

Examples of Borrowing Constraints

Royal Bank of Scotland Loan

10 FINANCIAL COVENANTS

COVENANTS

- 10.1 The Borrower undertakes that for each accounting period ending on a compliance date as specified in Clause 10.3 its financial performance shall have been such that:-

NET CASH FLOW:DEBT SERVICE LIABILITY

- (a) the ratio of Net Cash Flow to Debt Service Liability shall not be less than 1.3:1

FINANCIAL DEFINITIONS

- 10.2 For the purposes of Clause 10.1 the following definitions shall have the meanings shown opposite them:-

...

"DEBT SERVICE LIABILITY" means in relation to any accounting period of the Borrower, the aggregate of Borrowing Costs Paid and all repayments on Gross Borrowings scheduled to be made during the period

...

"NET CASH FLOW" means in relation to any accounting period of the Borrower, PBIT for that period, PLUS:-

- (i) any decrease in Net Working Capital during the period;
- (ii) any loss on the sale of tangible fixed assets;
- (iii) any loss on the sale of investments;
- (iv) any increase in provisions not having a cash effect;
- (v) depreciation; and
- (vi) exceptional/extraordinary charges not having a cash effect (not already dealt with under (ii), (iii), (iv) or (v) above);

and LESS:-

- (vii) any increase in Net Working Capital during the period;
- (viii) any profit on the sale of tangible fixed assets;
- (ix) any profit on the sale of investments;
- (x) any release of provisions;
- (xi) exceptional/extraordinary income not having a cash effect (not dealt with under (viii), (ix), or (x) above);
- (xii) tax paid; and
- (xiii) Dividends paid

JP Morgan Chase Loan

Section 5.09. Fixed Charge Coverage. As of the last day of each fiscal quarter of the Parent Guarantor, the ratio of Consolidated Cash Flow Available for Fixed Charges to Consolidated Fixed Charges, in each case for the four fiscal quarters ending on such day, shall not be less than 2.0 to 1.0.

Section 5.10. Debt Coverage. As of the last day of each fiscal quarter of the Parent Guarantor ending during a period set forth in the table below, the Leverage Ratio at such day shall not be less than the ratio set forth in the table below corresponding to the applicable period; provided that the Leverage Ratio as of the last day of any fiscal quarter ending on or after the Equity Issuance Date shall not be less than .300.

Period	Leverage Ratio
Prior to December 28, 2001	.300
On or after December 28, 2001 and prior to March 29, 2002	.270
On or after March 29, 2002 and prior to June 28, 2002	.280
On or after June 28, 2002 and prior to September 27, 2002	.290
On or after September 27, 2002	.300

Section 5.11. Minimum Consolidated Net Worth. Consolidated Net Worth shall at no time be less than \$100,000,000 plus an amount equal to 50% of Consolidated Net Income for each Fiscal Year ending on or after September 28, 2001 but prior to the date of determination for which Consolidated Net Income is positive (but with no deduction on account of negative Consolidated Net Income for any fiscal year of the Parent Guarantor).