements shall be obtained for cross-liability and contractual liability.

17.3 Insurance for Tenant's Property. Tenant shall, at its sole cost and expense, procure and maintain throughout the Term a property insurance policy (written on an "All Risk" basis) insuring all of Tenant's Property for not less than the full replacement cost of said property. Proceeds of such insurance shall be used to repair or replace Tenant's Property. If this Lease is terminated as the result of a casualty in accordance with Article 21 herein,
except for Alterations or work designated by Landlord to be removed on or before
the expiration or earlier termination of this Lease in accordance with Section
15.2 herein, the proceeds of said insurance attributable to the repair and/or
replacement of any leasehold improvements, tenant improvements or Alterations
performed by or on behalf of Tenant or by Landlord pursuant to the terms of the
Work Agreement or this Lease shall be the property of the Landlord and paid to
Landlord immediately after receipt of such proceeds by Tenant from its carrier,
but no later than sixty (60) days after the date the Lease is terminated,
 together with interest thereon at the Interest Rate accruing five (5) days after
demand until paid.

17.4 Additional Insurance.
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(a) Tenant shall, at its sole cost and expense, procure and maintain
business interruption insurance in an amount not less than the Base Rent due
hereunder for the first Lease Year, which amount shall be revised from time to
time upon the reasonable request of the Landlord or its Mortgagee.

(b) Tenant shall, at all times during the term hereof, maintain in
effect workers' compensation insurance as required by applicable Legal
Requirements.

17.5 Requirements of Insurance Coverage. All such insurance required to be
carried by Tenant herein shall be with an insurance company licensed to do
business in the Commonwealth of Virginia and rated not lower than A-XII in the
A.M. Best Rating Guide. Such insurance (i) shall contain an endorsement that
such policy shall remain in full force and effect notwithstanding that the
insured has released its right of action against any party before the occurrence
of a loss; (ii) shall name Landlord and, at Landlord's request, any Mortgagee or
ground lessor, as additional insured(s); (iii) shall provide that the policy
shall not be canceled, failed to be renewed or materially amended without at
least thirty (30) days' prior written notice to Landlord and, at Landlord's
request, any Mortgagee, and (iv) shall be issued as primary policies and not
contributing with and not in excess of coverage which the Landlord may carry. On
or before the Commencement Date and, thereafter, not less than thirty (30) days
before the expiration date of the insurance policy, a certificate of insurance
evidencing such coverages stated herein, shall be delivered to Landlord and, at
Landlord's request, to any Mortgagee. Tenant's insurance policies shall not
include deductibles in excess of Five Thousand and 00/100 Dollars ($5,000.00).

17.6 Waiver of Subrogation. Each party hereby releases the other party
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hereto from liability for any loss or damage to any building, structure or
tangible personal property, or any resulting loss of income, or losses under
worker's compensation laws and benefits, notwithstanding that such loss, damage
or liability may arise out of the negligent or intentionally tortious act or
omission of the other party or its Agents, if such loss or damage is covered by
insurance, and insurance proceeds are actually received, benefitting the party
suffering such loss or damage or was required to be covered by insurance
pursuant to this Lease. Each party hereto shall require its insurer(s) to
include in its insurance policies a waiver of subrogation clause (providing that
such waiver of right of recovery against the other party shall not impair the
effectiveness of such policy or the insured's ability to recover thereunder),
and shall promptly notify the other in writing if such clause cannot be included
in any such policy; if such waiver of subrogation clause shall not be available,
then the foregoing waiver of right of recovery shall be void.

17.7 Security. In the event that Landlord engages the services of a
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professional security system for the Building, it is understood that such
engagement shall in no way increase Landlord's liability for occurrences and/or
consequences which such a system is designed to detect or avert and that Tenant
shall look solely to its insurer as set out above for claims for damages or
injury to any person or property.
17.8 Landlord's Insurance. Landlord shall procure and maintain throughout the Term fire and extended coverage insurance on the Building in such coverage and amounts as reasonably determined by Landlord in its prudent management of the Building and as necessary to satisfy the requirements of Landlord's Mortgagee, if any. At Landlord's option, such insurance may be carried under any blanket or umbrella policies which Landlord has in force for other buildings and projects. In addition, at Landlord's option, Landlord may elect to self-insure all or any part of such required insurance coverage. Landlord may, but shall not be obligated to, carry any other form or forms of insurance as Landlord or the mortgagees or ground lessors of Landlord may reasonably determined is advisable. The proceeds payable under all fire and other hazard insurance policies maintained by Landlord on the Building shall belong to and be the property of Landlord, and Tenant shall not have any interest in such proceeds.

17.9 Coverage. Landlord makes no representation to Tenant that the limits or forms of coverage specified above or approved by Landlord are adequate to insure Tenant's Property or Tenant's obligations or assumption of contractual liability under this Lease, and the limits of any insurance carried by Tenant shall not limit its duties and obligations under this Lease.

ARTICLE 18: LANDLORD SERVICES AND UTILITIES

18.1 Ordinary Services to the Premises. Subject to Legal Requirements and Force Majeure events, Landlord shall use best efforts to furnish to the Premises throughout the Term (i) electricity appropriate for the Permitted Use and other items as set forth herein, (ii) heating and air conditioning appropriate for the Permitted Use and other items as set forth herein during Normal Business Hours, (iii) daily janitorial service (on days when the Building is open), (iv) regular trash removal from the Premises, (v) hot and cold water from points of supply, (vi) adequate supplies for restrooms located in the Common Area, and (vii) elevator service, provided that Landlord shall have the right to remove up to three (3) of such elevators from service as may be required for moving, freight or for servicing or maintaining the elevators or the Building or for security reasons, provided Tenant's access to the Premises is not materially adversely affected thereby. The cost of all services provided by Landlord hereunder shall be included within Operating Expenses, unless charged directly (and not as a part of Operating Expenses) to Tenant or another tenant of the Building. The foregoing services shall be furnished by Landlord and reimbursed by Tenant as part of Operating Expenses, provided, however, that Landlord shall be under no responsibility or liability for failure, defect or interruption in such services caused by Force Majeure, breakage, accident, strikes, repairs or for any other cause or causes beyond the control of Landlord, nor in any event for any indirect or consequential damages; and failure or omission on the part of Landlord to furnish such service shall not be construed as an eviction of Tenant, nor work an abatement of Rent, nor render Landlord liable in damages, nor release Tenant from prompt fulfillment of any of the covenants under this Lease. Landlord may comply with voluntary controls or guidelines promulgated pursuant to any Legal Requirements relating to the use or conservation of energy, water, gas, light, or electricity or the reduction of automobile or other emissions without creating any liability of Landlord to Tenant under this Lease. Landlord shall not be responsible if the normal operation of the Building air-conditioning system shall fail to provide conditioned air within comfortable temperatures levels (A) in any portions of the Premises which have a connected electrical load for all purposes (including lighting and power) or which have a human occupancy in excess of the average electrical load and human occupancy factors for which the Building air-conditioning system is designed, (B) because of Alterations made by or on behalf of Tenant, (C) in any portions of the Premises exposed to direct sunlight in which Tenant fails to keep the window treatments closed, or (D) because of the failure by Tenant or its Agents to use the HVAC system in the manner in which it was designed to be used. Tenant agrees to observe and comply with all reasonable rules from time to time prescribed by Landlord for the proper functioning and protection of the HVAC systems in the Building.

18.2 After-Hours Services to the Premises. If Tenant requires or requests that the services to be furnished by Landlord (except Building standard
electricity and elevator service) be provided during periods in addition to the periods set forth in Section 18.1, then Tenant shall obtain Landlord's consent thereto by requesting such consent at least four (4) business hours in advance of the need for such service and, if such consent is granted, shall pay upon demand Landlord's additional expenses resulting therefrom. Landlord may, from time to time during the Term, set a per hour charge for after-hours service which shall include the cost of utility, service, labor costs, administrative costs and a cost for depreciation of the equipment used to provide such after-hours service.

18.3 Utility Charges. All telephone, electricity, gas, heat and other utility service furnished to the Premises shall be paid for directly by Tenant except to the extent the cost of same is included within, and paid for by Tenant as part of, Operating Expenses. Landlord reserves the right separately to meter or monitor the utility services provided to the Premises. The cost of any such meter shall be born by the Tenant. Tenant shall reimburse Landlord for the cost of any excess utility usage in the Premises. Excess usage shall mean usage which exceeds one hundred ten percent (110%) (on a rentable square foot basis) during any billing period over the building standard usage (which shall mean the average per square foot usage of all office tenants in the Building during Normal Business Hours excluding the Tenant or any other tenants notified by Landlord of excessive utility consumption) during the same period as reasonably calculated by Landlord. Tenant shall pay for the excess consumption of electricity at the then-current price per kilowatt hour and price per unit of demand charged Landlord by the utility company plus a reasonable administrative cost which shall include service, labor costs, administrative costs and a cost for depreciation of the equipment used to provide such excess service.

ARTICLE 19: LIABILITY OF LANDLORD

19.1 No Liability. Except where due to Landlord or its Agents' wanton or willful acts or omissions and as stated otherwise herein, Landlord and its Agents shall not be liable to Tenant or its Agents for, and Tenant does hereby release Landlord and its Agents from liability for, any liability, damage, compensation or claim arising from (i) the necessity of repairing any portion of the Premises or the Building or the Common Area or any structural defects thereto, (ii) any interruption in the use of the Premises or the Common Area for any reason including any interruption or suspension of utility service, (iii) fire or other casualty or personal or property injury, damage or loss resulting from the use or operation (by Landlord, Tenant, or any other person whomsoever) of the Premises or the Building or the Common Area, (iv) the termination of this Lease, (v) robbery, assault, theft or other crime, or (vi) any leakage in the Premises or the Building from water, rain, snow or casualty, or any other cause whatsoever. No such occurrence shall give rise to diminution or abatement of Rent or constructive eviction. Except where due to Landlord or its Agents' wanton or willful acts or omissions and as stated otherwise herein, any goods, automobiles, property or personal effects stored or placed by Tenant or its Agents in or about the Premises, the Building or the Common Area shall be at the sole risk of Tenant. Tenant hereby expressly waives its right to recover against Landlord and its Agents therefor. Tenant hereby waives any claim it might have against Landlord or its Agents for any consequential damages or business losses sustained by Tenant arising out of the loss or damage to any person or property of Tenant, or any interruption in the use of the Premises or the Common Area, for any reason. Tenant acknowledges its obligation to insure against such losses and damages. Tenant shall not have the right to offset or deduct any amount allegedly owed to Tenant pursuant to any claim against Landlord from any Rent or other sum payable to Landlord. Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord.

19.2 Indemnity. Tenant shall indemnify, defend, protect and hold Landlord and its Agents harmless from and against any and all damage, claim, liability,
cost or expense (including, without limitation, reasonable attorneys' or other professionals' fees) of every kind and nature (including, without limitation, those arising from any injury or damage to any person, property or business) incurred by or claimed against Landlord or through Landlord by its Agents, directly or indirectly, as a result of, arising from or in connection with (i) Tenant's or its authorized Agents' use, occupancy, repair or maintenance of the Premises, the Building or the Common Area; (ii) an Event of Default by Tenant under any provisions of this Lease; or (iii) any act, omission or negligence of Tenant or its Agents, but in each instance, only to the extent such damage, claim, liability, cost or expense was not caused, in whole or in part, by the wanton or willful acts or omissions of Landlord or its Agents.

19.3 Limitation on Recourse. Notwithstanding anything contained in this Lease to the contrary, the obligations of Landlord under this Lease (including any actual or alleged breach or default by Landlord) do not constitute personal obligations of the individual partners, directors, officers, shareholders, trustees, advisors or agents of Landlord or Landlord's partners, and Tenant shall not seek recourse against the individual partners, directors, officers or shareholders, trustees, advisors or agents of Landlord or Landlord's partners, or any of their personal assets for satisfaction of any liability with respect to this Lease. In addition, in consideration of the benefits accruing hereunder to Tenant and notwithstanding anything contained in this Lease to the contrary, Tenant hereby covenants and agrees for itself and all of its successors and assigns that the liability of Landlord for its obligations under this Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Landlord), shall be limited solely to, and Tenant's and its successors' and assigns' sole and exclusive remedy shall be against Landlord's interest in the Building and Land and proceeds therefrom, and no other assets of Landlord. In the event that the original Landlord hereunder, or any successor owner of the Building, shall sell or convey the Building, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease occurring thereafter shall terminate as of the day of such sale, and thereupon all such liabilities and obligations shall be binding on the new owner.

ARTICLE 20: RULES AND REGULATIONS

20.1 General. Tenant shall, and Tenant shall use its best efforts to cause its Agents to, at all times abide by and observe the Rules and Regulations and any amendments thereto that may be promulgated from time to time by Landlord for the operation and maintenance of the Building and the Common Area and the Rules and Regulations shall be deemed to be covenants of the Lease to be performed and/or observed by Tenant. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or the terms or provisions contained in any other lease, against any other tenant of the Building. Landlord shall not be liable to Tenant for any violation by any party of the Rules and Regulations or the terms of any other Building lease. If there is any inconsistency between this Lease and the Rules and Regulations, this Lease shall govern. Landlord reserves the right to amend and modify the Rules and Regulations as it deems necessary; provided, however that except to the extent such Rules and Regulations are imposed to comply with governmental mandates, future rules or regulations, or amendments of existing rules or regulations, shall not impose, directly or indirectly, on Tenant or any of its Agents any additional material cost or expense.

ARTICLE 21: DAMAGE AND CONDEMNATION

21.1 Damage to the Premises. If the Premises shall be damaged by fire or other cause without the fault or negligence of Tenant or its Agents. Landlord shall diligently and as soon as practicable after such damage occurs (taking into account the time necessary to effect a satisfactory settlement with any insurance company involved and any delays beyond the direct control of Landlord)
repair such damage to the Premises (excluding the Tenant's Property) at the expense of Landlord; provided, however, that Landlord's obligation to repair such damage shall not exceed the proceeds of insurance available to Landlord (reduced by any proceeds retained pursuant to the rights of Mortgagee). Notwithstanding the foregoing, (i) if the Premises or the Building is damaged by fire or other cause to such an extent that, in Landlord's sole judgment, such judgment to be communicated to Tenant within sixty (60) days after the damage, the damage cannot be substantially repaired within one hundred twenty (120) days after the date of permit issuance necessary for the repair of such damage, then Landlord or Tenant within ninety (90) days from the date of such damage may terminate this Lease by written notice to the other, or (ii) if the Premises are damaged during the last Lease Year, then Landlord or Tenant within thirty (30) days from the date of such damage may terminate this Lease by written notice to the other. If either Landlord or Tenant terminates this Lease, the Rent shall be apportioned and paid to the date of such casualty. If neither Landlord nor Tenant so elects to terminate this Lease but the damage required to be repaired by Landlord is not repaired within one hundred twenty (120) days from the date of permit issuance to cause the repair of such damage (such 120-day period to be extended by the period of any delay outside the direct control of Landlord plus a reasonable period for a satisfactory settlement with any insurance company involved), Tenant, within thirty (30) days from the expiration of such 120-day period (as the same may be extended), may terminate this Lease by written notice to Landlord. During the period that Tenant is deprived of the use of the damaged portion of the Premises, and provided such damage is not the consequence of the fault or negligence of Tenant or its Agents, Base Rent and Tenant's Proportionate Share shall be reduced by the ratio that the rentable square footage of the Premises or square footage inaccessible due to such damaged bears to the total rentable square footage of the Premises before such damage. Notwithstanding anything herein to the contrary, Landlord shall not be required to rebuild, replace or repair any of the Tenant's Property, except for Alterations or work designated by Landlord to be removed on or before the expiration or earlier termination of this Lease in accordance with Section 15.2 herein. In the event that neither party terminates this Lease as aforesaid, Tenant shall be required to repair or replace the Tenant's Property, except for Alterations or work designated by Landlord to be removed on or before the expiration or earlier termination of this Lease in accordance with Section 15.2 herein.

21.2 Condemnation. If the whole or a Substantial Part of the Premises or the Building shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking), then the Term shall cease and terminate as of the date when title vests in such governmental or quasi-governmental authority, and Rent shall be prorated to the date when title vests in such governmental or quasi-governmental authority. If less than a Substantial Part of the Premises is taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking), all Rent shall be reduced by the ratio that the portion so taken bears to the rentable square footage of the Premises before such taking, effective as of the date when title vests in such governmental or quasi-governmental authority, and this Lease shall otherwise continue in full force and effect, provided, Tenant's use, visibility of, and access to the Premises are not materially affected thereby. Tenant shall have no claim against Landlord (or otherwise) as a result of such taking, and Tenant hereby agrees to make no claim against the condemning authority for any portion of the amount that may be awarded as compensation or damages as a result of such taking; provided, however, that Tenant may, to the extent allowed by law, claim an award for moving expenses and for the taking of any of Tenant's Property (other than its leasehold interest in the Premises) which does not, under the terms of this Lease, become the property of Landlord at the termination hereof, as long as such claim is separate and distinct from any claim of Landlord and does not diminish Landlord's award. Tenant hereby assigns to Landlord any right and interest it may have in any award for its leasehold interest in the Premises.
ARTICLE 22: DEFAULT

22.1 Events of Default. Each of the following shall constitute an Event of Default:

(i) Tenant fails to pay Rent within five (5) days after Tenant's receipt of written notice from Landlord; provided that no such notice shall be required if at least two such notices shall have been given during the same Lease Year; (ii) Tenant fails to observe or perform any other term, condition or covenant herein binding upon or obligating Tenant within its receipt of ten (10) business days written notice from Landlord, or, if said default is curable but shall reasonably require longer than ten (10) business days to cure, if Tenant shall fail to commence to cure said default within ten (10) business days after receipt of notice thereof and/or fail continuously to prosecute the curing of the same to completion with due diligence, and in any event within such period of time as will prevent Landlord from being subjected to the risk of criminal liability or termination of any foreclosure of any mortgage; (iii) Tenant or any Guarantor makes or consents to a general assignment for the benefit of creditors or a common law composition of creditors, or a receiver of the Premises or all or substantially all of Tenant's or Guarantor's assets is appointed; (iv) a Transfer in violation of Article 11 herein; or (v) the failure by Tenant to timely perform any of those covenants described in Section 17.1 of this Lease.

22.2 Landlord's Remedies. Upon the occurrence of an Event of Default, Landlord, at its option, without further notice or demand to Tenant, may in addition to all other rights and remedies provided in this Lease, at law or in equity:

(a) Terminate this Lease and Tenant's right of possession of the Premises. If Landlord elects to terminate the Lease, every obligation of the parties shall cease as of the date of such termination, except for those obligations of the Tenant that survive the expiration or earlier termination of the Lease and as provided in Section 22.3.

(b) Terminate Tenant's right of possession of the Premises without terminating this Lease, in which event Landlord may, but shall not be obligated to, relet the Premises, or any part thereof, for the account of Tenant, for such rent and term and upon such other conditions as are acceptable to Landlord in its sole and absolute discretion. For purposes of such reletting, Landlord is authorized to redecorate, repair, alter and improve the Premises to the extent necessary in Landlord's sole discretion.

(c) Re-enter and repossess the Premises and remove all persons and effects therefrom, by summary proceeding, ejectment or other legal action or by using such force as may be necessary. Landlord shall have no liability by reason of any such re-entry, repossession or removal.

Notwithstanding anything to the contrary contained in this Lease, Landlord hereby agrees to use reasonable efforts to mitigate damages; provided, however, that Landlord, in attempting to lease the Premises shall not be obligated to give preference to the Premises over any other available space in the Building (as stated in Section 22.3 below).

22.3 Tenant's Liability for Damages. If Landlord terminates this Lease or the Tenant's right to possession pursuant to Section 22.2, Tenant shall remain liable (in addition to accrued liabilities) to the extent legally permissible for (i) the sum of (A) all Base Rent and Additional Rent provided for in this Lease until the date this Lease would have expired had such termination not occurred, and (B) any and all costs, expenses and damages incurred by Landlord in terminating the Lease, reentering the Premises, repossessing the same, making good any default of Tenant, painting, altering or dividing the Premises, combining the same with any adjacent space for any new tenants, putting the same in proper repair, reletting the same (including any and all rental concessions to new tenants, repairs, Alterations, attorneys' fees and disbursements and brokerage fees and commissions), and any and all expenses which Landlord may incur during the occupancy of any new tenant (other than expenses of a type that are Landlord's responsibility under the terms of this Lease); less (ii) the proceeds of any reletting. Tenant agrees to pay to Landlord the difference
between items (i) and (ii) above with respect to each month during the Term, at
the end of such month. Any suit brought by Landlord to enforce collection of
such difference for any one month shall not prejudice Landlord's right to
enforce the collection of any difference for any subsequent month. In addition
to the foregoing, Tenant shall pay to Landlord such sums as the court which has
jurisdiction thereover may adjudge reasonable as attorneys' fees with respect to
any successful lawsuit or action instituted by Landlord to enforce the
provisions of this Lease. Landlord shall have the right, at its sole option, to
relet the whole or any part of the Premises for the whole of the unexpired Term,
or longer, or from time to time for shorter periods, for any rental then
obtainable, giving such concessions of rent and making such special repairs,
Alterations, decorations and paintings for any new tenant as Landlord, in its

sole but good faith discretion, may deem advisable. To the extent that Landlord
attempts to relet the Premises, Landlord shall be under no obligation to lease
all or any portion of the Premises before any other space in the Building is
fully leased by Landlord and that if at the time of any reletting of the
Premises there exists other reasonably comparable space in the Building
available for leasing, then the Premises shall be deemed the last space rented,
even though the Premises may be relet prior to the date such other reasonable
comparable space is leased. Tenant's liability as aforesaid shall survive the
institution of summary proceedings and the issuance of any warrant thereunder.
Upon the occurrence of an Event of Default, Landlord may recover from Tenant
the value and/or cost of all concessions to Tenant under this Lease.

22.4 Liquidated Damages. If Landlord terminates this Lease pursuant to
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Section 22.2, Landlord shall have the right, at any time, at its option, to
require Tenant to pay to Landlord, on demand, as liquidated and agreed final
damages in lieu of Tenant's liability under Section 22.3 (other than for
Tenant's liability for concessions, attorneys' and brokerage fees), an amount
equal to the difference, discounted to the date of such demand at an annual rate
of interest equal to the then-current yield on actively traded U.S. Treasury
bonds with 10-year maturities, as published in the Federal Reserve Statistical
Release for the week prior to the date of such termination, between (i) the Base
Rent and Additional Rent, computed on the basis of the then-current annual rate
of Base Rent and Additional Rent and all fixed and determinable increases in
Base Rent, which would have been payable from the date of such demand to the
date when this Lease would have expired, if it had not be terminated, and (ii)
the then fair rental value of the Premises for the same period as determined by
the Landlord. Upon payment of such liquidated and agreed final damages, Tenant
shall be released from all further liability under this Lease with respect to
the period after the date of such demand except for those obligations of the
Tenant that survive the expiration or earlier termination of the Lease. If,
after the Event of Default giving rise to the termination of this Lease, but
before presentation of proof of such liquidated damages, the Premises, or any
part thereof, shall be relet by Landlord for a term of one year or more, the
amount of rent reserved upon such reletting shall be deemed to be the fair
rental value for the part of the Premises so relet during the term of such
reletting.

22.5 Rights Upon Possession. If Landlord takes possession pursuant to this
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Article, with or without terminating this Lease, Landlord may, at its option,
enter into the Premises, remove Tenant's Alterations, signs, personal property,
equipment and other evidences of tenancy, and store them at Tenant's risk and
expense or dispose of them as Landlord may see fit, and take and hold possession
of the Premises: provided, however, that if Landlord elects to take possession
only without terminating this Lease, such entry and possession shall not
terminate this Lease or release Tenant or any Guarantor, in whole or in part,
from the obligation to pay the Rent reserved hereunder for the full Term or from
any other obligation under this Lease or any guaranty thereof.

22.6 No Waiver. If Landlord shall institute proceedings against Tenant and
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a compromise or settlement thereof shall be made, the same shall not constitute
a waiver of any other covenant, condition or agreement herein contained, nor of
any of Landlord's rights hereunder. No waiver by Landlord of any breach shall operate as a waiver of such covenant, condition or agreement, or operate as a waiver of such covenant, condition or agreement itself, or of any subsequent breach thereof. No payment of Rent by Tenant or acceptance of Rent by Landlord shall operate as a waiver of any breach or default by Tenant under this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent herein stipulated shall be deemed to be other than a payment on account of the earliest unpaid Rent, nor shall any endorsement or statement on any check or communication accompanying a check for the payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of the Lease.

22.7 Right of Landlord to Cure Tenant's Default. If an Event of Default shall occur, then Landlord may (but shall not be obligated to) make such payment or do such act to cure the Event of Default, and charge the amount of the expense thereof, together with interest thereon at the Interest Rate, to Tenant. Such payment shall be due and payable upon demand; however, the making of such payment or the taking of such action by Landlord shall not be deemed to cure the Event of Default or to stop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled. Any such payment made by Landlord on Tenant's behalf shall bear interest until paid at the Interest Rate.

22.8 Late Payment. If Tenant fails to pay any Rent within five (5) days after such Rent becomes due and payable, Tenant shall pay to Landlord a late charge of five percent (5%) of the amount of such overdue Rent. In addition, any such late Rent payment shall bear interest from the date such Rent became due and payable to the date of payment thereof by Tenant at the Interest Rate. Such late charge and interest shall be due and payable within two (2) days after written demand from Landlord.

22.9 Landlord's Lien. As security for the performance of Tenant's obligations, Tenant grants to Landlord a lien upon and a security interest in Tenant's goods both existing or hereafter acquired located in the Premises. Such lien shall be in addition to Landlord's rights of distraint, if any. Within twenty (20) days after request, Tenant shall execute, acknowledge and deliver to Landlord a financing statement and any other document submitted to Tenant in form reasonably acceptable to Tenant evidencing or establishing such lien and security interest. During any period that an Event of Default exists hereunder, Tenant shall not sell, transfer or remove from the Premises all or any portion of Tenant's goods except to repair, exchange, or replace such items of Tenant's goods comprised of tangible personal property, furniture, and business trade fixtures and equipment; provided such repair, exchange, or replacement of such designated items is of equal or greater value. Landlord hereby agrees that its lien upon Tenant's goods comprised of tangible personal property, furniture, and business trade fixtures and equipment shall be automatically subordinated to any purchase money security interest or to the line of any institutional lender of Tenant, if required by such lender. In confirmation of such subordination upon the reasonable request of Tenant, Landlord shall at Tenant's expense, execute a commercially reasonable and customary subordination instrument in form acceptable to Landlord in its reasonable discretion.

22.10 [Intentionally Deleted]

ARTICLE 23: BANKRUPTCY

23.1 Event of Bankruptcy. An "Event of bankruptcy" is: the occurrence, with respect to Tenant, of any of the following: (i) Tenant's becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"), or under the insolvency law of any state (the "Insolvency Laws"); (ii)
appointment of a receiver or custodian for any property of Tenant; (iii) filing of a voluntary petition by Tenant under the provisions of the Bankruptcy Code or Insolvency Laws; (iv) filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or insolvency Laws, which either (A) is not dismissed within sixty (60) days after filing, or (B) results in the issuance of an order for relief against the debtor; or (v) Tenant's making or consenting to an assignment for the benefit of creditors or a composition of creditors.

23.2 Remedies. Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article 22; provided, however, that while a case (the "Case") in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord's right to terminate this Lease shall be subject, to the extent required by the Bankruptcy Code, to any rights of Tenant or Tenant's assignee in bankruptcy (collectively, "Trustee") to assume or assign this lease pursuant to the Bankruptcy Code. Trustee shall not have the right to assume or assign this Lease unless Trustee promptly: (i) cures all defaults under this Lease; (ii) compensates Landlord for damages incurred as a result of such defaults; (iii) provides adequate assurance of future performance on the part of Tenant or Tenant's assignee; (iv) complies with the other requirements of this Article; and (v) complies with all other requirements of the Bankruptcy Code. If Trustee fails to assume or assign this lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after entry of an order for relief then Trustee shall be deemed to have rejected this Lease. Adequate assurance of future performance shall require that the following minimum criteria be met: (A) Tenant's gross receipts in the ordinary course of business during the thirty (30) days preceding the Case must be greater than ten (10) times the next monthly installment of the Base Rent and additional rent; (B) both the average and median of Tenant's monthly gross receipts in the ordinary course of business during the seven (7) months preceding the Case must be greater than ten (10) times the next monthly installment of the Base Rent and additional rent; (C) Trustee must pay its estimated pro-rata share of the cost of all services performed or provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of the Base Rent) in advance of the performance or provision of such services; (D) Trustee must agree that Tenant's business shall be conducted in a first-class manner, and that no liquidating sale, auction or other non-first-class business operation shall be conducted in the Premises; (E) Trustee must agree that the use of the Premises as stated in this Lease shall remain unchanged and that no prohibited use shall be permitted; (F) Trustee must agree that the assumption or assignment of this Lease shall not violate or affect the rights of other tenants in the Building and the complex or area in which the Building is located; (G) Trustee must pay at the time the next monthly installment of the Base Rent is due, in addition to such installment, an amount equal to the monthly installments of the Base Rent and additional rent due for the next six (6) months thereafter, such amount to be held as a security deposit; (H) Trustee must agree to pay, at any time Landlord draws on such security deposit, the amount necessary to restore such security deposit to its original amount; and (I) all assurances of future performance specified in the Bankruptcy Code must be provided. If Trustee shall propose to assume and assign this Lease to any person who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to Trustee, then notice of such proposed assignment shall be given to Landlord by Trustee no later than twenty (20) days after receipt by Trustee of such offer, but in any event no later than ten (10) days prior to the date that Trustee shall make application to the court of competent jurisdiction for approval to assume this Lease and enter into such assignment, and Landlord shall thereupon have the option, to be exercised by notice to Trustee given at any time prior to the date of such application, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease.
(a) This Lease and Tenant's interest hereunder shall be, at the option
of Mortgagee's collateral agent, subordinate to or superior to the lien of any
Mortgage made by Landlord. If at any time or from time to time during the Term,
a Mortgagee or prospective Mortgagee, or a collateral agent therefor, requests
that this Lease be subject and subordinate to its Mortgage, this Lease and
Tenant's interest hereunder shall be subject and subordinate to the lien of such
Mortgage and to all renewals, modifications, replacements, consolidations and
extensions thereof and to any and all advances made thereunder and the interest
thereon. Tenant agrees that, within ten (10) business days after receipt of a
written request therefor from Landlord, it will,

from time to time, execute and deliver any instrument or other document required
by any such Mortgagee to subordinate this Lease and its interest in the Premises
to the lien of such Mortgage. If, at any time or from time to time during the
Term, a Mortgagee of a Mortgage made prior to the date of this Lease shall
request that this Lease have priority over the lien of such Mortgage, and if
Landlord consents thereto, this Lease shall have priority over the lien of such
Mortgage and all renewals, modifications, replacements, consolidations and
extensions thereof and all advances made thereunder and the interest thereon,
and Tenant shall, within ten (10) business days after receipt of a request
therefor from Landlord, execute, acknowledge and deliver any and all documents
and instruments confirming the priority of this Lease. In any event, however, if
this Lease shall have priority over the lien of a first Mortgage, this Lease
shall not become subject or subordinate to the lien of any subordinate Mortgage,
and Tenant shall not execute any subordination documents or instruments for any
subordinate Mortgagee, without the written consent of the first Mortgagee.

Notwithstanding the foregoing to the contrary, with respect to each
Mortgage that may encumber the Building on or after the Commencement Date,
Landlord agrees, upon receipt of written request from Tenant, to use reasonable
efforts to obtain on behalf of Tenant a subordination, nondisturbance and
attornment agreement in the usual form of such Mortgagee, such form for the
current Mortgagee attached hereto as Exhibit E. Tenant shall bear all reasonable
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and customary costs and expenses of such Mortgagee in connection with obtaining
such subordination, nondisturbance and attornment agreement(s), if any.

(b) This Lease and Tenant's interest hereunder shall be subject and
subordinate to each and every ground or underlying lease hereafter made of the
Building or the land on which it is located, or both, and to all renewals,
modifications, consolidations, replacements and extensions thereof. Tenant
agrees that, within ten (10) business days after receipt of request therefor
from Landlord, it will, from time to time, execute, acknowledge and deliver any
instrument or other document required by any such lessor to subordinate this
Lease and its interest in the Premises to such ground or underlying lease.

24.2 Mortgagee Protection. Tenant agrees to give any Mortgagee or
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Mortgagee's collateral agent, by certified mail, return receipt requested, a
copy of any notice of default served upon Landlord, provided that before such
notice Tenant has been notified in writing of the address of such Mortgagee or
Mortgagee's
collateral agent. Tenant further agrees that if Landlord shall have failed to
cure such default within the time provided for in this Lease, then the Mortgagee
or Mortgagee's collateral agent shall have an additional thirty (30) days within
which to cure such default; provided, however, that if such default cannot be
reasonably cured within that time, then such Mortgagee or Mortgagee's collateral
agent shall have such additional time as may be necessary to cure such default
so long as Mortgagee has commenced and is diligently pursuing the remedies
necessary to cure such default (including, without limitation, the commencement
of foreclosure proceedings, if necessary), in which event Tenant shall not
exercise any remedies for default while such remedies are being so diligently
pursued. In the event of the sale of the Land or the Building, by foreclosure or
deed in lieu thereof, the Mortgagee or purchaser at such sale shall be
responsible for the return of the Security Deposit only to the extent that such
24.3 Modification Due to Financing. If, in connection with obtaining
construction or permanent financing for the Premises, the Building or the Land,
any lender (or Mortgagee) shall request reasonable modifications of this Lease
as a condition to such financing, Tenant shall promptly execute a modification
of this Lease, provided such modifications do not increase the financial
obligations of Tenant hereunder or adversely affect the leasehold interest
hereby created or Tenant's reasonable use and enjoyment of the Premises. Tenant
and any Guarantor shall each, prior to execution and throughout the Term, upon
request from time to time, provide such financial information and documentation
about itself to Landlord or Mortgagee as may be requested.

24.4 Attornment. In the event of (i) a transfer of Landlord's interest in
the Premises, (ii) the termination of any ground or underlying lease of the
Building or the land on which it is constructed, or both, or (iii) the purchase
in lieu of foreclosure under any Mortgage or pursuant to a power of sale
contained in any Mortgage, then in any of such events Tenant shall, at the
request of Landlord or Landlord's successor in interest, attorn to and recognize
the transferee or purchaser of Landlord's interest or the lessor under the
terminated ground or underlying lease, as the case may be, as Landlord under
this Lease for the balance then remaining of the Term, and thereafter this Lease
shall continue as a direct lease between such lessor, transferee or purchaser,
as "Landlord," and Tenant, as

"Tenant," except that such lessor, transferee or purchaser shall not be liable
for any act or omission of Landlord prior to such lease termination or prior to
its succession to title, nor be subject to any offset, defense or counterclaim
accruing prior to such lease termination or prior to such succession to title,
nor be bound by any payment of Base Rent or Additional Rent prior to such lease
termination or prior to such succession to title for more than one month in
advance. Tenant shall, upon request by Landlord or the transferee or purchaser
of Landlord's interest or the lessor under the termination ground or underlying
lease, as the case may be, execute and deliver an instrument or instruments
confirming the foregoing provisions of this Section.

ARTICLE 25: SURRENDER AND HOLDING OVER

25.1 Surrender of the Premises. Tenant shall peaceably surrender the
Premises to Landlord on the Expiration Date or earlier termination of this
Lease, in broom-clean condition and in as good condition as when Tenant took
possession, including, without limitation, the repair of any damage to the
Premises caused by the removal of any of Tenant's Property pursuant to Section
15.2, except for reasonable wear and tear and loss by fire or other casualty not
caused by Tenant or its Agents. If, for any reason, Tenant fails to surrender
the Premises on the expiration or earlier termination of this Lease with such
removal and repair obligations completed, then, in addition to the provisions of
Section 25.2 herein and Landlord's rights and remedies under Article 22 and the
other provisions of this Lease, Tenant shall indemnify, defend (by counsel
reasonably approved in writing by Landlord) and hold Landlord harmless from and
against any and all claims, judgments, suits, causes of action, damages, losses,
liabilities and expenses (including reasonable attorneys' fees and court costs)
resulting from such failure to surrender, including, without limitation, any
claim made by any succeeding tenant based thereon. The foregoing indemnity shall
survive the expiration or earlier termination of this Lease.

25.2 Holding Over. In the event that Tenant shall not immediately surrender
the Premises to Landlord on the Expiration Date or earlier termination of this
Lease, Tenant shall be deemed to be a month to month tenant upon all of the
terms and provisions of this Lease, except the monthly Base Rent shall be
termination equal to the greater of: (a) one hundred fifty percent (150%) of the
Base Rent and Additional Rent applicable to the Premises immediately prior to
the date of such expiration or earlier termination; or (b) two hundred percent
(200%) of the prevailing market rate excluding any rental or other concessions
(as reasonably
determined by Landlord) for the Premises in effect on the date of such expiration or earlier termination. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a consent to a hold over hereunder or result in an extension of this Lease. Tenant shall pay an entire month's Rent calculated in accordance with this Section 25.2 for any portion of a month it holds over and remains in possession of the Premises pursuant to this Section.

ARTICLE 26: QUIET ENJOYMENT

26.1 General. Landlord covenants that if Tenant shall pay Rent and perform all of the terms and conditions of this Lease to be performed by Tenant, Tenant shall during the Term peaceably and quietly occupy and enjoy possession of the Premises without molestation or hindrance by Landlord or any party claiming through or under Landlord, subject to the provisions of this Lease and any Mortgage to which this Lease is subordinate and easements, conditions and restrictions of record affecting the Land.

ARTICLE 27: TENANT'S COVENANTS REGARDING HAZARDOUS MATERIALS

27.1 Definition. As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "infectious wastes," "hazardous materials" or "toxic substances" now or subsequently regulated under as defined in any Legal Requirements including, without limitation, oil, petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

27.2 General Prohibition. Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, discharged, released, spilled or disposed of on, in, under or about the Premises, the Building or the Land by Tenant or its Agents, except that Tenant may use and store within the Premises reasonable quantities of customary office supplies, products or chemicals, provided such items are stored, used and disposed of in compliance with all Legal Requirements. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal or bodily injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses arising from a breach of this prohibition by Tenant or its Agents.

27.3 Notice. In the event that Hazardous Materials are discovered upon, in, or under the Premises, the Building or the Land, and applicable Legal Requirements require the removal of such Hazardous Materials, Tenant shall be responsible for removing those Hazardous Materials arising out of or related to the use or occupancy of the Premises by Tenant or its Agents. Notwithstanding the foregoing, Tenant shall not take any remedial action in or about the Premises, the Building or the Land without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to protect Landlord's
interest with respect thereto. Tenant immediately shall notify Landlord in writing of: (i) any spill, release, discharge or disposal of any Hazardous Material in, on or under the Premises, the Building, the Land or any portion thereof, (ii) any enforcement, cleanup, removal or other governmental or regulatory action instituted, contemplated, or threatened (if Tenant has notice thereof) pursuant to any Legal Requirements; (iii) any claim made or threatened by any person against Tenant, the Premises, the Building or the Land relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (iv) any reports made to any governmental agency or entity arising out of or in connection with any Hazardous Materials in, on, under or about or removed from the Premises, the Building or the Land, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant also shall supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises, the Building, the Land or Tenant's use or occupancy thereof.

27.4 Survival. The respective rights and obligations of Landlord and Tenant under this Article 27 shall survive the expiration or earlier termination of this Lease.

ARTICLE 28: MISCELLANEOUS

28.1 No Representations by Landlord. Tenant acknowledges that neither Landlord or its Agents nor any broker has made any representation or promise with respect to the Premises, the Building, the Land or the Common Area, except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth. Tenant, by taking possession of the Premises shall accept the Premises and the Building "AS IS," and such taking of possession shall be conclusive evidence that the Premises and the Building are in good and satisfactory condition at the time of such taking of possession.

28.2 No Partnership. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between Landlord and Tenant other than that of landlord and tenant.

28.3 Brokers. Landlord recognizes Broker(s) as the sole broker(s) procuring this Lease and shall pay Broker(s) a commission therefor pursuant to a separate agreement between Broker(s) and Landlord. Landlord and Tenant each represents and warrants to the other that it has not employed any broker, agent or finder other than Broker(s) relating to this Lease. Landlord shall indemnify and hold Tenant harmless, and Tenant shall indemnify and hold Landlord harmless, from and against any claim for brokerage or other commission arising from or out of any breach of the indemnitor's representation and warranty.

28.4 Estoppel Certificate. Tenant shall, without charge, at any time and from time to time, within ten (10) business days after request therefor by Landlord, Mortgagee, any purchaser of the Land or the Building or any other interested person, execute, acknowledge and deliver to such requesting party a written estoppel certificate certifying, to the best of Tenant's knowledge and belief, as of the date of such estoppel certificate, the following: (i) that this Lease is unmodified and in full force and effect (or if modified, that the Lease is in full force and effect as modified and setting forth such modifications); (ii) that the Term has commenced (and setting forth the Commencement Date and Expiration Date); (iii) that Tenant is presently occupying the Premises; (iv) the amounts of Base Rent and Additional Rent currently due and payable by Tenant; (v) that any Alterations required by the Lease to have been made by Landlord have been made to the
satisfaction of Tenant; (vi) that there are no existing set-offs, charges, liens, claims or defenses against the enforcement of any right hereunder, including, without limitation, Base Rent or Additional Rent (or, if alleged, specifying the same in detail); (vii) that no Base Rent has been paid more than thirty (30) days in advance of its due date; (viii) that Tenant has no knowledge of any then uncured default by Landlord of its obligations under this Lease (or, if Tenant has such knowledge, specifying the same in detail); (ix) that Tenant is not in default; (x) that the address to which notices to Tenant should be sent is as set forth in the Lease (or, if not, specifying the correct address); and (xi) any other certifications requested by Landlord. Any such estoppel certificate delivered pursuant to this Subsection 28.4 may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of any portion of the Land, as well as their assignees. Tenant's failure to deliver such estoppel certificate within such time shall be conclusive upon Tenant that: (a) this Lease is in full force and effect without modification, except as may be represented by Landlord; (b) there are no uncured defaults in Landlord's or Tenant's performance; and (c) not more than one (1) month's rental has been paid in advance. If Tenant shall fail to deliver the written estoppel certificate within ten (10) days following a second written request for such certificate, then Tenant shall indemnify, defend (with counsel reasonably approved by Landlord in writing) and hold Landlord harmless from and against any and all claims, judgments, suits, causes of action, damages (except consequential), losses, liabilities and expenses (including reasonable attorneys' fees and court costs) attributable to any failure by Tenant to timely deliver any such estoppel certificate to Landlord pursuant to this Section 28.4. In addition, within fifteen (15) business days after request by Landlord, Tenant shall deliver to Landlord audited financial statements of Tenant for its most recently ended fiscal year and interim unaudited financial statements for its most recently ended quarter.

28.5 Waiver of Jury Trial. LANDLORD AND TENANT AND IF APPLICABLE THE GUARANTOR, HEREBY KNOWINGLY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING THAT LANDLORD OR TENANT MAY HEREINAFTER INSTITUTE AGAINST EACH OTHER WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN ANY WAY RELATED TO THIS LEASE OR THE PREMISES. TENANT CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION AT THE PREMISES; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT THE PREMISES. LANDLORD, TENANT AND THE GUARANTOR(S), IF APPLICABLE, WAIVE ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED AND WAIVE ANY RIGHT UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE TO TRANSFER ANY SUCH ACTION FILED IN ANY SUCH COURT TO ANY OTHER COURT. TENANT HEREBY WAIVES ANY RIGHT TO PLEAD ANY COUNTERCLAIM (EXCEPT A MANDATORY OR COMPULSORY COUNTERCLAIM), OFFSET OR AFFIRMATIVE DEFENSE IN ANY ACTION OR PROCEEDINGS BROUGHT BY LANDLORD AGAINST TENANT. THE AFORESAID WAIVER SHALL NOT BE CONSTRUED, HOWEVER, AS A WAIVER OF TENANT'S RIGHT TO ASSERT ANY CLAIM IN A SEPARATE ACTION BROUGHT BY TENANT AGAINST LANDLORD. TENANT AGREES TO PAY ALL RENT WITHOUT ABATEMENT, OFFSET OR REDUCTION OF ANY KIND WHATSOEVER, EXCEPT AS OTHERWISE STATED HEREIN.

28.6 Notices. No notice, request, consent, approval, waiver or other communication which may be or is required or permitted to be given under this Lease shall be effective unless the same is in writing and is delivered in person or sent by overnight courier service or registered or certified mail, return receipt requested, first-class postage prepaid, (i) if to Landlord, at Landlord's Address, or (ii) if to Tenant, at Tenant's Address, or at any other address that may be given by one party to the other by notice pursuant to this subsection. Such notices, if sent by registered or certified mail, shall be deemed to have been given three (3) days after mailing; otherwise they shall be deemed to have been given upon delivery or attempted delivery.

28.7 Invalidity of Particular Provisions. If any provisions of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the full extent permitted by law.
28.8 Gender and Number. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number or gender as the context may require.

28.9 Benefit and Burden. Subject to the provisions of Article 11 and except as otherwise expressly provided, the provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, heirs, successors and assigns. Landlord may freely and fully assign its interest hereunder.

28.10 Entire Agreement. This Lease (which includes the Exhibits attached hereto) contains and embodies the entire agreement of the parties hereto, and no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease shall be of any force or effect. This Lease (other than the Rules and Regulations, which may be changed from time to time as provided herein) may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by Landlord and Tenant.

28.11 Authority.

(i) If Tenant signs as a corporation, the person executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and validly existing corporation, in good standing, qualified to do business in the Commonwealth of Virginia, that the corporation has full power and authority to enter into this Lease and that he or she is authorized to execute this Lease on behalf of the corporation.

(ii) If Tenant signs as a partnership, the person executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed, validly existing partnership qualified to do business in the Commonwealth of Virginia, that the partnership has full power and authority to enter into this Lease, and that he or she is authorized to execute this Lease on behalf of the partnership.

28.12 Attorneys' Fees. If, as a result of any default of Landlord or Tenant in its performance of any of the provisions of this Lease, the other party uses the services of an attorney in order to secure compliance with such provisions or recover damages therefor, or to terminate this Lease or evict Tenant, the non-prevailing party (as the court may determine) shall reimburse the prevailing party upon demand for any and all attorneys' fees and expenses so incurred by the prevailing party.

28.13 Governing Law. This Lease is governed by the laws of the Commonwealth of Virginia. It is the intention of the parties hereto that this Lease shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

28.14 Time of the Essence. Time is of the essence as to Tenant's obligations contained in this Lease.

28.15 Force Majeure. Except for Tenant's obligations to pay Rent under this Lease, neither Landlord nor Tenant shall be required to perform any of its obligations under this Lease, nor shall such party be liable for loss or damage for failure to do so, nor shall the other party thereby be released from any of its obligations under this Lease, where such failure by the non-performing party arises from or through acts of God, strikes, lockouts, labor difficulties,
explosions, sabotage, accidents, riots, civil commotions, acts of war, results of any warfare or warlike conditions in this or any foreign country, fire or casualty, legal requirements, energy shortage or other causes beyond the reasonable control of the non-performing party, unless such loss or damage results from the willful misconduct or gross negligence of the non-performing party.

28.16 Headings. Captions and headings are for convenience of reference only.

28.17 Memorandum of Lease. Tenant shall, at the request of Landlord, execute and deliver a memorandum of lease in recordable form. Tenant shall not record such a memorandum or this Lease without Landlord's consent.

28.18 Landlord's Relocation Option. At any time during the Term, Landlord shall have the option to relocate Tenant, at no direct cost of Tenant, to space comparable to the Premises elsewhere in the Building, provided Landlord gives Tenant three (3) months' written notice. Upon relocation, such new space shall be deemed to be the "Premises" hereunder, and Tenant's Proportionate Share shall be recalculated by Landlord to equal that fraction, the numerator of which is the rentable square footage of the Premises and the denominator of which is the rentable square footage of the Building (as reasonably determined by Landlord). Notwithstanding the above, Landlord's rights under this Subsection 28.18 shall not apply to the portion of the Premises located on the eighth floor of the Building.

28.19 [Intentionally Deleted].

28.20 Effectiveness. The submission to Tenant of an unsigned copy of this document, including drafts and correspondence submitted to Tenant by any person on Landlord's behalf, shall not constitute an offer or option to lease. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant.

28.21 Exhibits and Riders. All Exhibits and Riders attached to this Lease are hereby incorporated in this Lease as though set forth at length herein.

28.22 Transportation Management. Tenant shall fully comply with all present or future programs implemented or required by any Legal Requirements or by Landlord to manage parking, transportation, air pollution or emissions, or traffic in and around the Building or the metropolitan area in which the Building is located.

28.23 Option to Terminate. Provided Tenant is not an Event of Default hereunder, effective nine (9) months prior to the end of the seventh (7th) Lease Year, Tenant shall have the one-time option to terminate this Lease. Tenant shall exercise its termination right, by giving Landlord at least nine (9) months' prior written notice together an acknowledgment that a termination fee equal to three (3) months of the then escalated Base Rent shall be due and owing upon the accelerated Expiration Date. If timely exercised and no Event of Default hereunder occurs after such notice (including without limitation Tenant's failure to pay Rent as and when due hereunder through the Expiration Date), this Lease shall be terminated effective on the Expiration Date.

28.24 Mortgagee's Consent. In the event the Premises shall have an area of 75,000 square feet or greater, this Lease, and any termination, renewal or amendment thereof, shall be subject to the prior approval of Mortgagee, which approval shall not be unreasonably withheld or delayed.
IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first written above.

ATTEST/WITNESS:                           LANDLORD:
----------------
Name

Commonwealth Atlantic Land II Inc.,
a Virginia corporation

By: /s/ Jeffrey J. Sherman
Name: Jeffrey J. Sherman
Title: Sr. Vice Pres. [SEAL]

ATTEST/WITNESS:                           TENANT:
----------------
Name

ManTech International Corporation,
a New Jersey corporation

/s/ Jodie E. Batdorf                      By: /s/ John A. Moore, Jr. [SEAL]
Name: Jodie E. Batdorf                    Name: John A. Moore, Jr.

EXHIBIT A

(PLAN SHOWING PREMISES)

-[FIRST FLOOR-FLOOR PLAN]-

-[EIGHTH FLOOR-FLOOR PLAN]-

-[SIXTH FLOOR-FLOOR PLAN]-

EXHIBIT B

WORK AGREEMENT

ARTICLE 1
The terms defined in Article 1 of this Exhibit B, for all purposes of this Exhibit B, shall have the meanings herein specified, and, in addition to the terms defined herein, the definitions in the Lease shall also apply to this Exhibit B.

1.1 "Architectural Plans" shall mean architectural plans and specifications at least seventy percent (70%) complete that when 100% complete will be coordinated and complete, permittable and accurate architectural working drawings and specifications for the Tenant's Work, or any portion thereof, prepared by Tenant's Architect(s) including, as applicable, all architectural dimensioned plans showing wall layouts, wall and door locations, power and telephone locations and reflected ceiling plans and further including elevations, details, specifications and schedules according to accepted AIA standards, including any and all revisions to such architectural working drawings and specifications as well as coordinated sets of progress drawings.

1.2 "MEP Plans" shall mean mechanical, electrical and plumbing plans and specifications at least seventy percent (70%) complete that when 100% complete will be coordinated and complete, permittable, mechanical, electrical and plumbing plans, schedules and specifications for the Tenant's Work, or any portion thereof, prepared by MEP Engineers approved by Landlord in accordance and in compliance with the requirements of applicable building, plumbing, and electrical codes and the requirements of any authority having jurisdiction over or with respect to such plans, schedules and specifications, which are complete, accurate, consistent and fully coordinated with and implement and carry out the Architectural Plans, including any and all revisions to such mechanical, electrical and plumbing plans, schedules and specifications as well as coordinated sets of updated plans, schedules and specifications.

1.3 "Plans" shall mean the Architectural Plans together with the MEP Plans.

1.4 "Tenant's Architect(s)" shall mean the architectural firm(s) selected by Tenant and reasonably approved by Landlord.

1.5 "Tenant's Contractor" means __________________________________. Tenant's Contractor to construct and install the Tenant's Work in the Premises and supervise all subcontractors in connection with such installations.

1.6 "Landlord's MEP Engineers" shall mean the engineers designated by Landlord to prepare the MEP Plans.

1.7 "Tenant's Work" means the items which are supplied, installed, and finished by or on behalf of Tenant, as provided for hereinbelow. The design of Tenant's Work shall be consistent with sound architectural and construction practice in first class office buildings in suburban northern Virginia.

1.8 "Base Building" shall have the meaning given such term in Section 2.5 of this Exhibit B.

1.9 Tenant's Representative. Tenant acknowledges that Tenant has appointed __________________________ as its authorized representative ("Tenant's Representative") with full power and authority to bind Tenant for all actions taken with regard to the Tenant's Work.

1.10 Landlord's Representative. Landlord acknowledges that Landlord has __________________________ appointed Jeffrey J. Sherman as its authorized representative ("Landlord's Representative") with full power and authority to bind Landlord and for all actions taken with regard to the Landlord's Work.

ARTICLE 2

COMPLETION OF PREMISES

2.1 Tenant has caused Tenant's Architect(s) to prepare a preliminary space plan(s) and Landlord has approved such plan.
2.2 (a) CB Commercial, as designated construction manager, shall be responsible for preparing the construction proposal documents and selecting Tenant's Contractor, although Tenant reserves the right to review all bids and make commercially reasonable changes as necessary. __________________________

has been selected as Tenant's Contractor and Landlord has approved such selection.

(b) No later than April 30, 1997, Tenant, at Tenant's expense (subject to Section 2.3 below), shall prepare and deliver to Landlord, and simultaneously to any other persons reasonably designated by Landlord (including Landlord's Base Building subcontractors), the Architectural Plans and the MEP Plans, together with any underlying detailed information Landlord may reasonably require in order to evaluate the Plans. Tenant shall deliver any and all Plans, and all revisions thereto, to Landlord. CB Commercial shall submit such Plans for permits. Landlord shall notify Tenant in writing (for purpose of this Section 2.2(b), a telecopy shall satisfy the written notice requirement) as to whether Landlord approves or disapproves the Plans within five (5) full business days after Landlord's receipt of the Plans. If Landlord disapproves of the Plans, or approves the Plans subject to modifications, it shall state in its written notice to Tenant the reasons therefor, and Tenant, upon receipt of such written notice, shall revise and resubmit the Plans to the Landlord, and simultaneously to any other persons designated by Landlord, for review and Landlord's approval.

(c) [Intentionally deleted].

2.3 (a) The Tenant's Work shall be completed by Tenant in accordance with this Exhibit B. All work involved in the completion of Tenant's Work shall be carried out by Tenant's Contractor in substantial conformance with the Plans. Tenant's Contractor shall contract for such work directly with Tenant, but shall perform such work in coordination with Landlord. Subject to subsection 2.3(b) herein, Tenant agrees to pay the cost of all work performed by Tenant's Contractor to Tenant's Contractor.

(b) Landlord agrees to provide Tenant with a maximum contribution not to exceed $12.00 per rentable square foot (except the CB Commercial space on the first floor) which is equal to a total of $507,696.00 toward the cost of preparing and reviewing the Plans and the cost of constructing Tenant's Work ("Maximum Contribution"). Landlord recognizes certain space requirements in need of attention and will require that a portion of the Maximum Contribution be used for the following: (i) repair as necessary all drywall partitions currently damaged and prepare such surfaces for repainting; (ii) replace ceiling tiles as necessary; (iii) paint drywall partitions as needed; (iv) replace or clean carpet as needed; (v) replace damaged doors and install protective kick plates and standardized locksets; (vi) HVAC adjustments; (vii) relocate Tenant's phone switch from the Building's main phone room; and (viii) install a suite access control security system tied into the Building's current security system (the cost of monthly monitoring will be passed through to Tenant as an operating expense of approximately $300.00 per month).

(c) Landlord shall disburse the Maximum Contribution to Tenant to enable Tenant to make progress payments due under the construction contract between Tenant and Tenant's contractor (the "Construction Contract") minus a retainage of ten percent (10%) until the Maximum Contribution (less such retainage) has been fully funded; provided, that Landlord shall not be obligated to disburse funds for materials stored off-site; and provided, further, that Landlord receives from Tenant a request for payment, which request includes (i) a submission by Tenant's Architect(s) or Tenant's Contractor of AIA forms G-702 and G-703, or substantially similar forms; and (ii) partial umbrella releases of liens from Tenant's Contractor requesting payment (or bonds in lieu thereof) (collectively, the "Back-Up"); and provided, further, that Landlord receives such Back-Up on or before the twenty-fifth (25th) day of a calendar month (or the next succeeding business day) for payment not later than the tenth (10th) day of the following calendar month (or if the tenth (10th) day of the calendar month is a Saturday, Sunday or legal holiday, then on the next succeeding business day). If, however, the Back-Up is incomplete, incorrect or not received on or before the
twenty-fifth (25th) day of a calendar month (or the next succeeding Business Day), the request for payment will be deferred by the same number of days that submission of complete and correct Back-Up is delayed. Tenant shall pay when due all payments under the Construction Contract and any and all other costs and expenses incurred in connection with the construction and installation of Tenant's Work. The ten percent (10%) retainage shall be disbursed to Tenant thirty (30) days after substantial completion of Tenant's Work; provided, that in no event shall the retainage be disbursed to Tenant until such time as punch list items have been completed or corrected. Landlord and Tenant shall jointly prepare the punch list. Notwithstanding anything to the contrary contained in this Section 2.3(c) or elsewhere in this Lease, Landlord shall not be obligated to make any payment from the Maximum Contribution at any time that there is an unbonded lien outstanding against the Building or the Premises, or Tenant's interest therein, by reason of work done, or claimed to have been done, or materials supplied, or claimed to have been supplied, to or for Tenant for the Premises, or if the conditions to advances of the Maximum Contribution are not satisfied. Landlord agrees to notify Tenant in writing of the reasons that Landlord disputes funding any portion of the Maximum Contribution, setting forth such reasons in reasonable detail. Landlord shall withhold only such amounts as Landlord disputes in good faith and only such amounts as Landlord deems reasonably necessary to protect Landlord's interests.

(d) Tenant shall pay to Landlord a construction management fee in the amount of three percent (3%) of the "hard" construction costs for the Tenant's Work to cover Landlord's cost of reviewing Plans, coordinating such work, providing construction oversight, submission of Plans for permitting and administering Maximum Contribution draw requests. Such construction management fee shall be paid and/or deducted from the Maximum Contribution upon Tenant's prior receipt of a statement providing reasonable detail supporting the total amount and calculation of such fee.

(e) Landlord shall make available for Tenant's use, at no cost to Tenant or Landlord, building components owned by Landlord that have been stockpiled as a result of demolition of other tenants' premises.

2.4 If there are any changes from the work as reflected in the Plans which affect the Building systems, each such change must receive the prior written approval of the Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and, in the event of any such approved change in the Plans, Tenant shall, upon completion of the Tenant's Work, furnish Landlord with an accurate "as built" plan of the Tenant's Work as constructed, which plan shall be incorporated into this Exhibit B by this reference for all intents and purposes. Landlord shall notify Tenant in writing (or via telecopy) as to whether it approves or disapproves a change(s) in the Plans within five (5) business days of Landlord's receipt of notification of such change. Notwithstanding the foregoing, Tenant shall not be required to obtain Landlord's approval for changes which are mandated during field inspection by a governmental entity, provided that such changes do not in any way affect the Base Building systems or the Common Areas or the appearance of either of the foregoing. Tenant shall provide reasonable prior written notice to Landlord of any change mandated by a governmental entity and shall incorporate any changes in the above referenced "as-built" plan.

2.5 Except as specifically provided herein, under no circumstances whatsoever will Tenant, or Tenant's authorized representative, ever alter or modify or in any manner disturb any system or installation of the Building, including the Base Building plumbing system, Base Building electrical system, Base Building heating, ventilating, and air conditioning systems, Base Building fire protection and fire alert systems, Base Building maintenance systems, Base Building structural systems and elevators, and anything located within the central core of the Building.

Only under Landlord's express written permission and under direct supervision of Landlord or Landlord's authorized representative shall Tenant or Tenant's authorized representative alter or modify or in any manner disturb any Base Building system or installation of the Building which is located within the Premises, including electrical, heating, ventilating, and air conditioning systems, and fire protection and alert system. For the purposes of this Section 2.5, "Base Building" shall be defined as that portion of any Building system or component which is within the core and/or common to and/or serves or exists for the benefit of other tenants in the Building. Tenant's Work shall also include
any improvements necessary to increase the permitted floor loading in Tenant's libraries and file rooms, with the floor loading calculations and capacities to be provided to Landlord.

2.6 All of Landlord's and Tenant's design, construction, and installation shall conform to the requirement of applicable building, plumbing, and electrical codes and the requirements of any authority having jurisdiction over, or with respect to, such work.

2.7 CB Commercial, as construction manager, shall promptly apply for all necessary governmental approvals and diligently pursue obtaining such approvals in connection with Tenant's Work.

2.8 Unless stated otherwise herein, Tenant will not make any alterations to the Common Area, or structural components of the Building or exterior of the Building without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion.

ARTICLE 3

TENANTS WORK

3.1 Tenant shall furnish, install and complete Tenant's Work in accordance with the Lease and this Exhibit B on or before the Commencement Date, or as soon thereafter using commercially reasonable efforts to complete the work. At the time the Tenant's Work is completed, Tenant, at its sole cost and expense, shall:

(a) Furnish evidence reasonably satisfactory to Landlord that all Tenant's Work has been completed and paid for in full (and such work has been reasonably accepted by Landlord), that any and all liens therefor that have been or might be filed have been discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived, and that no security interests relating to the Tenant's Work are outstanding and provide final lien waivers from Tenant's contractor and all subcontractors whose contracts exceed $10,000.00 and a final certificate of substantial (and final) completion of the Tenant's Work.

(b) Furnish to Landlord a copy of the nonresidential certificate of occupancy and all other certifications and approvals with respect to Tenant's Work that may be required from any governmental authority and/or any board or fire underwriters or similar body for the use and/or occupancy of the Premises;

(c) Furnish Landlord with one (1) set of transparent reproducible final drawings of the Premises;

(d) Furnish to Landlord proof of the insurance required by Article 17 of the Lease;

(e) Furnish an affidavit from Tenant's Architect(s) certifying that all work performed in the Premises; has been substantially (and finally) completed in accordance with the Plans approved by Landlord; and

3.2 Tenant hereby agrees to indemnify and hold Landlord harmless in accordance with the terms set forth in Section 19.2 of the Lease.

3.3 It shall be Tenant's responsibility, or CB Commercial on behalf of Tenant, to cause each of Tenant's Contractor, and subcontractors, to adhere to the rules and procedures set forth in Exhibit B-1 ("Tenant Contractor Requirements"), attached hereto, and the insurance requirements described in Exhibit B-2 ("Insurance Requirements"), attached hereto, and Tenant shall be responsible for any violations thereof.

3.4 Prior to commencement of construction of the Tenant Work, Landlord shall be provided with copies of insurance certificates indicating coverages as required by Exhibit B-2 hereof are in full force and effect, copies of the Construction Contract pursuant to which Tenant's Contractor is engaged in the construction of the Tenant's Work, and AIA contractor qualification form(s) for each subcontractor. At such reasonable times as Landlord and/or any regulatory
3.5 In connection with Tenant's rights and obligations under this Exhibit B, Tenant will not unreasonably obstruct or interfere with the rights of, or otherwise annoy or injure, other tenants at the Building.

3.6 Time is of the essence with respect to the obligations of the parties under this Lease.

EXHIBIT B-1

TENANT CONTRACTOR REQUIREMENTS
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A. General

1. No work shall be permitted until the property management office is furnished with copies of all required permits.

2. Removal which may unreasonably inconvenience other tenants or disturb building operations, must be scheduled and performed before or after normal working hours. The property management office shall be notified at least 24 hours prior to commencement of such work.

3. All substantial fire alarm testing must be performed after normal working hours.

B. Prior to Commencement of Work

1. Except as otherwise provided in this Exhibit B-1, Tenant shall deliver to Landlord, for Landlord's approval, which will not be unreasonably withheld conditioned or delayed, a list of all the contractors and subcontractors who will be performing the work.

2. The contractor and subcontractors must submit to Landlord insurance certificates including an indemnity hold harmless clause in accordance with the attached insurance requirement, a copy of which is attached to these Tenant Contractor Requirements as Exhibit B-2.

3. The general contractor must be able, but shall not be required, to obtain a performance and payment bond for the project.

4. Tenant shall deliver to Landlord two (2) complete sets of permit plans and specifications properly stamped by a registered architect or professional engineer and shall deliver to Landlord any and all subsequent revisions to such plans and specifications.

C. Requirements and Procedures

1. Under no circumstances will the Tenant, or the Tenant's authorized representatives, cause or authorize the Tenant's Contractor to alter or modify or in any manner disturb any building system or its installation; including the Base Building plumbing system, Base Building electrical system, Base Building heating, ventilating, and air conditioning system, Base Building fire protection and fire alarm system, Base Building maintenance system, Base Building structural systems, elevators, or anything located within the central core of the building without the Landlord's express written permission or direct supervision of the Landlord or the Landlord's Authorized Representative. For the purposes of this Section, "Base Building" shall be defined as that portion of any building system or component which is within the core and/or common to and/or serves or exists for the benefit of other tenants in the building. The Tenant's Work shall also include any improvements necessary to increase the permitted floor loading, as required.

2. All design, construction, and installation shall conform to the
requirements of applicable building, plumbing and electrical codes and the requirements of any authority having jurisdiction over such work.

B-1-1

3. The Tenant is responsible for installation of the Tenant's telephone system within the Premises, and Landlord is responsible for providing telephone cables and risers reasonably sufficient for normal and customary first-class office use to the Premises.

4. At such time as other tenants shall occupy the Building, core drilling or cutting that will unreasonably affect other tenants shall be permitted only between the hours of 6:30 p.m. and 7:30 a.m. Monday through Friday and 4:00 p.m. on Saturday through 7:30 a.m. on Monday. All core drilling/cutting must be approved by the Base Building structural engineer. X-rays of areas may be required at the Landlord's engineer's reasonable discretion. The property management office must be notified at least 24 hours prior to commencement of such work.

5. Tenant shall coordinate its arrangements for use of the loading dock and elevators with the property management office. Tenant shall make arrangements for use of the loading dock and elevators with the property management office twenty-four (24) hours in advance. No material or equipment shall be carried under or on top of the elevators.

6. Tie-in of either fire alarm or sprinkler/fire suppression systems shall not occur until all other work related to such systems has been completed. Only Landlord's contractor (or a Landlord-approved sprinkler subcontractor) shall make the tie-in to the Base Building fire alarm and sprinkler/fire suppression system.

7. If a shutdown of risers and mains for electric, HVAC, sprinkler, fire protection and plumbing work is required, work shall be scheduled with 24 hour advance notice. Drain downs or fill-ups of the sprinkler system or any other work to the fire protection system which may set off an alarm, must be accomplished between the hours of 6:30 p.m. and 7:30 am. Monday through Friday and 4:00 p.m. on Saturday through 7:30 a.m. on Monday or at other times when no undue disturbance shall be caused to the other tenants.

8. Tenant's Contractor must:
   a. Properly supervise construction on the premises at all times.
   b. Police the job at all times, continually keeping the Premises orderly. All Tenant materials are to be neatly stacked. Materials must not be left on the loading dock or they will be removed by the Landlord at the Tenant's Contractor's expense.
   c. Maintain cleanliness and protection of all areas, including elevator and lobbies.
   d. Distribute ID. badges, provided by the Landlord, to all construction workers. Any construction worker without a valid badge will be escorted from the Building. ID. badges will be changed at the discretion of the property management office.
   e. If other tenants occupy the building, provide the property management office with a list of those who are expected on the job after hours or during a weekend. Tenant shall use its best efforts to submit such list by noon on the day in which after hours work is scheduled.
   f. Arrange for telephone service if necessary. The property management and security telephones will not be available for use by contractors.
   g. Block off supply and return grills, diffusers and ducts to keep dust to keep dust from entering into the building air system.
   h. Avoid and prevent the undue disturbance of other tenants.
i. Tenant's Contractor and its employees shall park their vehicles only in areas designated by Landlord.

9. If Tenant's Contractor is negligent in any of its responsibilities, Landlord shall notify Tenant and Tenant shall be responsible for any corrective work.

10. Upon completion of the work, the Tenant shall submit to the property management office properly executed forms or other documents indicating total compliance and sign-off by all relevant agencies of the Commonwealth of Virginia.

11. The Tenant shall submit to the property management office a final "as-built" set of drawings showing all items of work in full detail.

12. Contractors who require security for the Tenant's premises during construction shall provide same at their sole expense. The Landlord will not be liable for any stolen items from the Tenant's Work area. It is suggested that Tenant's Contractor and subcontractors use only tools and equipment bearing an identification mark denoting the contractor and subcontractor's name.

13. All contractors/subcontractors/employees will enter and exit through the loading dock area, and use the freight elevator. Building passenger elevators may not be used.

14. All contractors are advised of the following: If any part of a contractor's work depends, for proper execution or result upon the work of any other separate contractor, the contractor shall inspect and promptly report to the property management office any apparent discrepancies or defects in such work that render it unsuitable for such proper execution and results. Failure of a contractor to so inspect and report shall constitute an acceptance of the other contractor's work as fit and proper to receive his work.

15. Prior to the commencement of construction, Landlord and Tenant will inspect the Building and Tenant will prepare and deliver to Landlord a memorandum setting forth any pre-construction damages to the Building. Any damage caused by the contractor to existing work of others shall be repaired or replaced at the sole cost and expense of Tenant's Contractor to the reasonable satisfaction of the Landlord.

16. Tenant's Contractor shall be responsible for the protection of finished surfaces of public areas (floors, walls, ceiling, etc.).

17. [Intentionally deleted].

18. Contractors will be permitted to use restroom facilities only on the floor which construction services are being provided. Any damages to these facilities will be repaired by Tenant's Contractor at its sole cost and expense.

19. Tenant's Contractor must arrange to have freight or stock received by its own forces. Contractors and subcontractors are required to submit to the property management office a written request for dock space for off loading materials and/or equipment required to construct the Tenant's space. All requests are to include the name of the supplier/hauler, time of expected arrival and departure from the Landlord's dock facility, name of contractors and subcontractors designated to accept delivery, and the location that the materials/equipment will be transported by the contractor/subcontractor. Disregard for this requirement will result in those vehicles being moved at the vehicle owner's expense. Under no circumstances will a vehicle be parked and left in the loading dock. The contractor must provide for storage and removal of all trash at the contractor's expense. The contractor is not allowed to use the building trash dumpster under any circumstances.
Notwithstanding the foregoing, Tenant's Contractor and subcontractors may only park in the parking area on the Premises specifically designated by Landlord. Any building materials left in loading dock, service corridor, stairwell, garage, on the site, etc. will be removed from the Building at Tenant's Contractor's expense. Upon delivery of materials to the loading dock, tools, supplies, equipment, etc., the transport vehicle must be removed from the loading dock prior to the materials being carried to the worksite.

D. Completion of the Work

Before construction can be considered complete, Tenant's Contractor must submit the following to the property management office:

a. Copies of all required certificates from the governmental or regulatory authorities.

b. Copies of all guaranties and/or warranties.

c. An HVAC air balancing report.

d. A final release and waiver of lien (contractor, subcontractors and suppliers, etc. whose contracts exceed $10,000.00)

e. As built drawings.

f. Copies of all O&M information, manuals, etc.

EXHIBIT B-2

INSURANCE REQUIREMENTS

Before any work is commenced or any contractor's equipment is moved onto any part of the Building or the Land, Tenant's contractors shall deliver to Landlord insurance certificates evidencing the following types of insurance coverage in the following minimum amounts, which certificates shall be issued by companies reasonably approved by Landlord, shall be maintained by Tenant and Tenant's contractors at all times during the performance of Tenant's Work, and which shall, at Landlord's option, name Landlord and any other persons having an interest in the Building as additional insureds as their interest may appear:

(1) Worker's compensation coverage, with limits of at least $100,000 per accident for bodily injury by accident, $500,000 for bodily injury by disease and $200,000 per employee for bodily injury by disease, or statutory limits, whichever is greater.

(2) Commercial general liability policy to include products/completed operations, broad-form property damage and contractual liability with limits in an amount not less than $2,000,000 per occurrence and $2,000,000 in the aggregate.

(3) Automobile liability coverage, both owned and nonowned, with bodily injury limits of at least $1,000,000 per accident for a combined single limit.
The following rules and regulations have been formulated for the safety and well-being of all the tenants of the Building and become effective upon occupancy. Strict adherence to these rules and regulations is necessary to guarantee that each and every tenant will enjoy a safe and unannoyed occupancy in the Building. Any repeated or continuing violation of these rules and regulations by Tenant after notice from Landlord, shall be sufficient cause for termination of this Lease at the option of Landlord.

Landlord may, upon request by any tenant, waive the compliance by such tenant of any of the foregoing rules and regulations provided that (i) no waiver shall be effective unless signed by Landlord or Landlord's authorized agent; (ii) any such waiver shall not relieve such tenant from the obligation to comply with such rule or regulation in the future unless expressly consented to by Landlord, and (iii) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with the foregoing rules and regulations unless such other tenant has received a similar waiver in writing from Landlord.

1. The sidewalks, entrances, passages, courts, vestibules, or stairways, or other parts of the Building not occupied by any tenant shall not be constructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from any tenant's Premises. Landlord shall have the right to control and operate the public portions of the Building, and the facilities furnished for the common use of the tenants, in such manner as Landlord deems best for the benefit of the tenants generally. No tenant shall permit the visit to its Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment by other tenants of the entrances, corridors, elevators, and other public portions or facilities of the Building.

2. No signs, awnings or other projections shall be attached to the outside walls of any building without the prior written consent of Landlord. No drapes, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior consent of Landlord. Such signs, awnings, projections, curtains, blinds, screens or other fixtures must be of a quality, type, design and color, and attached in the manner approved by Landlord.

3. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in any interior Common Area without the prior written consent of Landlord.

4. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.

5. There shall be no marking, painting, drilling into or in anyway defacing any part of the Premises or the Building. No boring, cutting or stringing or wires shall be permitted. No tenant shall construct, maintain, use or operate within its Premises or elsewhere within or on the outside of the Building, any electrical device, wiring or apparatus in connection with a loud speaker system or other sound system.

6. Tenant will fill out move-in/move-out sheets and will return such sheets signed and dated within ten (10) days of moving in or out of the Premises.

7. No animals, birds or pets of any kind shall be brought into or kept in or about the Premises, and no cooking shall be done or permitted by any tenant on its Premises except for a tenant's employee's own use. No tenant shall cause or permit any unusual or objectionable odors to be produced or permeate from its Premises.

8. No tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or any neighboring building or Premises or with any person having business with such occupants. No tenant shall throw anything out of the doors or windows or down the corridors or
9. No inflammable, combustible, or explosive fluid, chemical or radioactive substance shall be brought or kept upon the Premises.

10. No additional locks or bolts of any kind shall be placed upon any of the doors, or windows, by any tenant, nor shall any changes be made in existing locks or the mechanism thereof without prior approval from Landlord. Each tenant shall, upon termination of its tenancy, restore to Landlord all keys of stores, offices, storage, and toilet rooms either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished such tenant shall pay to Landlord the cost of replacement thereof.

11. All removals, or the carrying in or out of any safes, freight, furniture or bulky matter of any description must take place during the hours which Landlord or its Agent may determine from time to time. Landlord reserves the right to inspect all freight to be brought into the Premises and to exclude from the Premises all freight which violates any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part.

12. Any person employed by any tenant to do janitorial work within its Premises must obtain Landlord's consent and such person shall, while in the Building and outside of the Premises, comply with all instructions issued by the superintendent of the Building. No tenant shall engage or pay any employees on its Premises, except those actually working for such tenant on its Premises.

13. No tenant shall purchase spring water, ice, coffee, soft drinks, towels, or other like service, from any company or persons whose repeated violations of these Regulations have caused, in Landlord's opinion, a hazard or nuisance to the Building and/or its occupants.

14. Landlord reserves the right to exclude from the Building at all times any person who is not known or does not properly identify himself to the Building management. Landlord may at its option require all persons admitted to or leaving the Building between the hours of 6 p.m. and 8 a.m., Monday through Friday, and at all times on Saturday, Sunday, and legal holidays, to register. Each tenant shall be responsible for all persons for whom he authorizes entry into or exit out of the Building and shall be liable to Landlord for all acts of such persons.

15. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.

16. No Tenant shall occupy or permit any portion of its Premises to be used or occupied for the possession, storage, manufacture, or sale of liquor, narcotics, tobacco in any form, or as a barber or manicure shop, or as an employment bureau, unless said Tenant's lease expressly grants permission to do so. No Tenant shall engage or pay any employees on its Premises, except those actually working for such Tenant on said Premises, nor advertise for laborers giving an address at said Premises.

17. Landlord's employees shall not perform any work for Tenant or do anything outside of their regular duties, unless under special instruction from the management of the Building.

18. Canvassing, soliciting, and peddling on the Premises is prohibited and each Tenant shall cooperate to prevent the same.

19. No water cooler, plumbing or electrical fixtures shall be installed by any Tenant without the prior written consent of Landlord.

20. There shall not be used in any space, or in the public halls of the Building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards.
21. Where carpet is installed over access plates to under-floor ducts, Tenant will be required, at Tenant's expense, to provide access to said access plates when necessary.

22. Mats, trash, or other objects shall not be placed in the public corridors.

23. Tenant shall not overload the floors or exceed the maximum floor weight limits of the Premises.

24. If Landlord designates a certain portion of parking area for employee parking, Tenant covenants that it will require its employees to park, in such area to the extent of spaces available. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties.

25. Tenant agrees to conduct any vehicle or machine repair, painting, or similar work only inside the Premises.

26. Tenant agrees not to operate any machinery in the Premises which may cause vibration or damage to the Premises; not to use a loudspeaker which can be heard outside the Premises, or to extend curb service to customers.

27. Landlord agrees to lock the front entrance to the Building on Saturdays.

EXHIBIT D
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DECLARATION BY LANDLORD AND TENANT
AS TO DATE OF DELIVERY AND ACCEPTANCE OF
POSSESSION, LEASE COMMENCEMENT DATE, ETC.

THIS DECLARATION is hereby attached to and made a part of the Lease dated __________, 199_ (the "Lease"), between ________________________, a ________________ ___________________ ("Landlord"), and a ____________ ("Tenant"). All terms used in this Declaration have the same meaning as they have in the Lease.

(i) Landlord and Tenant do hereby declare that possession of the Premises was accepted by Tenant on _______________;

(ii) As of the date hereof, the Lease is in full force and effect, and Landlord has fulfilled all of its obligations under the Lease required to be fulfilled by Landlord on or prior to said date;

(iii) The Commencement Date is hereby established to be _______________; and

(iv) The Expiration Date is hereby established to be _______________, unless the Lease is sooner terminated pursuant to any provision thereof.

ATTEST/WITNESS:                               LANDLORD:
--------------                               --------
____________________________                 Commonwealth Atlantic Land II Inc.,
Name:________________________                a Virginia corporation
By: ___________________
Name:____________________
Title: ___________________ [SEAL]

ATTEST/WITNESS:                               TENANT:
--------------                                ----
ManTech International Corporation,
Subordination, Non-Disturbance and Attornment Agreement

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into as of this ______ day of __________, 1997, by and between MANTECH INTERNATIONAL CORPORATION, a New Jersey corporation (hereinafter referred to as "Tenant"), whose address is 12015 Lee Jackson Highway, Fairfax, Virginia 22033-3300; COMMONWEALTH ATLANTIC LAND II INC., a Virginia corporation (hereinafter referred to as "Landlord"), whose address is c/o Commonwealth Atlantic Properties Inc., 66 Canal Center Plaza, 7th Floor, Alexandria, Virginia 22314; LaSALLE NATIONAL BANK, as collateral agent for the benefit of the "Lenders" under the Loan Agreement defined below (the "Mortgagor"), whose address is 150 South LaSalle Street, Suite 1740, Chicago, Illinois 60603; and _____________________, as sole acting trustee ("Trustee").

PRELIMINARY STATEMENT OF FACTS:

A. Pursuant to a deed of trust, assignment of leases and rents, security agreement and fixture filing dated as of December 2, 1996 among Landlord and other mortgagors, Gary G. Peterson and James C. Brincefield, as trustees, either of whom may act, and the Mortgagee, recorded in, among other offices, the Clerk's Office of the Circuit Court of the City of Alexandria, Virginia, in Deed Book 1588 at page 1085 (as the same may be extended, renewed, supplemented or modified, the "Mortgage"), Landlord conveyed to the trustees named therein certain real estate and other property, including the real estate described in Exhibit A attached hereto (the "Mortgaged Property"), in trust to secure the payment of a principal indebtedness in the aggregate amount of up to $359,480,000 as may be outstanding from time to time (the "Loan") in accordance with a loan agreement dated as of December 2, 1996 among Goldman Sachs Mortgage Company, as agent and as one of the Lenders, RF&P Corporation, as borrower, Main Street Mortgage Company, as servicer, LaSalle National Bank, as collateral agent for the Lenders, and the other Lenders from time to time party thereto (as the same may be extended, renewed, supplemented or modified, the "Loan Agreement").

B. Tenant is the present tenant under a lease dated _______________, 1997, (said lease and all amendments thereto being hereinafter referred to as the "Lease"), made by Landlord pursuant to which Tenant has been demised a portion of the Mortgaged Property, said portion being more fully described in Exhibit B attached hereto and hereinafter referred to as the "Premises".

C. The Loan Agreement requires that Tenant subordinate the Lease and its interest in the Premises to the lien of the Mortgage.

NOW, THEREFORE, in consideration of the sum of One and 00/100 Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, it is agreed as follows:

1. SUBORDINATION. Subject to the provisions of this Agreement, Tenant hereby agrees that the Lease and the rights of Tenant in and to the Premises are subject and subordinate to the Mortgagee, and to all amendments, supplements, modifications, renewals and extensions thereof, as fully and with the same effect as if the Mortgage had been duly executed, acknowledged and recorded prior to the execution of the Lease and delivery of possession of the Premises to Tenant; provided, however, that Mortgagee agrees and consents to the terms and provisions of the Lease.

2. NON-DISTURBANCE. If the interest of Landlord in the Premises shall be
transferred by reason of foreclosure or other proceedings brought by Mortgagee under the Mortgage, including a deed in lieu of foreclosure (a "Transfer"), and if Tenant is not then in default under the Lease (beyond any applicable grace or cure periods), Mortgagee agrees that Tenant's rights and privileges under the Lease, and its possession of the

Premises, shall not be terminated, diminished or interfered with by Mortgagee in the exercise of any of Mortgagee's rights under the Mortgage. Mortgagee agrees not to join Tenant as a party defendant in any action or proceeding foreclosing the Mortgage unless such joinder is necessary to foreclose the Mortgage and then only for such purpose and not for the purpose of terminating the Lease.

3. ATTORNMENT. Upon the occurrence of a Transfer, Tenant shall be bound to

the successor to Landlord's interest (hereinafter referred to as "Owner") under all of the terms, covenants, and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, and Tenant does hereby attorn to Owner as its landlord, said attornment to be effective and self-operative immediately without the execution of any further instruments on the part of either Tenant or Owner. However, at the request of Owner, Tenant will execute an instrument confirming such attornment. From and after such attornment, Owner shall be bound to Tenant under all of the terms, covenants, and conditions of the Lease as a direct indenture of Lease with the same force and effect as if originally entered into between Tenant and Owner; provided, however, that Tenant shall be under no obligation to pay rent to Owner until Tenant receives written notice from the Owner that Owner has succeeded to the interest of Landlord under the Lease, in which case Landlord agrees to indemnify, defend, protect and hold Tenant harmless from any liability it may suffer as a result of compliance with Owner's written instructions to pay rent.

4. MORTGAGEE'S RIGHT TO CURE LEASE DEFAULTS. In the event of a default by

Lawdor or other occurrence under the Lease that would give rise to an offset against rent payable pursuant to the Lease, Tenant will give Mortgagee notice of such default or occurrence pursuant to the terms of Section 11 of this Agreement and will give Mortgagee such time as is provided to the Landlord under the Lease to cure such default or rectify such occurrence. It is understood that the time period available to Mortgagee to cure such default may run concurrently with the time period available to Landlord to cure such default. Tenant agrees that notwithstanding any provision of the Lease to the contrary, it will not be entitled to cancel the Lease, or to abate or offset against the rent, or to exercise any other right or remedy until Mortgagee has been given notice of default and an opportunity to cure the same as provided herein.

5. OWNER NOT BOUND BY CERTAIN ACTS OF LANDLORD. Following any Transfer of

the Premises, Owner shall not be:

(a) either (i) personally liable for any of the obligations of the Landlord under the Lease (whether such obligations arose prior to or after the Transfer) and Tenant shall look solely to the interest of Owner, its successors and assigns, in the Mortgaged Property for the satisfaction of each and every remedy of Tenant in the event of default by Landlord under the Lease; or (ii) liable for any act or omission of any prior landlord (including Landlord) unless such act or omission of a prior landlord is of a continuing nature and Mortgagee had notice of such act or omission prior to the Transfer; provided, however, that the foregoing shall not be enforced or construed to, or limit the Tenant's right to obtain injunctive relief regarding any term, covenant or condition in the Lease;

(b) liable for either prepaid rent or additional rent for more than one (1) month in advance or any security deposit paid and not delivered or credited to Mortgagee; or

(c) bound by any amendment or modification of the Lease made without its consent; provided, however, that Mortgagee agrees it shall not unreasonably delay or withhold its consent unless such amendment either materially increases Landlord's obligations or materially decreases Landlord's
6. ASSIGNMENT OF LEASE. Under the Mortgage, Landlord has assigned its interest in the rents and payments due under the Lease to Mortgagee as security for repayment of the Loan. If in the future there is a default by Landlord in the performance and observance of the terms of the Mortgage, Mortgagee may, at its option, require that all rents and other payments due under the Lease be paid directly to Mortgagee. Upon written notification by Mortgagee to Tenant demanding such rent payments be made to Mortgagee, Landlord hereby authorizes and directs Tenant, and Tenant hereby agrees to pay Mortgagee, any payments due under the terms of the Lease and Landlord shall indemnify and hold Tenant harmless from any liability or claim (including reasonable attorneys' fees) which may be asserted against Tenant as a result of Tenant's rent payment to Mortgagee or other sums due under the Lease. The assignment of rents under the Mortgage does not diminish any obligations of Landlord under the Lease or impose any such obligations on Mortgagee.

7. AMENDMENT. This Agreement may not be modified orally or in any manner other than by a written instrument signed by the parties hereto.

8. SUCCESSORS AND ASSIGNS. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, administrators, representatives, successors and assigns.

9. CHOICE OF LAW. This Agreement is made and executed under and in all respects is to be governed by and construed in accordance with the laws of the State where the Premises are situate.

10. CAPTIONS AND HEADINGS. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

11. NOTICE. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing to the addresses as set forth above, or to such other place any party hereto may by notice in writing designate, and such notice shall be deemed to have been given as of the date such notice is (i) delivered to the party intended, (ii) delivered to the current address of the party intended, or (iii) rejected at the current address of the party intended, provided such notice was prepaid. All notices shall be given by (a) personal delivery (including a reputable overnight courier service), or (b) certified mail, return receipt requested, postage prepaid.

12. NEW LEASE. If the Lease is ever terminated by operation of law pursuant to Section 55-96 of the Code of Virginia, as amended, Tenant agrees that it shall enter into a new lease with Mortgagee or Owner, whichever shall then own the Premises and/or the Mortgaged Property, and such party agrees that it will enter into a new lease with the Tenant. Such new lease shall be effective as of the date of termination of the Lease for the remainder of the term of the Lease, at the rent provided for therein, and upon the same terms, covenants, conditions and agreements as are contained in the Lease, including, without limitation, all termination rights, all renewal options and all rent adjustment provisions.

13. TRUSTEE. Mortgagee certifies that it is duly authorized on behalf of the Lenders to enter into this Agreement and hereby authorizes and directs Trustee to execute this Agreement.
IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

TENANT:
------
MANTECH INTERNATIONAL CORPORATION, a New Jersey corporation
By: _______________________________________
Name: _____________________________________
Title: ____________________________________

LANDLORD:
-------
COMMONWEALTH ATLANTIC LAND II INC., a Virginia corporation
By: _______________________________________
Name: _____________________________________
Title: ____________________________________

MORTGAGEE:
--------
LaSALLE NATIONAL BANK, as collateral agent
By: _______________________________________
Name: _____________________________________
Title: ____________________________________

TRUSTEE:
-------
_________________________________________
Name: _____________________________________

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF ________, to wit:

The foregoing instrument was acknowledged before me on __________, 19 by ______________________ as ______________________ of ManTech International Corporation, a New Jersey corporation, on behalf of the corporation.

---------------------------------------------
Notary Public
My Commission expires:_____________

[SEAL]

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF ________, to wit:
The foregoing instrument was acknowledged before me on __________, 19__
by _______________________ as ______________________ of Commonwealth
Atlantic Land II Inc., a Virginia corporation, on behalf of the corporation.

-----------------------------------
Notary Public

My Commission expires:______________

[SEAL]

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF _______, to wit:

The foregoing instrument was acknowledged before me on __________, 19__
by _______________________ as ______________________ of LaSalle National
Bank, as collateral agent, on behalf of the bank.

-----------------------------------
Notary Public

My Commission expires:______________

[SEAL]

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF _______, to wit:

The foregoing instrument was acknowledged before me on __________, 19__
by _______________________ as Sole Acting Trustee.

-----------------------------------
Notary Public

My Commission expires:______________

[SEAL]
INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of ManTech International Corporation on Form S-1 of our report dated November 16, 2001, appearing in the Prospectus, which is part of this Registration Statement, and of our report dated November 16, 2001 relating to the financial statement schedule appearing elsewhere in this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

DELOITTE & TOUCHE LLP McLean, Virginia November 20, 2001
CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-1 of our reports dated April 26, 1999, except for Note 16, as to which the date is June 7, 1999 and Note 15, as to which the date is November 15, 2001, relating to the consolidated financial statements and financial statement schedule of ManTech International Corporation, which appear in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

PricewaterhouseCoopers LLP

McLean, Virginia
November 20, 2001