

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-K

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

For The Fiscal Year Ended December 31, 2004

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 000-21771

West Corporation

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation of organization)

47-0777362

(IRS Employer Identification No.)

11808 Miracle Hills Drive, Omaha, Nebraska

(Address of principal executive offices)

68154

(Zip Code)

Registrant's telephone number, including area code: (402) 963-1200

Securities registered pursuant to Section 12(b) of the Act: None.

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

Common Stock, par value \$0.01 per share

(Title of class)

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting common equity held by non-affiliates (computed by reference to the average bid and asked price of such common equity) as of June 30, 2004, the last business day of the registrant's most recently completed second fiscal quarter was approximately \$566.3 million. At February 18, 2005, 68,386,683 shares of common stock of the registrant were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for the 2005 annual meeting of stockholders are incorporated into Part III.

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FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. These forward-looking statements include estimates regarding:

- our 2005 financial outlook;
- the adequacy of our available capital for future capital requirements;
- our future contractual obligations;
- our capital expenditures;
- the amount of consumer debt outstanding;
- the availability of charged-off receivable portfolios at acceptable terms for our purchase;
- the impact of foreign currency fluctuations;
- the impact of pending litigation;
- the impact of changes in interest rates; and
- the impact of changes in government regulation and related litigation.

Forward-looking statements can be identified by the use of words such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “continue,” or the negative of such terms, or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks discussed in Management’s Discussion and Analysis of Financial Condition and Results of Operations — Risk Factors and elsewhere in this report.

All forward-looking statements included in this report are based on information available to us on the date hereof. We assume no obligation to update any forward-looking statements.

PART I.

Item 1. *Business*

Overview

West Corporation provides business process outsourcing services focused on helping our clients communicate more effectively with their customers. We help our clients maximize the value of their customer relationships and derive greater value from each transaction that we process. Some of the nation’s leading enterprises trust us to manage their most important customer contacts and communication transactions. Companies in highly competitive industries choose us for our ability to efficiently and cost effectively deliver large and complex services and our ability to provide a broad portfolio of voice transaction services. We deliver our services through three segments; Communication Services, Conferencing Services and Receivables Management. Each segment leverages our core competencies of managing technology, telephony and human capital.

Our communication services include both agent and automated services. Our agent services provide clients with a comprehensive portfolio of services driven by both customer-initiated (inbound) and West-initiated (outbound) transactions. We offer our clients large volume transaction processing capabilities, including order processing, customer acquisition, customer retention and customer care. Our agent communication services are primarily consumer applications but we also support business-to-business applications. Our automated services operate over 137,000 Interactive Voice Response ports, which provide large-volume, automated voice response services to clients. Examples of our automated services include automated credit card activation, prepaid calling card services, automated product information requests, answers to frequently

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asked questions, utility power outage reporting, and call routing and call transfer services. Our Communication Services segment operates a network of customer contact centers and automated voice and data processing centers throughout the United States and in Canada, India, Jamaica and the Philippines. Our home agent service utilizes agents throughout the United States.

Our conferencing services include an integrated suite of audio, video and web conferencing services. These worldwide services range from basic automated solutions to highly complex, operator-assisted and event driven solutions. Our video conferencing services provide basic video conferencing with the additional ability to visually share documents and presentations. Our web conferencing services provide web conferencing and interactive web-casting services. Our Conferencing Services segment operates facilities in the United States, the United Kingdom, Canada, Singapore, Australia, Hong Kong, Japan and New Zealand.

Our receivables management operations include first party collections, contingent/ third-party collections, governmental collections, commercial collections and purchasing and collecting charged-off consumer and commercial debt. Charged-off debt consists of defaulted obligations of individuals and companies to credit originators, such as credit card issuers, consumer finance companies, and other holders of debt. The Receivables Management segment also provides contingent/ third party collections, first party collection efforts on pre-charged-off receivables and collection services for the U.S. Department of Education and other governmental agencies. Our Receivables Management segment operates facilities in the United States, Jamaica and Mexico.

West Corporation, a Delaware corporation, is headquartered in Omaha, Nebraska. Our principal executive offices are located at 11808 Miracle Hills Drive, Omaha, Nebraska. Our telephone number is (402) 963-1200. Our website address is www.west.com. All of our SEC reports are available free of charge on our website.

None of the information on our website or any other website identified herein is part of this report. All website addresses in this report are intended to be inactive textual references only.

Communication Services

Customer Relationship Management Industry

Our Communication Services segment operates in the customer relationship management (“CRM”) industry. The CRM function generally refers to a company’s direct marketing and customer service functions especially those that are provided through customer contact centers. Once intended to serve as a pure marketing or support function, contact centers have undergone significant changes in functionality over the last several years. In particular, the scope of customer interaction has expanded greatly from single purpose — usually only support or marketing — to multi-dimensional, often combining customer support, sales, marketing and technical support.

Contact centers experience significant fluctuations in support and service demand. Many companies have found that it is not cost-effective to maintain excess contact center capacity and that they are not well equipped to accommodate fluctuations in demand.

Companies traditionally relied on in-house personnel and infrastructure to perform sales, direct marketing and customer service. However, driven by increasing competition and the evolution of the customer service function, businesses continue to outsource CRM activities to focus on their core competencies and reduce costs. Outsourced CRM providers may offer clients lower overall contact center costs due to economies of scale, sharing the cost of new technology among a larger base of users, and higher capacity utilization rates. By turning to an outsourced CRM provider, companies get access to leading edge contact center technology without the cash outlay or maintenance costs that accompany such top-tier platforms.

The outsourced CRM industry has evolved from primarily single-facility, low technology environments to large, full service organizations with multi-location, large-volume contact centers that use advanced systems. Some independent CRM providers have invested in large-volume state-of-the-art contact centers and advanced network technology. Larger service providers, who can achieve greater economies of scale, can more

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easily justify ongoing investment in sophisticated call management software, predictive dialers and automatic call distributors, which generally provide better quality and more cost-effective services.

Services

We are one of the few providers that offers a comprehensive portfolio of outsourced CRM services. These services are driven predominately by customer-initiated transactions that include order processing, customer acquisition, customer retention, customer service and product sales applications. This segment has four primary service offerings: dedicated agent, shared agent, business services and automated services.

Service	Description
Dedicated Agent	Customized solutions provided by dedicated agents who have extensive knowledge of a single client and its products. Includes traditional customer care and sales.
Shared Agent	Multiple contact centers and home agents are combined in a virtual contact center solution designed to handle large volumes of transactions that typically occur over short periods of time. National print or television advertising campaigns have historically driven these volumes. Agents are trained on the proprietary call handling system, not on specific client applications. The agents are highly efficient because they are shared across many different client programs.
Business	Performance-based marketing programs are used to upsell products/ services specifically selected to match the caller's profile to maximize the value of the transaction. Dedicated to more complex business marketing services for clients that target small to medium sized businesses. Addresses need for clients that cannot cost effectively serve a diverse and small client base with the appropriate level of attention. Applications include sales, order management, technical support and customer life cycle management.
Automated Services	State of the art proprietary platform of 137,000 interactive voice response ("IVR") ports. Services are highly customized and frequently combined with other service offerings. Examples include: front-end customer service applications; credit card activation; prepaid calling services; automated product information request; answers to frequently asked questions; utility power outage reporting; and call routing and transfer services.

Strategy

We aim to enhance our position as a leading provider of integrated CRM solutions. To this end, our strategy is to offer an integrated suite of agent-based and automated CRM solutions that are customized to address each client's unique needs. We implement this strategy by providing high quality services, providing integrated service solutions, emphasizing recurring and large volume programs, capitalizing on state-of-the-art technology and leveraging our strong management experience.

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Integrated Service Solutions. We develop customized and integrated service solutions that are capable of incorporating multiple service offerings. We integrate our service offerings by using our voice and data networking technology and our software systems and hardware platforms. We also design and implement highly flexible applications, combining the large volume capacity of automated voice response with our specialized agent services. Integration of our services provides a cost-effective, comprehensive solution for the client and increases the effectiveness of our agents. We believe our ability to offer integrated service solutions is critical to growing, expanding and retaining our client relationships. During 2004, we generated over 50% of our revenue from clients that use two or more of our service offerings.

Recurring and Large Volume Programs. Our strategy is to target clients with large volume programs. We generally seek growth-oriented clients who need customized applications, which often leads to long-term relationships. We have established a track record of successfully managing large volume client programs.

Technology. Our technology platform enables us to offer premium quality, flexible and cost-effective service solutions that are tailored to each client's unique needs. We currently employ more than 950 information technology professionals to modify and enhance our operating systems and to design client programs. Examples of our technology include:

- computer/telephone and Internet protocol (IP) systems integration;
- proprietary CRM software systems;
- proprietary IVR technology including advanced speech recognition;
- high speed, fault-tolerant computer systems;
- centralized network control;
- intelligent upsells; and
- proprietary staffing and scheduling.

Strong Management Experience. We have distinguished ourselves through our ability to attract and retain some of the most talented managers in the outsourced CRM industry. The executive officers who are responsible for our day-to-day management have, on average, over ten years of experience.

We develop a detailed understanding of our clients' unique business requirements to more effectively manage interaction with our clients' current and prospective customers. This allows us to create customized solutions that consistently meet and exceed our clients' needs. As a result, we can cross-sell our services and proactively offer new applications. Our top 10 clients have been using our services for an average of over seven years.

We believe that service quality is a critical factor in a potential client's decision to outsource its customer service and sales functions. We differentiate the quality of our services through our ability to:

- respond quickly to new client programs;
- efficiently address staffing needs;
- effectively employ operating systems that can process client campaign data; and
- provide timely and meaningful reports.

We provide premium quality service through an extensive training program and an experienced management team. We believe that the quality of our service is one of our competitive advantages.

Facilities and Service Security

We recognize the importance of providing uninterrupted service for our clients. We have invested significant resources to develop, install and maintain facilities and systems that are designed to be highly reliable. Our facilities and systems are designed to maximize system in-service time and minimize the possibility of a telecommunications outage, a commercial power loss or an equipment failure.

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We use redundant network architecture, which substantially reduces the possibility of a system failure and the interruption of telecommunications service. Most of our contact centers are serviced by dual central office switches, providing split access flexible egress routing capabilities, as well as backup access into each facility, using dual fiber ring SONET-based self-healing network architectures. Most telephone numbers that are directed to our contact centers are appended with dual routing instructions in the event of an error on the primary network path. These capabilities allow incoming calls to be redirected via an alternate long distance switch and/or through a backup access line in the unlikely event of a long distance or local network failure.

Our systems also feature operational redundancy. We use automatic call distributors with dual cores (CPU & I/O modules) and online automatic backup, as well as fault-tolerant mainframe computers with spontaneous dual backup for processors, disk management and mechanical functions. We store copies of all proprietary software systems and client application software in a secure off-site storage facility. We actively monitor all critical components of our contact centers 24 hours per day, 365 days per year. Many of our facilities also have stand-alone primary power systems, which include both battery backup and diesel generator backup power systems

Call Management Systems

We specialize in processing large and recurring transaction volumes. We work closely with our clients to accurately project future transaction volumes. We use the following practices to efficiently manage our transaction volumes:

Historical Trend Analyses. We track weekly, daily and hourly trends for individual client programs. We believe that the key to a cost efficient CRM program begins with the effective planning of future volumes to determine the optimal number of sites, employees, workstations and voice response ports that need to be deployed each hour. We have years of data that we use to determine the transaction patterns of different applications such as order capture, lead generation and customer service.

Forecasting Call Volumes and Establishing Production Plans. We forecast volumes for inbound calls to shared agents for each one-half hour increment for each day. We then use historical data regarding average handle time, average wait time, average speed of answer and service level targets to determine the actual number of transactions that may be processed by a workstation or voice response port during a specific one-half hour increment. This process enables the effective determination of the number of workstations and voice response ports needed for a given campaign.

Staffing and Scheduling Plans. Based upon the total number of workstations required to be staffed, we create a detailed staffing schedule. These schedules are typically forecasted six to eight weeks in advance to assist the personnel and training departments in hiring and training the desired number of personnel. Agents are given regular work schedules that are designed to coincide with anticipated transaction patterns and trends. We have developed a proprietary scheduling system, known as Spectrum, that efficiently identifies variances between staff scheduled and staff needed. The system accommodates real-time adjustments for personnel schedules as volume projections fluctuate. Agent personnel directly interact with the system through kiosks located in the contact center or the Internet to schedule additional hours or excused time.

Network Control Center. Our multiple remote sites present unique challenges in delivering consistent premium quality service. Our Network Control Center, based in Omaha, Nebraska, operates 24 hours a day, 365 days a year and uses both internal and external systems to effectively create and operate this remote site environment. We interface directly with long distance carriers and have the ability to allocate call volumes among our various contact centers on command with the assistance of sophisticated third party routing products. Our traffic control specialists compare actual volumes and trends to stated staffing and scheduling plans. When necessary, we can adjust for minor variances between actual and projected volumes and personnel by facility. As a result, transactions are optimally directed to available personnel, which maximizes the utilization of personnel and improves efficiency. The Network Control Center monitors the status of processing activities on a minute-by-minute basis. Minor real time variances between projected and actual trends are promptly entered into our database and used to develop future campaigns and staffing levels. During times of unexpected events, such as weather-related situations, we can immediately react and, whenever

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possible, redirect transactions to an unaffected site to satisfy the business needs of our clients. We have global call handling capabilities with approximately 13,200 seats in the U.S., 5,500 U.S. home agents and 2,500 seats in other countries. For each individual client, we determine how best to deliver the optimal mix of service quality and cost through the use of automation and available labor sources. We identify the optimal solution from our “best shore” alternatives including automated, domestic, offshore, home agent offerings, or a combination thereof.

Our proprietary home agent service offers an attractive midpoint price solution between domestic shared agent service and offshore solutions. Our home agent solution also offers a number of other advantages:

- Superior level of customer service from ability to attract a highly educated workforce.
- Highly efficient labor model.
- Lower personnel costs.
- Significantly less capital intensive.

Sales and Marketing

We offer our clients large-scale, cost-effective solutions on an outsourced basis to help companies acquire, retain and grow their customer relationships. Our sales and marketing strategy focuses on leveraging our expertise, integrated service capabilities and reputation for premium quality service to cross-sell our services to existing clients and to develop new long-term client relationships. We also identify potential new clients with aggressive growth objectives and premium brands in industries that face increased competition.

We formulate detailed annual sales and marketing plans for our Communication Services segment. These plans contain objectives and milestones, which we track regularly throughout the year. Our sales organization is organized and trained to focus on specific industries and overall client needs. Our objective is to sell integrated solutions to prospective and existing clients. We pay commissions on both new sales and incremental revenues generated from new and existing clients to sales professionals.

Competition

Our competitors in the CRM solutions industry range from very small firms catering to specialized programs and short-term projects, to large independent firms. We also compete with the in-house operations of many existing clients and potential clients. We believe that only one or two competitors have the capability to provide a full suite of outsourced CRM solutions. The principal competitive factors in this industry include: quality of service, range of service offerings, flexibility and speed of implementing customized solutions to meet clients' needs, capacity, industry-specific experience, technological expertise and price.

Contact Management Systems

We specialize in processing large and recurring volumes on behalf of our clients. Our ability to consistently staff and manage our agents across geographically dispersed contact centers is critical to providing premium quality service. We apply standardized practices in our contact centers to ensure uniform quality of service. We maintain strong centralized control to assure rigorous adherence to management practices, including quality assurance, and to provide daily staffing plans for each individual site.

Quality Assurance

We continuously monitor and evaluate the performance of our agents to ensure that we meet or exceed both our own and our clients' quality standards. Our quality assurance testing includes monitoring agent and consumer contacts. We encourage our clients to participate in all aspects of the quality assessment.

We have direct contact with our clients' customers. Given the importance of this role, we believe that our ability to provide premium quality service is critical. We and our clients shadow-monitor and evaluate the performance of agents to confirm that clients' programs are properly implemented using clients' approved

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scripts and that the agents meet clients' customer service standards. We regularly measure the quality of our services by reviewing such variables as average handle time, volume, average speed of answer, sales per hour, rate of abandonment, quota attainment and order conversion percentages. We provide clients with regular reports on the status of ongoing campaigns and transmit summary data and captured information electronically to clients.

We maintain quality assurance functions throughout our various agent-based service offering organizations. These quality assurance groups are responsible for the overall quality of the services being provided. We use statistical summaries of the performance appraisal information for our training and operations departments to provide feedback and to identify agents who may need additional training.

See Note 13 to our Consolidated Financial Statements for a summary of the revenues, operating income and total assets for our Communication Services segment for each of the last three fiscal years.

Conferencing Services

Conferencing Industry

The conferencing services industry consists of audio, video and web conferencing services that are marketed to businesses and individuals worldwide. Web services include data conferencing, collaboration, web-casting, and the delivery of commercial, online training and education applications.

An important trend in the conferencing services industry is the growth of unattended conferencing, which are services that do not use an operator. Customers like unattended conferencing because it is easy to use and it costs less than attended conferencing calls. Over the last several years, the market for conferencing services has been subject to significant demand and pricing fluctuations. From a demand perspective, efforts by businesses, private organizations and state governments to reduce costs have led to business travel reductions, which has increased demand for conferencing services. From a pricing perspective, increasing competition and financial instability among some of the larger audio conferencing providers has led providers to reduce prices. In addition, as long distance telephone rates have fallen competition between carriers and service providers has caused additional reductions in conferencing prices.

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Services

Our Conferencing Services segment offers an integrated suite of conferencing services including audio, video and web conferencing. Our capabilities include a broad spectrum of conferencing solutions from the most basic automated audio solutions (reservationless) to highly complex, operator-assisted, event-driven and multimedia solutions. Our Conferencing Services' client base includes many Fortune 500 companies. In addition to a strong presence in the United States, including 29 domestic sales offices, the segment's reach extends to sales offices and operations facilities around the world in Europe, Canada, Australia, New Zealand, Singapore, Hong Kong and Japan. This segment has four primary service offerings: operator assisted, automated, video conferencing and web conferencing.

Service	Description
Operator Assisted	Events and large-scale conferences. Provides a wide range of features and enhancements such as ability to record, broadcast, schedule and administer meetings.
Automated	Reservationless conferencing without an operator. Available for fast, convenient and dependable conferencing solutions.
Video Conferencing	Video conferencing services through our product InView. Basic video conferencing services with the additional ability to share documents and PowerPoint presentations and stream conferences to the Internet.
Web Conferencing	Web conferencing services through a proprietary product as well as through a re-sale agreement with WebEx and Microsoft products.

Strategy

We have positioned ourselves as a leading provider of high-touch conferencing services. Unlike many of our competitors, we maintain a direct sales force that is focused exclusively on understanding our clients' needs and delivering conferencing solutions. We train "Meeting Consultants" to assist clients in cultivating strong meeting leadership skills and in techniques to increase participation in geographically dispersed meetings. This high-touch, service-intensive effort is a differentiating characteristic of our conferencing services business relative to our competitors. Our strategy is to:

- drive increased usage within the existing client base;
- market to new and existing clients a comprehensive service offering that provides high personal touch;
- continue to improve operating efficiencies; and
- leverage our financial stability and brand equity as a leading provider of outsourced CRM services in sales and marketing efforts.

Sales and Marketing

Our Conferencing Services segment manages sales and marketing through three dedicated channels, National Accounts, Direct Sales and the Internet. National Accounts sales representatives sell to Fortune 500 companies with each representative working eight to twelve assigned accounts. Direct Sales consultants primarily focus on "non-Fortune 500 accounts." Direct Sales meeting consultants cover a much larger client base, primarily through a call center, and are assigned a number of prospects to call each week. We also have international professional sales representatives providing local market expertise and intelligence.

Our subsidiary ConferenceCall.com uses Internet marketing to acquire customers. ConferenceCall.com's primary customer acquisition vehicle involves using Internet-based search engines to identify potential

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purchasers of conferencing services. ConferenceCall.com places paid advertisements on search pages of major Internet search engine sites. When a potential customer searches for "conference calls" or similar keywords, our paid advertisements are among the first search results to appear. Search engine companies auction off positioning for selected search terms in a dynamic fashion thus allowing individual advertisers to bid on the "next click through" for any given search term. The strength of ConferenceCall.com's marketing program lies in its ability to automatically monitor ad placement on all of the major search engines and ensure optimal positioning on each of these search sites.

Competition

A December 31, 2003 study by Frost and Sullivan, indicates that, based on revenue, we are the third largest provider of conferencing services in the world. This market is highly competitive. Our competitors in the conferencing solutions industry range from large long distance carriers such as AT&T, MCI, Sprint and Global Crossing to independent providers such as Premier Global Services, Inc. and Genesys Conferencing. We believe that we have been able to grow market share in recent years due to our relatively large, geographically dispersed sales force dedicated solely to providing conferencing solutions on a global basis. Some competitors sell conferencing services as part of a bundled product and therefore may not be as focused on meeting specific conferencing solution needs.

The competitive outlook in the conferencing services industry varies across the types of conferencing services provided. The number of competitors in the audio conferencing services industry is steadily decreasing as the industry continues to consolidate in the wake of pricing pressures and technological advances. However, as video and web conferencing services continue to develop, new vendors are entering the marketplace and offering a broader range of conferencing solutions.

See Note 13 to our Consolidated Financial Statements for a summary of the revenues, operating income and total assets for our Conferencing Services segment for each of the last three fiscal years.

Receivables Management

Receivables Management Industry

We entered the receivables management market through our acquisition of Attention in August 2002 and significantly expanded our presence in this industry through our August 2004 acquisition of Worldwide.

Debt collection companies have existed since the emergence of consumer credit. The sale of distressed debt to recovery specialists, however, arose in the 1980s. As the distressed debt market developed in the 1980s, regular buyers of debt emerged and banks began selling not only distressed commercial and industrial loans but also charged-off consumer credit card debt.

The receivables management market is large, growing and highly fragmented, with outstanding non-mortgage consumer debt alone expected to reach \$2.8 trillion by 2010. Approximately 6,000 companies generate roughly \$10 billion in annual revenue within the distressed consumer debt recovery industry, 15 of which purchase about 80% of the debt sold annually.

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Services

We provide first-party and third-party collection services to companies in various industries including healthcare, automotive, telecommunications, financial services and retail. We also provide commercial collection services, government collections and debt purchasing. The service offerings for the receivables management segment include: first-party collections, contingent/third-party, government, commercial and debt purchasing.

<u>Service</u>	<u>Description</u>
First Party Collections	Pre-charged-off debt. Typically large scale placements. Scripted, customer-service oriented agents are required. Dollar per hour revenue model.
Contingent/ Third Party	Charged-off debt. Focused on industry verticals (e.g., healthcare, credit card, telecom and auto deficiency). Percentage of collection revenue model. Collection approach determined by age of receivables and previous collection efforts.
Government	Three-year U.S. Department of Education contract signed in November 2004 Unique student loan default prevention used at 141 campus locations
Commercial	Broad suite of business services designed to maximize long term return on receivables. Ability to leverage pre-legal and legal services.
Debt Purchasing	Acquiring small business clients utilizing telesales. Strong analysis to identify and purchase large charged-off portfolios. Large forward-flow arrangements. Strong financial partners — Cargill Financial Services Corp. and SLM Corporation (Sallie Mae). Recovery strategies that include use of legal services.

Strategy

We were attracted to the receivables management business for a number of reasons: (i) the market is large, growing and highly fragmented; (ii) we believe we can leverage our technology and scale efficiencies; and (iii) the segment represents a higher growth and higher margin business to which over time we can transition a portion of our outbound capacity.

We purchase distressed and defaulted accounts and consumer credit receivables. We service these defaulted portfolios via telephone, mailings and litigation with the goal of recovering all or a portion of the amount due on the individual loans purchased within the portfolio. We use two portfolio lenders who advance 80% to 85% of the purchase price with West financing the remaining 15% to 20% of each portfolio. The debt from the financing companies has a variable interest rate, with the lenders also sharing in the final profits of the portfolio after all collection efforts, principal, and interest has been repaid. The debt from the financing company is non-recourse to us and is collateralized by all receivable portfolios within a loan series. Each loan series contains a group of portfolio asset pools, which have an aggregate original principal amount of approximately \$20 million.

Competition

The receivables management and collection industry is highly competitive and fragmented. We compete with a large number of providers including large national companies as well as regional and local firms. Many large clients retain multiple receivables management and collection providers, which exposes us to continuous competition in order to remain a preferred vendor. We believe that the primary competitive factors in obtaining and retaining clients are the ability to provide customized solutions to a client's requirements, personalized service, sophisticated call and information systems and price.

Debt purchasing is subject to additional competitive factors. Competitive pressures affect the availability and pricing of receivable portfolios. In addition, there continues to be a consolidation of credit card issuers, which have been a principal source of receivable purchases. This consolidation has decreased the number of sellers in the market and, consequently, could over time, give the remaining sellers increasing market strength in the price and terms of the sale of charged-off credit card accounts.

See Note 13 to our Consolidated Financial Statements for a summary of the revenues, operating income and total assets for our Receivables Management segment for each of the last three fiscal years.

The remainder of this section applies to our entire consolidated enterprise.

Personnel and Training

We believe that a key component of our success is the quality of our employees. As a large-scale service provider, we continually refine our approach to recruiting, training and managing our employees. We have established procedures for the efficient weekly hiring, scheduling and training of hundreds of qualified employees. These procedures enable us to provide flexible scheduling and staffing solutions to meet client needs.

We offer extensive classroom and on-the-job training programs for personnel, including instruction regarding call-processing procedures, direct sales techniques, customer service guidelines, telephone etiquette and proper use of voice inflections. Operators receive professional training lasting from four to 35 days, depending upon the client program and the nature of the services being provided. In addition to training designed to enhance job performance, employees are also given a detailed description of our organizational structure, standard operating procedures and business philosophies.

At December 31, 2004, we employed approximately 28,000 employees. Approximately 24,600 were employed in the Communication Services segment, approximately 1,900 were employed in the Conferencing Services segment, and approximately 1,500 were employed in the Receivables Management segment. Approximately 5,000 of these employees were employed in management, staff and administrative positions. We consider our relations with our employees to be good. None of our employees are represented by a labor union.

Technology and Systems Development

Our software and hardware systems, as well as our network infrastructure, are designed to offer high-quality and integrated solutions. We have made significant investments in reliable hardware systems and integrate commercially available software when appropriate. Because our technology is client focused, we often rely on proprietary software systems developed in-house to customize our services. Our significant achievements include:

- development of sophisticated data collection tools and data warehousing systems to analyze and measure the success of clients' programs;
- design of a proprietary system that web-enables our workstations, enhancing our agents' effectiveness in interacting with our clients' customers;
- development of a proprietary, highly responsive scripting system; and
- development of a proprietary, state-of-the-art workforce management and scheduling system.

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Our network facilities and systems are designed to maximize system in-service time and minimize the possibility of failure. Our infrastructure is designed to reduce the possibility of system or site downtime or interruption of the telecommunications service. We use commercially available and time-proven voice switching equipment. Our back-end systems, including client billing are primarily internally developed.

Proprietary Rights and Licenses

We rely on a combination of applicable copyright, patent, trademark and trade secret laws, as well as on confidentiality procedures, to establish and protect our proprietary rights. We have been issued six patents, two of which came through the InterCall acquisition, and have 60 pending patent applications pertaining to intelligent upsells, transaction processing, call center and agent management, data collection, reporting and verification, micro payments, conferencing and credit card processing. Despite these precautions, we cannot assure you that third-parties will not misappropriate our proprietary technology. Although we believe that our intellectual property rights do not infringe upon the proprietary rights of third parties, we cannot assure you that third parties will not assert infringement claims against us. Further, we operate in many foreign jurisdictions. We cannot assure you that we will be able to protect our intellectual property in these or other foreign jurisdictions.

Reliance on Major Clients

A significant portion of our revenue is generated from relatively few clients. The loss of a significant client could seriously harm us. We had two customers that accounted for approximately 18% of our total revenue in 2004. The revenue generated by these two customers results from over 40 programs which utilize technology from agent based, automated and conferencing services. During 2004, our 100 largest clients represented 69% of our revenues.

Foreign Operations

At December 31, 2004, our total revenue and assets outside the United States were less than 10% of our consolidated revenue and assets.

Our Communication Services segment operates facilities in Victoria, British Columbia, Makati City, Philippines and Kingston and Montego Bay, Jamaica. Our Communication Services segment also contracts for workstation capacity in Mumbai, India. Currently, these contracts are denominated in U.S. dollars. These call centers receive or initiate calls only from or to customers in North America. Under the Mumbai arrangement, we do not own the assets or directly employ any personnel.

Our Conferencing Services segment has international sales offices in Canada, Australia, Hong Kong, Ireland, the United Kingdom, Singapore, Germany, Japan and France. Our conferencing services segment operates facilities in the United States, the United Kingdom, Canada, Singapore, Australia, Hong Kong and New Zealand.

Our Receivables Management segment operates facilities in Jamaica and Mexico.

Government Regulation

Teleservices sales practices are regulated at both the federal and state level. The Telephone Consumer Protection Act ("the TCPA"), which was enacted in 1991, authorized and directed the Federal Communications Commission (the "FCC") to enact rules to regulate the telemarketing industry. In December 1992, the FCC enacted rules, which place restrictions on the methods and timing of telemarketing sales calls.

On July 3, 2003, the FCC issued a Report and Order setting forth amended rules and regulations implementing the TCPA. The rules, with a few exceptions, became effective August 25, 2003. These rules included: (1) restrictions on calls made by automatic dialing and announcing devices; (2) limitations on the use of predictive dialers for outbound calls; (3) institution of a national "do-not-call" registry in conjunction with the Federal Trade Commission (the "FTC"); (4) guidelines on maintaining an internal "do-not-call" list and honoring "do-not-call" requests; and (5) requirements for transmitting caller identification information.

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The “do-not-call” restrictions took effect October 1, 2003. The caller identification requirements became effective January 29, 2004. The FCC also included rules restricting facsimile advertisements. These rules became effective July 1, 2004.

The Federal Telemarketing Consumer Fraud and Abuse Act of 1994 authorizes the FTC to issue regulations designed to prevent deceptive and abusive telemarketing acts and practices. The FTC issued its Telemarketing Sales Rule (the “TSR”), which went into effect in January 1996. The TSR applies to most direct teleservices telemarketing calls and certain operator teleservices telemarketing calls and generally prohibits a variety of deceptive, unfair or abusive practices in telemarketing sales.

The FTC amended the TSR in January 2003. The majority of the amendments became effective March 31, 2003. The changes that were adopted that could materially adversely affect the Company, the Company’s clients and/or the Company’s industry include: (1) subjecting a portion of the Company’s inbound calls to additional disclosure requirements from which such calls were previously exempt; (2) prohibiting the disclosure or receipt, for consideration, of unencrypted consumer account numbers for use in telemarketing; (3) application of the TSR to charitable solicitations; (4) additional disclosure statements relating to certain products and services; (5) additional authorization requirements for payment methods that do not have consumer protections comparable to those available under the Electronic Funds Transfer Act or the Truth in Lending Act, or for telemarketing transactions involving pre-acquired account information and fee-to-pay conversion offers; (6) institution of a national “do-not-call” registry; (7) limitations on the use of predictive dialers for outbound calls; and (8) additional disclosure requirements relating to upsells, especially those involving negative option features. The “do-not-call” restrictions became effective October 1, 2003.

In addition to the federal legislation and regulations, there are numerous state statutes and regulations governing telemarketing activities, which do or may apply to the Company. For example, some states also place restrictions on the methods and timing of telemarketing calls and require that certain mandatory disclosures be made during the course of a telemarketing call. Some states also require that telemarketers register in the state before conducting telemarketing business in the state. Many of these statutes have an exemption for publicly-traded companies.

The Company employees who are involved in certain types of sales activity, such as activity regarding insurance or mortgage loans, are required to be licensed by various state commissions or regulatory bodies and to comply with regulations enacted by those entities.

The industries served by the Company are also subject to varying degrees of government regulation, including laws and regulations relating to contracting with the government and data security. The Company is subject to some of the laws and regulations associated with government contracting as a result of the Company’s contracts with its clients and also as a result of contracting directly with the United States and its agencies. With respect to marketing scripts, the Company relies on its clients and their advisors to develop the scripts to be used by the Company in making consumer solicitations on behalf of its clients. The Company generally requires its clients to indemnify the Company against claims and expenses arising with respect to the scripts provided by its clients.

The Company specifically trains its marketing representatives to handle calls in an approved manner and believes it is in compliance in all material respects with all federal and state telemarketing regulations. There can be no assurance, however, that the Company would not be subject to regulatory challenge for a violation of federal or state law.

The accounts receivable management and collection business is regulated both at the federal and state level. The federal Fair Debt Collection Practices Act (the “FDCPA”) regulates any person who regularly collects or attempts to collect, directly or indirectly, consumer debts owed or asserted to be owed to another person. The FDCPA establishes specific guidelines and procedures that debt collectors must follow in communicating with consumer debtors, including the time, place and manner of such communications. Further, it prohibits harassment or abuse by debt collectors, including the threat of violence or criminal prosecution, obscene language or repeated telephone calls made with the intent to abuse or harass. The FDCPA also places restrictions on communications with individuals other than consumer debtors in

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connection with the collection of any consumer debt and sets forth specific procedures to be followed when communicating with such third parties for purposes of obtaining location information about the consumer debtor. Additionally, the FDCPA contains various notice and disclosure requirements and prohibits unfair or misleading representations by debt collectors. The accounts receivable management and collection business is also subject to the Fair Credit Reporting Act (the "FCRA"), which regulates the consumer credit reporting industry and which may impose liability to the extent that the adverse credit information reported on a consumer to a credit bureau is false or inaccurate. The FTC has the authority to investigate consumer complaints against debt collection companies and to recommend enforcement actions and seek monetary penalties. The accounts receivable management and collection business is also subject to state regulation. Some states require that debt collection companies be licensed.

The Receivable Management and Communication Services segments provide services to healthcare clients, which as providers of healthcare services are considered "covered entities" under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). As covered entities, our clients must comply with standards for privacy, transaction and code sets, and data security. Under HIPAA, we are a "business associate", which requires that we protect the security and privacy of "protected health information" provided to us by our clients for the collection of payments for healthcare services. We have implemented HIPAA compliance training and awareness programs for our healthcare service employees. We also have undertaken an ongoing process to test data security at all relevant levels. In addition, we have reviewed physical security at all healthcare operation centers and have implemented systems to control access to all work areas.

Several of the industries served by each of the three segments are also subject to varying degrees of government regulation. Although compliance with these regulations is generally the responsibility of the clients, the Company could be subject to a variety of enforcement or private actions for our failure or the failure of our clients to comply with such regulations.

Item 2. *Properties*

Our corporate headquarters is located in Omaha, Nebraska. Our owned headquarters facility encompass approximately 125,000 square feet of office space.

We own four facilities totaling approximately 236,000 square feet, which we use as Communication Services contact centers. We own one facility in Omaha, Nebraska totaling 27,000 square feet, which is used for administrative activities. Through a synthetic lease agreement, we lease one location encompassing approximately 158,000 square feet. This location is used for both administrative and Communication Services production activities.

As of December 31, 2004, our Communications Services segment leased or contracted for the use of contact centers and automated voice and data processing centers totaling approximately 1,400,000 square feet in 17 states and four foreign countries: Mumbai, India, Victoria, British Columbia, Canada; Makati City, Philippines and Montego Bay and Kingston, Jamaica.

As of December 31, 2004, our Conferencing Services segment owned two operator assisted conferencing centers totaling approximately 42,000 square feet in two U.S. locations and leased another totaling approximately 52,000 square feet. Our Conferencing Service segment leased two operator assisted conferencing centers in the United Kingdom and Australia totaling approximately 8,000 and 7,000 square feet, respectively. Our Conferencing Services segment also leased approximately 140,000 square feet of office space for sales and administrative offices in 16 states and 7 foreign countries. Our Conferencing Services segment also owned a facility of approximately 68,000 square feet used for administrative activities in the U.S.

As of December 31, 2004, our Receivables Management segment leases twelve contact centers totaling approximately 300,000 square feet in nine U.S. locations. Also, our Receivables Management segment leases approximately 60,000 square feet of office space for administrative activities and a contact center totaling approximately 4,000 square feet in Jalisco, Mexico.

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The following table summarizes the geographic location of and the number of computer-assisted telephone workstations, voice response ports or conferencing ports by geographic region at our contact centers as of December 31, 2004.

Geographic Location	Number of Computer Assisted Workstations	Number of Voice Response Ports	Number of Conferencing Ports
South	7,844	73,782	35,207
Midwest	2,999	16,812	3,672
Northwest	292	—	—
West	598	46,582	—
Northeast	1,480	—	5,040
Total U.S. based	13,213	137,176	43,919
Foreign	2,563	—	12,054
Total	15,776	137,176	55,973

We believe that our facilities are adequate for our current requirements and that additional space will be available as required. See Note 5 of Notes to Consolidated Financial Statements included elsewhere in this report for information regarding our lease obligations.

Item 3. Legal Proceedings

From time to time, we are subject to lawsuits and claims which arise out of our operations in the normal course of our business. West and certain of our subsidiaries are defendants in various litigation matters in the ordinary course of business, some of which involve claims for damages that are substantial in amount. We believe, except for the items discussed below for which we are currently unable to predict the outcome, the disposition of claims currently pending will not have a material adverse effect on our financial position, results of operations or cash flows.

Sanford v. West Corporation et al., No. GIC 805541, was filed February 13, 2003 in the San Diego County, California Superior Court. The original complaint alleged violations of the California Consumer Legal Remedies Act, Cal. Civ. Code §§ 1750 et seq., unlawful, fraudulent and unfair business practices in violation of Cal. Bus. & Prof. Code §§ 17200 et seq., untrue or misleading advertising in violation of Cal. Bus. & Prof. Code §§ 17500 et seq., and common law claims for conversion, unjust enrichment, fraud and deceit, and negligent misrepresentation, and sought monetary damages, including punitive damages, as well as restitution, injunctive relief and attorneys fees and costs. The complaint was brought on behalf of a purported class of persons in California who were sent a Memberworks, Inc. (“MWI”) membership kit in the mail, were charged for an MWI membership program, and were allegedly either customers of what the complaint contended was a joint venture between MWI and West Corporation (“West”) or West Telemarketing Corporation (“WTC”) or wholesale customers of West or WTC. WTC and West filed a demurrer in the trial court on July 7, 2004. The court sustained the demurrer as to all causes of action in plaintiff’s complaint, with leave to amend. WTC and West received an amended complaint and filed a renewed demurrer. The Court on January 24, 2005 entered an order sustaining West and WTC’s demurrer with respect to five of the seven causes of action including all causes of action that allow punitive damages.

Plaintiffs had previously filed a complaint in the United States District Court for the Southern District of California against WTC and West and MemberWorks Incorporated alleging, among other things, claims under 39 U.S.C. § 3009. The federal court dismissed the federal claims against WTC and West and declined to exercise supplemental jurisdiction over the remaining state law claims. Plaintiff proceeded to arbitrate her claims with MemberWorks Incorporated and refiled her claims as to WTC and West in the Superior Court of San Diego County, California as set forth above. Plaintiff in the state action has contended in her pleadings that the order of dismissal in federal court was not a final order and that the federal case is still pending. The District Court on December 30, 2004 affirmed the arbitration award between plaintiff and Memberworks

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Incorporated. Plaintiff filed a Notice of Appeal on January 28, 2005. WTC and West are currently unable to predict the outcome or reasonably estimate the possible loss, if any, or range of losses associated with these claims.

Brandy L. Ritt, et al. v. Billy Blanks Enterprises, et al. was filed in January 2001 in the Court of Common Pleas in Cuyahoga County, Ohio, against two of West's clients. The suit, a purported class action, was amended for the third time in July 2001 and West Corporation was added as a defendant at that time. The suit, which seeks statutory, compensatory, and punitive damages as well as injunctive and other relief, alleges violations of various provisions of Ohio's consumer protection laws, negligent misrepresentation, fraud, breach of contract, unjust enrichment and civil conspiracy in connection with the marketing of certain membership programs offered by West's clients. On February 6, 2002, the court denied the plaintiffs' motion for class certification. On July 21, 2003, the Ohio Court of Appeals reversed and remanded the case to the trial court for further proceedings. The plaintiffs have filed a Fourth Amended Complaint naming West Telemarketing Corporation as an additional defendant and a renewed motion for class certification. One of the defendants, NCP Marketing Group, filed bankruptcy and on July 12, 2004 removed the case to federal court. Plaintiffs have filed a motion to remand the case back to state court. All defendants opposed that motion. In addition, one of the defendants moved to transfer the case from the United States District Court for the Northern District of Ohio to the Bankruptcy Court in Nevada. Plaintiffs objected to the transfer. On October 29, 2004, the district court referred the case to the Bankruptcy Court for the Northern District of Ohio. It is uncertain when the case will be tried. West Corporation and West Telemarketing Corporation are currently unable to predict the outcome or reasonably estimate the possible loss, if any, or range of losses associated with this claim.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders in the fourth quarter of the fiscal year covered by this report.

Executive Officers

Our executive officers are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Gary L. West	59	Chairman of the Board and Director
Mary E. West	59	Vice Chair of the Board, Secretary and Director
Thomas B. Barker	50	Chief Executive Officer and Director
Nancee R. Berger	44	President and Chief Operating Officer
J. Scott Etzler	52	President — InterCall, Inc.
Jon R. Hanson	38	Executive Vice President — Administrative Services and Chief Administrative Officer
Mark V. Lavin	46	President — West Telemarketing, LP
Michael E. Mazour	44	President — West Business Services, LP
Paul M. Mendlik	51	Chief Financial Officer and Treasurer, Executive Vice President — Finance
James F. Richards	52	President — West Asset Management, Inc.
Steven M. Stangl	46	President — Communication Services
Todd B. Strubbe	41	President — West Direct, Inc. and West Interactive Corporation
Michael M. Sturgeon	43	Executive Vice President — Sales and Marketing

Gary L. West co-founded WATS Marketing of America ("WATS") in 1978 and remained with that company until 1985. Mr. West joined us in July 1987 after the expiration of a noncompetition agreement with

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WATS. Mr. West has served as Chairman of the Board since joining us. Mr. West and Mary E. West are husband and wife.

Mary E. West co-founded WATS and remained with that company until 1985. In January 1986, she founded West. Mrs. West has served as our Vice Chair since 1987. Mrs. West and Mr. West are wife and husband.

Thomas B. Barker joined us in 1991 as Executive Vice President of West Interactive Corporation. Mr. Barker was promoted to President and Chief Operating Officer in March 1995. Mr. Barker was promoted to President and Chief Executive Officer in September 1998.

Nancee R. Berger joined West Interactive Corporation in 1989 as Manager of Client Services. Ms. Berger was promoted to Vice President of West Interactive Corporation in May 1994. She was promoted to Executive Vice President of West Interactive Corporation in March 1995, and to President of West Interactive Corporation in October 1996. She was promoted to Chief Operating Officer in September 1998 and to President and Chief Operating Officer in January 2004.

J. Scott Etzler joined InterCall in June 1998 as President and Chief Operating Officer and was Chief Executive Officer from March 1999 until InterCall was acquired by us in May, 2003. Mr. Etzler has served as President of InterCall since the acquisition in May 2003.

Jon R. (Skip) Hanson joined us in 1991 as a Business Analyst. In October 1999, he was promoted to Chief Administrative Officer and Executive Vice President of Corporate Services.

Mark V. Lavin joined us in 1996 as Executive Vice President — West Telemarketing Corporation, was promoted to President in September 1998. From 1991 until 1996, he served in several key management roles within the hotel industry organizations, including Vice President of Carlson Hospitality Worldwide Reservation Center and General Manager of the Hyatt Reservation Center.

Michael E. Mazour joined West Telemarketing Corporation in 1987 as Director — Data Processing Operations. Mr. Mazour was promoted to Vice President, Information Services of West Telemarketing Corporation Outbound in 1990, to Senior Vice President, Client Operations in 1995, to Executive Vice President in 1997 and to President in January 2004. He was named President of West Business Services, LP in November 2004.

Paul M. Mendlik joined us in 2002 as Executive Vice President, Chief Financial Officer & Treasurer. Prior to joining us, he was a partner in the accounting firm of Deloitte & Touche LLP from 1984 to 2002.

Jim Richards serves as President of West Asset Management, Inc. Previously, Mr. Richards co-founded and served as President of Attention LLC which was acquired by us in August 2002. Mr. Richards has over 30 years of industry experience.

Steve M. Stangl joined West Interactive Corporation in 1993 as Controller. In 1998, Mr. Stangl was promoted to President of West Interactive Corporation. In January 2004, Mr. Stangl was promoted to President, Communication Services.

Todd B. Strubbe joined West Direct, Inc. in July 2001, as President and was appointed President of West Interactive Corporation in January 2004. Previously, he was President and Chief Operating Officer of CompuBank, N.A. He was with First Data Corporation from 1995 to 2000 as Managing Director, Systems Architecture and Product Development and Vice President of Corporate Planning and Development. Prior to joining First Data, Mr. Strubbe was with McKinsey & Company, Inc.

Michael M. Sturgeon joined us in 1991 as a National Account Manager, West Interactive Corporation. In September 1994, Mr. Sturgeon was promoted to Vice President of Sales and Marketing. In March 1997, Mr. Sturgeon was promoted to Executive Vice President, Sales and Marketing for the Company.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the Nasdaq National Market under the symbol “WSTC.” The following table sets forth, for the periods indicated, the high and low sales prices of our common stock as reported on the Nasdaq National Market.

	High	Low
2003		
First Quarter	\$ 17.97	\$ 13.17
Second Quarter	\$ 28.55	\$ 17.70
Third Quarter	\$ 27.90	\$ 22.45
Fourth Quarter	\$ 26.35	\$ 20.30
2004		
First Quarter	\$ 26.15	\$ 22.15
Second Quarter	\$ 27.40	\$ 24.03
Third Quarter	\$ 29.95	\$ 23.34
Fourth Quarter	\$ 36.29	\$ 28.12

As of February 18, 2005, there were 66 holders of record of our common stock. As of the same date, we had 68,458,927 shares of common stock issued and 68,386,683 outstanding. No dividends have been declared with respect to our common stock since our initial public offering. We currently intend to use earnings to finance the growth and development of our business and do not anticipate paying cash dividends on our common stock in the foreseeable future. Any payment of dividends will be at the discretion of our Board of Directors and will depend upon earnings, financial condition, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends and other factors.

Equity Compensation Plan Information

Plan category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrant and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	6,771,858*	\$ 19.10	947,408
Equity compensation plans not approved by security holders	—	—	—
Total	6,771,858	\$ 19.10	947,408

* Does not include securities that may be issued under our Employee Stock Purchase Plan or the Executive Deferred Compensation Plan. The Stock Purchase Plan provides employees an opportunity to purchase our common stock through annual offerings. Each employee participating in any offering is granted an option to purchase as many full common shares as the participating employee may elect so long as the purchase price for such common stock does not exceed 10% of the compensation received by such employee from us during the annual offering period or 1,000 shares. The purchase price is to be paid through payroll deductions. The purchase price for each share is equal to 100% of the fair market value of the common stock on the date of the grant, determined by the average of the high and low market price on such date. On the last day of the offering period, the option to purchase common stock becomes exercisable. If at the end of the offering, the fair market value of the common stock is less than 100% of the fair market value at the date of grant, then

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the options lapse and the payroll deductions made with respect to the options will be applied to the next offering unless the employee elects to have the payroll deductions withdrawn from the Plan. No shares were issued under the plan in 2004. The maximum number of shares of common stock available for sale under the 2002 Stock Purchase Plan was 1,937,362.

Pursuant to the terms of the Deferred Compensation Plan, eligible management, non-employee directors or highly compensated employees may elect to defer a portion of their compensation and have such deferred compensation invested in the same investments made available to participants of the 401(k) plan or notionally in our common stock. We match 50% of any amounts notionally invested in common stock, where matched amounts are subject to a five-year vesting schedule with 20% vesting each year. The maximum number of shares of common stock available under the Deferred Compensation Plan was 1,000,000.

Item 6. Selected Financial Data

The following table sets forth, for the periods presented and at the dates indicated, our selected historical consolidated financial data. The selected consolidated historical income statement and balance sheet data has been derived from our audited historical consolidated financial statements. Our consolidated financial statements as of December 31, 2004 and 2003, and for the years ended December 31, 2004, 2003 and 2002, which have been audited by Deloitte & Touche LLP, independent auditors, are included elsewhere in this Annual Report. The information is qualified in its entirety by the detailed information included elsewhere in this Annual Report and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and the "Consolidated Financial Statements and Notes" thereto included elsewhere in this Annual Report.

	Year Ended December 31,				
	2004	2003	2002	2001	2000
(Dollars in thousands, except for per share and selected operating data)					
Income Statement Data:					
Revenue	\$ 1,217,383	\$ 988,341	\$ 820,665	\$ 780,159	\$ 724,505
Cost of services	541,979	440,260	399,276	398,892	371,549
Selling, general and administrative expenses	487,513	404,972	314,886	260,426	243,573
Operating income	187,891	143,109	106,503	120,841	109,383
Other income (expense)	(6,368)	(3,289)	2,145	81	1,539
Income before income tax expense and minority interest	181,523	139,820	108,648	120,922	110,922
Income tax expense	65,762	51,779	39,706	44,633	40,663
Income before minority interest	115,761	88,041	68,942	76,289	70,259
Minority interest in net income of a consolidated subsidiary	2,590	165	300	503	—
Net income	\$ 113,171	\$ 87,876	\$ 68,642	\$ 75,786	\$ 70,259
Earnings per share:					
Basic	\$ 1.67	\$ 1.32	\$ 1.04	\$ 1.17	\$ 1.10
Diluted	\$ 1.63	\$ 1.28	\$ 1.01	\$ 1.11	\$ 1.03
Weighted average number of common shares outstanding:					
Basic	67,643	66,495	65,823	64,895	64,043
Diluted	69,469	68,617	68,129	68,130	67,950

	Year Ended December 31,				
	2004	2003	2002	2001	2000
	(Dollars in thousands, except for per share and selected operating data)				
Selected Operating Data:					
Adjusted EBITDA(1)	\$ 288,978	\$ 231,068	\$ 170,022	\$ 169,596	\$ 154,756
Adjusted EBITDA margin(2)	23.7%	23.4%	20.7%	21.7%	21.4%
Net cash flows from operating activities	\$ 222,475	\$ 196,173	\$ 121,218	\$ 101,784	\$ 111,050
Net cash flows from investing activities	\$ (263,222)	\$ (475,461)	\$ (122,685)	\$ (39,461)	\$ (68,514)
Net cash flows from financing activities	\$ 48,281	\$ 166,765	\$ (12,126)	\$ (18,916)	\$ 3,712
Operating margin(3)	15.4%	14.5%	13.0%	15.5%	15.1%
Net income margin(4)	9.3%	8.9%	8.4%	9.7%	9.7%
Number of workstations (at end of period)	15,776	13,231	14,230	11,675	10,147
Number of IVR ports (at end of period)	137,176	143,148	151,759	78,287	50,573

	As of December 31,				
	2004	2003	2002	2001	2000
Balance Sheet Data:					
Working capital	\$ 121,305	\$ 80,793	\$ 223,263	\$ 235,180	\$ 151,006
Property and equipment, net	223,110	234,650	213,641	202,671	197,178
Total assets	1,271,206	1,015,863	670,822	591,435	553,907
Total debt	258,498	192,000	29,647	30,271	41,355
Stockholders' equity	\$ 789,455	\$ 656,238	\$ 549,592	\$ 468,159	\$ 378,125

- (1) The common definition of EBITDA is "Earnings Before Interest Expense, Taxes, Depreciation and Amortization." In evaluating financial performance, we use earnings before interest, taxes, depreciation and amortization and minority interest ("Adjusted EBITDA"). EBITDA and Adjusted EBITDA are not measures of financial performance or liquidity under generally accepted accounting principles ("GAAP"). EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitution for net income, cash flow from operations or other income or cash flow data prepared in accordance with GAAP. Adjusted EBITDA, as presented, may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is presented as we understand certain investors use it as one measure of our historical ability to service debt. Also adjusted EBITDA is used in our debt covenants. The following is a reconciliation of EBITDA and adjusted EBITDA to net income.

	2004	2003	2002	2001	2000
Net income	\$ 113,171	\$ 87,876	\$ 68,642	\$ 75,786	\$ 70,259
Depreciation and amortization	100,185	86,466	61,783	50,353	45,167
Income taxes	65,762	51,779	39,706	44,633	40,663
Interest expense	8,165	5,503	2,419	3,015	3,107
EBITDA	287,283	231,624	172,550	173,787	159,196
Minority interest	2,590	165	300	503	—
Interest income	(895)	(721)	(2,828)	(4,694)	(4,440)
Adjusted EBITDA	\$ 288,978	\$ 231,068	\$ 170,022	\$ 169,596	\$ 154,756

- (2) Represents adjusted EBITDA as a percentage of revenue. Adjusted EBITDA margin is not a measure of financial performance or liquidity under GAAP and should not be considered in isolation or as a substitution for other GAAP measures.
- (3) Represents operating income as a percentage of revenue.
- (4) Represents net income as a percentage of revenue.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Key 2004 Events

- Acquired Worldwide on August 1, 2004 and ECI on December 1, 2004.
- Began reporting results in three reportable segments: Communication Services, Conferencing Services and Receivables Management.
- Amended our bank credit facility and synthetic lease (see below for a discussion of the amendments).
- 23.2% increase in consolidated revenue.
- Operating margins increased to 15.4% in 2004 compared to 14.5% in 2003.
- 31.3% increase in operating income to \$187.9 million.
- 25.1% increase in Adjusted EBITDA to \$289.0 million.
- Increased contact center workstations by 19%.
- Increased our foreign contact center capacity by over 100%.

Recent Events

On December 1, 2004, we acquired ECI Conference Call Services LLC (ECI) for approximately \$52 million. ECI is a provider of conferencing services, particularly operator-assisted calls. ECI is being integrated into our Conferencing Services segment, but will maintain its separate brand and market presence. The results of operations of ECI have been consolidated with our operating results since the acquisition date, December 1, 2004.

On November 15, 2004, we amended our bank credit facility and synthetic lease. The amendments to the bank credit facility: (i) terminate the previously outstanding \$200 million term loan, (ii) increase the revolving credit available to us from \$250 million to \$400 million; (iii) reduce the minimum and maximum interest rates; (iv) reduce the minimum and maximum commitment fees; (v) release the previously granted security interest; and (vi) amend certain negative covenants to provide us with more operating flexibility.

The amendments to the synthetic lease: (i) reduce the minimum amount payable over LIBOR for advances in excess of 12% of the property costs from 100 basis points to 75 basis points; (ii) reduce the maximum amount payable over LIBOR for advances in excess of 12% of the property costs from 200 basis points to 125 basis points; (iii) reduce the minimum amount payable over LIBOR for advances not in excess of 12% of the property costs from 150 basis points to 125 basis points; (iv) reduce the maximum amount payable over LIBOR for advances not in excess of 12% of the property costs from 200 basis points to 175 basis points; (v) reduce the maximum amount payable over the alternative base rate for advances in excess of 12% of the property cost from 75 basis points to 25 basis points; and (vi) reduce the maximum amount payable over the alternative base rate for advances not in excess of 12% of the property costs from 125 basis points to 75 basis points.

Outlook

On December 15, 2004, we announced our 2005 financial outlook. In that announcement, we stated that revenue expectations for our Communication Services segment are between \$835 and \$850 million with expected operating margins between 12% and 13%. Revenue expectations for our Conferencing Services segment are between \$355 and \$375 million with operating margins between 21.5% and 22.5%. Revenue expectations for the Receivables Management segment are between \$185 million and \$200 million with operating margins between 17% and 17.5%.

Results of Operations

In 2003 we began reporting results in two reportable segments: Communication Services and Conferencing Services. With the acquisition of Worldwide on August 1, 2004, we began reporting results in a third reportable segment, Receivables Management. Prior to the Worldwide acquisition the financial results of Attention were included in the Communication Services segment. Prior period segment disclosures have been reclassified to reflect this change.

The following table sets forth our Consolidated Statement of Operations Data as a percentage of revenue for the periods indicated:

	Year Ended December 31,		
	2004	2003	2002
Revenue	100.0%	100.0%	100.0%
Cost of services	44.6	44.5	48.6
Selling, general and administrative expenses	40.0	41.0	38.4
Operating income	15.4	14.5	13.0
Other income (expense)	(0.5)	(0.4)	0.2
Income before income tax expense and minority interest	14.9	14.1	13.2
Income tax expense	5.4	5.2	4.8
Minority interest	0.2	—	—
Net Income	<u>9.3%</u>	<u>8.9%</u>	<u>8.4%</u>

Years Ended December 31, 2004 and 2003

Revenue: Revenue increased \$229.0 million, or 23.2%, to \$1,217.3 million in 2004 from \$988.3 million in 2003. \$165.3 million of this increase was derived from the acquisitions of InterCall, ConferenceCall.com, Worldwide and ECI, which closed on May 9, 2003, November 1, 2003, August 1, 2004 and December 1, 2004, respectively. During 2004, revenue from our largest 100 customers, included \$28.5 million of revenue derived from new clients.

During the year ended December 31, 2004, our largest 100 clients represented 69% of revenues compared to 77% and 89% for the years ended December 31, 2003 and 2002, respectively. This reduced concentration is due to the acquisitions in 2004 and 2003 and reduced revenue from AT&T. We had one customer, AT&T, that accounted for 9% of total revenue for the year ended December 31, 2004 compared to 15% and 19% of total revenue for the years ended December 31, 2003 and 2002, respectively.

Revenue by business segment:

	For the Year Ended,					
	2004	% of Total Revenue	2003	% of Total Revenue	Change	% Change
Revenue in thousands:						
Communication Services	\$ 817,718	67.2%	\$ 794,043	80.3%	\$ 23,675	3.0%
Conferencing Services	302,469	24.8%	160,796	16.3%	141,673	88.1%
Receivables Management	99,411	8.2%	34,134	3.5%	65,277	191.2%
Intersegment eliminations	(2,215)	(0.2)%	(632)	(0.1)%	(1,583)	250.5%
Total	<u>\$ 1,217,383</u>	<u>100.0%</u>	<u>\$ 988,341</u>	<u>100.0%</u>	<u>\$ 229,042</u>	<u>23.2%</u>

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Communication Services revenue increased \$23.6 million, or 3.0%, to \$817.7 million. This revenue increase was offset by a decline in outbound consumer revenue of \$46.1 million due to a planned reduction in outbound consumer calling. Automated services decreased \$35.1 million due largely to a reduction in volume of prepaid calling services. We believe this trend in prepaid calling services will continue.

Conferencing Services revenue increased \$141.7 million, or 88.1%, to \$302.5 million. The increase in revenue included \$106.3 million from the full year impact of the 2003 acquisitions of InterCall and ConferenceCall.com, which were acquired on May 9, 2003 and November 1, 2003, respectively, and the acquisition of ECI which occurred on December 1, 2004.

Receivables Management revenue increased \$65.3 million to \$99.4 million. The 2004 and 2003 Receivables Management revenue includes Attention (previously included in Communication Services) and 2004 Receivables Management revenue includes Worldwide since its acquisition on August 1, 2004. The increase in revenue included \$56.4 million from the acquisition of Worldwide. Sales of portfolio receivables during the five months ended December 31, 2004 resulted in net revenue of \$2.4 million.

Cost of Services: Cost of services represents direct labor, variable telephone expense and other costs directly related to providing services to clients. Cost of services increased \$101.7 million, or 23.1%, to \$542.0 million, from \$440.3 million for the comparable period of 2003. The acquisitions of InterCall, ConferenceCall.com, Worldwide and ECI increased cost of services by \$55.2 million. As a percentage of revenue, cost of services increased to 44.6% for 2004, compared to 44.5% in 2003.

Cost of Services by business segment:

	For the Year Ended,				Change	% Change
	2004	% of Revenue	2003	% of Revenue		
Cost of services in thousands:						
Communication Services	\$ 396,979	48.5%	\$ 372,332	46.9%	24,647	6.6%
Conferencing Services	96,100	31.8%	48,825	30.4%	47,275	96.8%
Receivables Management	50,649	50.9%	19,695	57.7%	30,954	157.2%
Intersegment eliminations	(1,749)	79.0%	(592)	93.7%	(1,157)	195.4%
Total	\$ 541,979	44.6%	\$ 440,260	44.5%	\$ 101,719	23.1%

Communication Services cost of services increased \$24.6 million, or 6.6%, in 2004 to \$397.0 million. The increase is primarily due to higher labor costs associated with the increase in revenue. As a percentage of revenue, communication services cost of services increased to 48.5% in 2004, compared to 46.9%, in 2003. During 2004, new contact centers were opened in Niles, Ohio and in Makati City, Philippines. In addition, two outbound contact centers and approximately 800 workstations were converted to the inbound dedicated agent business. The transition costs from this activity contributed to an increase in cost of services.

Conferencing Services cost of services increased \$47.3 million, or 96.8%, in 2004 to \$96.1 million. The 2003 cost of services represents a partial year as InterCall and ConferenceCall.com were acquired on May 9, 2003 and November 1, 2003, respectively. As a percentage of revenue, Conferencing Services cost of services increased to 31.8% in 2004, compared to 30.4%, for the comparable period in 2003.

Receivables Management cost of services increased \$31.0 million, or 157.2%, in 2004 to \$50.6 million. The 2004 and 2003 Receivables Management cost of services includes Attention (previously included in Communication Services) and Worldwide since its acquisition on August 1, 2004. As a percentage of revenue, Receivable Management cost of services decreased to 50.9% in 2004, compared to 57.7%, for the comparable

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period in 2003. This reduction as a percentage of revenue is due to the acquisition of Worldwide, which historically had a lower percentage of cost of services to revenue than did Attention.

Selling, General and Administrative Expenses: SG&A expenses increased \$82.5 million, or 20.4%, to \$487.5 million in 2004 from \$405.0 million for the comparable period of 2003. The acquisitions of InterCall, ConferenceCall.com, Worldwide and ECI increased SG&A expense by \$62.1 million. As a percentage of revenue, SG&A expenses decreased to 40.0% in 2004, compared to 41.0% in 2003. This decrease is partially attributed to the acquisition of Worldwide, which historically had a lower percentage of SG&A to revenue than our previously consolidated entities. This decrease as a percentage of revenue was accomplished despite an increase in depreciation of \$6.4 million and amortization of \$7.3 million in 2004.

Selling, general and administrative expenses by business segment:

	For the Year Ended,					
	2004	% of Revenue	2003	% of Revenue	Change	% Change
Selling, general and administrative expenses in thousands						
Communication Services	\$ 315,101	38.5%	\$ 311,730	39.3%	\$ 3,371	1.1%
Conferencing Services	139,105	46.0%	78,791	49.0%	60,314	76.5%
Receivables Management	33,773	34.0%	14,491	42.5%	19,282	133.1%
Intersegment elimination	(466)	21.0%	(40)	6.3%	(426)	1,065.0%
Total	<u>\$ 487,513</u>	<u>40.0%</u>	<u>\$ 404,972</u>	<u>41.0%</u>	<u>\$ 82,541</u>	<u>20.4%</u>

Communication Services SG&A expenses increased \$3.4 million, or 1.1%, to \$315.1 million. The conversion of workstations from outbound to inbound, discussed previously under cost of services, increased SG&A expenses as a percent of revenue. Also, during 2004, site expansion activities took place in seven domestic contact centers and three international contact centers contributing to increases in SG&A and capital expenditures. As a percentage of revenue, Communication Services SG&A expenses decreased to 38.5% in 2004 compared to 39.3% in 2003. This reduction was partially due to lower bad debt expense, which decreased to \$3.2 million in 2004 compared to \$8.8 million in 2003.

Conferencing Services SG&A expenses increased \$60.3 million, or 76.5%, to \$139.1 million. The 2003 SG&A represents a partial year as InterCall and ConferenceCall.com were acquired on May 9, 2003 and November 1, 2003, respectively. As a percentage of revenue, Conferencing Services SG&A expenses decreased to 46.0% in 2004 compared to 49.0% in 2003. The decline in SG&A as a percentage of revenue is partially due to synergies achieved with the acquisition of ConferenceCall.com.

Receivables Management SG&A expenses increased \$19.3 million, or 133.1%, to \$33.8 million. The 2004 and 2003 Receivables Management SG&A includes Attention (previously included in Communication Services) and Worldwide since its acquisition on August 1, 2004. As a percentage of revenue, Receivables Management SG&A decreased to 34.0% in 2004, compared to 42.5% in 2003. This reduction as a percentage of revenue is due to the acquisition of Worldwide, which historically had a lower percentage of SG&A to revenue than did Attention as well as the ability to spread these expenses over a larger revenue base.

Operating Income: Operating income increased by \$44.8 million, or 31.3%, to \$187.9 million in 2004 from \$143.1 million for the comparable period of 2003. As a percentage of revenue, operating income increased to 15.4% in 2004 compared to 14.5% in 2003 due to the factors discussed above for revenue, cost of services and SG&A expenses.

Operating income by business segment:

	For the Year Ended,				Change	% Change
	2004	% of Revenue	2003	% of Revenue		
Operating income in thousands						
Communication Services	\$ 105,638	12.9%	\$ 109,981	13.9%	\$ (4,343)	(3.9)%
Conferencing Services	67,264	22.2%	33,180	20.6%	34,084	102.7%
Receivables Management	14,989	15.1%	(52)	(0.2)%	15,041	—
Total	\$ 187,891	15.4%	\$ 143,109	14.5%	\$ 44,782	31.3%

Communication Services operating income decreased by \$4.3 million, or 3.9%, to \$105.6 million in 2004. As a percentage of revenue, Communication Services operating income decreased to 12.9% in 2004 compared to 13.9% in 2003 due to the factors discussed above for revenue, cost of services and SG&A expenses.

Conferencing Services operating income increased by \$34.1 million, or 102.7%, to \$67.3 million in 2004. The 2003 operating income represents a partial year as InterCall and ConferenceCall.com were acquired on May 9, 2003 and November 1, 2003, respectively. As a percentage of revenue, Conferencing Services operating income increased to 22.2% in 2004 compared to 20.6% in 2003.

Receivables Management operating income increased by \$15.0 million, in 2004. The 2004 and 2003 Receivables Management operating income includes Attention (previously included in Communication Services) and 2004 operating income includes Worldwide since its acquisition on August 1, 2004. As a percentage of revenue, Receivables Management operating income increased to 15.1% in 2004, compared to (0.2)% in 2003.

Other Income (Expense): Other income (expense) includes sub-lease rental income, interest income from short-term investments and interest expense from short-term and long-term borrowings under credit facilities and portfolio notes payable. Other income (expense) in 2004 was \$(6.4) million compared to \$(3.3) million in 2003. The change in other expense in 2004 is primarily due to interest expense on increased outstanding debt incurred for acquisitions and interest expense on portfolio notes payable.

Minority Interest: Effective September 30, 2004, one of our portfolio receivable lenders, CFSC Capital Corp. XXXIV, exchanged its rights to share profits in certain portfolio receivables for an approximate 30% minority interest in one of our subsidiaries, Worldwide Asset Purchasing, LLC. We became a party to the CFSC Capital Corp. relationship as a result of the Worldwide acquisition. The minority interest in the earnings of Worldwide Asset Purchasing, LLC for 2004 was \$2.6 million.

Net Income: Net income increased \$25.3 million, or 28.8%, to \$113.2 million in 2004 compared to \$87.9 million in 2003. Diluted earnings per share were \$1.63 compared to \$1.28 in 2003.

Net income includes a provision for income tax expense at an effective rate of approximately 36.8% for 2004. This compares to 37.0% in 2003.

Years Ended December 31, 2003 and 2002

Revenue: Revenues increased \$167.6 million, or 20.4%, to \$988.3 million in 2003 from \$820.7 million in 2002. The increase in revenue included \$10.4 million of revenue derived from new clients and \$187.3 million derived from the acquisitions of Dakota Direct, Attention, InterCall and ConferenceCall.com, which closed on March 1, 2002, August 1, 2002, May 9, 2003 and November 1, 2003, respectively. The overall revenue increase was partially offset by lower call volumes in certain product lines in the Communication Services segment. In addition, pricing pressures and concessions continue in both the Communication Services and Conferencing Services segments.

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During the year ended December 31, 2003, our largest 100 clients represented 77% of revenues compared to 89% and 86% for the years ended December 31, 2002 and 2001, respectively. This reduced concentration is due to the InterCall acquisition. For the year ended December 31, 2003, InterCall had over 27,000 customers. We had one customer, AT&T, that accounted for 15% of total revenue for the year ended December 31, 2003 and 19% and 21% of total revenue for the years ended December 31, 2002 and 2001, respectively. These percentages do not include the former Wireless and Broadband units of AT&T, which were divested from AT&T in 2002.

Revenue by business segment:

	For the Year Ended,					
	2003	% of Total Revenue	2002	% of Total Revenue	Change	% Change
Revenue in thousands:						
Communication Services	\$ 794,043	80.3%	\$ 808,276	98.5%	\$ (14,233)	(1.8)%
Conferencing Services	160,796	16.3%	n/a	n/a	160,796	n/a
Receivables Management	34,134	3.5%	12,389	1.5%	21,745	175.5%
Intersegment eliminations	(632)	(0.1)%	n/a	n/a	(632)	n/a
Total	<u>\$ 988,341</u>	<u>100.0%</u>	<u>\$ 820,665</u>	<u>100.0%</u>	<u>\$ 167,676</u>	<u>20.4%</u>

Communication Services revenue for the year ended December 31, 2003, decreased \$14.2 million, or 1.8%, to \$794.0 million for the year ended December 31, 2002.

Conferencing Services revenue for 2003 was \$160.7 million. This 2003 revenue is derived from the acquisitions of InterCall and ConferenceCall.com. During 2003, the average rate per minute declined while total minutes grew. This is consistent with a recent trend of declining rates offset by increasing minute volumes.

Receivables Management revenue for 2003 was \$34.1 million. This represents a full year of operation for Attention. The 2002 Receivable Management revenue represented Attention's revenue from the date of acquisition, August 1, 2002.

Cost of Services: Cost of services represents direct labor, telephone expense and other costs directly related to providing services to clients. Cost of services increased \$41.0 million, or 10.3%, in 2003 to \$440.3 million, from \$399.3 million for the comparable period of 2002. As a percentage of revenue, cost of services decreased to 44.5% for 2003, compared to 48.7%, for the comparable periods in 2002. This reduction was primarily due to the acquisition of InterCall, which historically has had a lower percentage of direct costs to revenue than our Communication Services segment.

Cost of Services by business segment:

	For the Year Ended,					
	2003	% of Revenue	2002	% of Revenue	Change	% Change
Cost of services in thousands:						
Communication Services	\$ 372,332	46.9%	\$ 391,814	48.5%	\$ (19,482)	(5.0)%
Conferencing Services	48,825	30.4%	n/a	n/a	48,825	n/a
Receivables Management	19,695	57.7%	7,462	60.2%	12,233	163.9%
Intersegment eliminations	(592)	93.7%	n/a	n/a	(592)	n/a
Total	<u>\$ 440,260</u>	<u>44.5%</u>	<u>\$ 399,276</u>	<u>48.7%</u>	<u>\$ 40,984</u>	<u>10.3%</u>

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Communication Services costs of services decreased \$19.5 million, or 5.0%, in 2003 to \$372.3 million, from \$391.8 million for the comparable period of 2002. As a percentage of revenue, Communication Services cost of services decreased to 46.9% for 2003, compared to 48.5% in 2002. The decrease in cost of services as a percentage of revenue can be attributed primarily to continued control of variable labor costs, a greater percentage of call volumes of certain product lines which traditionally have a lower direct cost as a percent of revenue than other Communication Services operations and the exiting of the 900 services provided by the Communication Services segment during 2002 which had higher direct costs as a percentage of revenue than other Communication Services product offerings. In 2003, the Communication Services segment incurred a \$3.0 million charge related to the sale of one contact center and closing of three other contact centers. Similarly, in 2002, the Communication Services segment incurred a \$2.5 million charge related to the closing of several contact centers.

Conferencing Services cost of services for 2003 was \$48.8 million or 30.4% of revenue and represents cost of services incurred since the acquisition of InterCall and ConferenceCall.com on May 9, 2003 and November 1, 2003, respectively.

Receivables Management cost of services for 2003 was \$19.7 million. This represents a full year of operation for Attention. The 2002 Receivable Management cost of services represented Attention's cost of services from the date of acquisition, August 1, 2002.

Selling, General and Administrative Expenses: SG&A expenses increased \$90.1 million, or 28.6%, to \$405.0 million for 2003 from \$314.9 million for the comparable period of 2002. The acquisition of InterCall and ConferenceCall.com increased SG&A expense by \$78.8 million. As a percentage of revenue, SG&A expenses increased to 41.0% for 2003, compared to 38.4% in 2002. This increase is partially attributed to increases in depreciation of \$16.7 million and amortization of \$7.9 million for 2003. Salaries and benefits in the Communications Services segment increased \$10.5 million or 6.6%. Partially offsetting the increase in SG&A for 2003 was a \$14.5 million reduction of bad debt expense to \$10.0 million for 2003.

Selling, general and administrative expenses by business segment:

	For the Year Ended,				Change	% Change
	2003	% of Revenue	2002	% of Revenue		
Selling, general and administrative expenses in thousands						
Communication Services	\$ 311,730	39.3%	\$ 310,962	38.5%	\$ 768	0.2%
Conferencing Services	78,791	49.0%	n/a	n/a	78,791	n/a
Receivables Management	14,491	42.5%	3,924	31.7%	10,567	269.3%
Intersegment eliminations	(40)	6.3%	n/a	n/a	(40)	n/a
Total	<u>\$ 404,972</u>	<u>41.0%</u>	<u>\$ 314,886</u>	<u>38.4%</u>	<u>\$ 90,086</u>	<u>28.6%</u>

Communication Services SG&A expenses increased by \$0.7 million, or 0.2%, to \$311.7 million for 2003 from \$311.0 million for the comparable period of 2002. As a percentage of revenue, SG&A expenses increased to 39.3% in 2003, compared to 38.5% in 2002. Bad debt expense decreased \$15.6 million to \$8.9 million for 2003 from \$24.5 million for 2002. This reduction in bad debt expense was due to improvements in the quality of our accounts and notes receivable. We believe that the bad debt expense experienced in 2002 was unusual and that this year's experience is more representative of normal historical trends.

Conferencing Services SG&A expenses were \$78.8 million or 49.0% of revenue and represents cost of services incurred since the acquisition of InterCall and ConferenceCall.com on May 9, 2003 and November 1, 2003, respectively.

Receivables Management SG&A expenses for 2003 was \$14.5 million. This represents a full year of operation for Attention. The 2002 Receivable Management SG&A expenses represented Attention's SG&A expenses from the date of acquisition, August 1, 2002.

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Operating Income: Operating income increased by \$36.6 million, or 34.4%, to \$143.1 million for 2003 from \$106.5 million for the comparable period of 2002. As a percentage of revenue, operating income increased to 14.5% for 2003 compared to 13.0% in 2002 due to the factors discussed above for revenue, cost of services and SG&A expenses.

Operating income by business segment:

	For the Year Ended,				Change	% Change
	2003	% of Revenue	2002	% of Revenue		
Operating income in thousands						
Communication Services	\$ 109,981	13.9%	\$ 105,500	13.1%	\$ 4,481	4.2%
Conferencing Services	33,180	20.6%	n/a	n/a	33,180	n/a
Receivables Management	(52)	(0.2)%	1,003	8.1%	(1,055)	(105.2)%
Total	\$ 143,109	14.5%	\$ 106,503	13.0%	\$ 36,606	34.4%

Communication Services operating income increased by \$4.5 million, or 4.2%, to \$110.0 million for 2003 up from \$105.5 million for the comparable period of 2002.

Conferencing Services operating income was \$33.2 million or 20.6% of revenue and represents operating income since the acquisition of InterCall and ConferenceCall.com on May 9, 2003 and November 1, 2003, respectively.

Receivables Management operating income for 2003 was \$(0.1) million. This represents a full year of operation for Attention. The 2002 Receivable Management operating income represented Attention's operating income from the date of acquisition, August 1, 2002.

Other Income (Expense): Other income (expense) includes sub-lease rental income, interest income from short-term investments and interest expense from short-term and long-term obligations. Other income (expense) totaled \$(3.3) million in 2003 compared to \$2.1 million in 2002. The change is primarily due to interest expense of \$4.8 million on the debt incurred for the acquisitions of InterCall and ConferenceCall.com. Interest expense in 2003 totaled \$5.5 million compared to \$2.4 million in 2002. Interest income was \$0.7 million in 2003 compared to \$2.8 million in 2002. The change in interest income is primarily due to lower average cash balances and lower average interest rates during 2003.

Net Income: Net income increased \$19.3 million, or 28.1%, to \$87.9 million in 2003 compared to \$68.6 million in 2002. Diluted earnings per share were \$1.28 compared to \$1.01 in 2002.

Net income includes a provision for income tax expense at an effective rate of approximately 37.0% for 2003. This compares to 36.6% in 2002.

Liquidity and Capital Resources

The following table summarizes our cash flows by category for the periods presented (in thousands):

	For the Years Ended December 31,		Change	% Change
	2004	2003		
Net cash provided by operating activities	\$ 222,475	\$ 196,173	\$ 26,302	13.4%
Net cash used in investing activities	\$ (263,222)	\$ (475,461)	\$ 212,239	(44.6)%
Net cash flows from financing activities	\$ 48,281	\$ 166,765	\$ (118,484)	(71.0)%

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Our primary cash requirements include the funding of the following:

- operating expenses;
- acquisitions;
- tax payments;
- capital expenditures, including the purchase of property and equipment;
- purchase of portfolio receivables; and
- interest payments and the repayment of principal on debt;

Our primary source of liquidity has been cash flow from operations, supplemented by borrowings under our bank credit facilities. In addition, we had unrestricted cash of \$21.3 million as of December 31, 2004, which is available to meet our cash requirements.

Net cash flow from operating activities increased \$26.3 million, or 13.4%, to \$222.5 million for 2004, compared to net cash flows from operating activities of \$196.2 million for 2003. The increase in net cash flows from operating activities is due primarily to an increase in net income, accounts payable and other liabilities. Non-cash depreciation and amortization expense also contributed to the increase in operating cash flows. This increase in operating cash flow was partially offset by an increase in accounts receivable and other assets.

Days sales outstanding, a key performance indicator we utilize to monitor the accounts receivable average collection period and assess overall collection risk, was 50 days at December 31, 2004, and ranged from 48 to 50 days during the year. At December 31, 2003, the days sales outstanding was 49 days and ranged from 48 to 52 days during the year.

Net cash used in investing activities decreased \$212.2 million or 44.6% to \$263.2 million for 2004, compared to net cash used in investing activities of \$475.4 million for 2003. The decrease in cash used in investing activities was due to acquisition costs incurred in 2003 for the acquisition of InterCall and ConferenceCall.com relative to the acquisition costs incurred in 2004 for the acquisitions of Worldwide and ECI. We invested \$59.9 million in capital expenditures during 2004 compared to \$46.3 million for 2003. Investing activities also included the purchase of receivable portfolios for \$28.7 million and the cash proceeds applied to amortization of receivable portfolios of \$19.7 million. We did not utilize any new capital lease financing during 2004.

Net cash from financing activities decreased \$118.5 million or 71.0% to \$48.3 million for 2004, compared to net cash flow from financing activities of \$166.8 million for 2003. The primary source of financing in 2004 was \$230.0 million in net borrowings on our revolving credit facility, which we used for the acquisitions of Worldwide and ECI. The primary source of financing in 2003 was the \$200.0 million term loan that we used for the acquisition of InterCall. During 2004, net cash from financing activities was partially offset by repaying the outstanding balance on the term loan of \$192.0 million and payments on portfolio notes payable (which we assumed in the Worldwide acquisition) of \$28.5 million. Proceeds from issuance of portfolio notes payable were \$25.3 million. Proceeds from our stock-based employee benefit programs were \$14.6 million in 2004 compared to \$8.9 million in 2003.

We funded the acquisition of Worldwide with approximately \$49.1 million of cash on hand and approximately \$95.0 million of borrowings from our revolving credit facility. In addition, we assumed approximately \$49.0 million of Worldwide liabilities. We funded the acquisition of ECI with approximately \$13.2 million of cash on hand and approximately \$40.0 million of borrowings from our revolving credit facility.

We have a \$400 million revolving bank credit facility for general cash requirements. We also have two specialized credit facilities for the purchase of receivable portfolios.

Bank Facility. On November 15, 2004, we amended and restated the two bank credit facilities we entered into during 2003. The effect of this amendment and restatement was to terminate the \$200.0 million four-year term loan, that had a \$137.5 million unpaid balance and increase the borrowing capacity of the revolving credit facility from \$250.0 million to \$400.0 million. The maturity date of the new credit facility is

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November 15, 2009. The facility bears interest at a variable rate over a selected LIBOR based on our leverage. At December 31, 2004, \$230.0 million was outstanding on the revolving credit facility, which was the highest period end balance of the revolving credit facility. The average daily outstanding balance of the revolving credit facility during 2004, was \$57.8 million. The effective annual interest rate, inclusive of debt amortization costs, on the revolving credit facility for the year ended December 31, 2004 was 3.42%. The commitment fee on the unused revolving credit facility at December 31, 2004, was 0.175%. The amended and restated facility bears interest at a minimum of 75 basis points over the selected LIBOR and a maximum of 125 basis points over the selected LIBOR. All our obligations under the facility are unconditionally guaranteed by substantially all of our domestic subsidiaries. The facility contains various financial covenants, which include a consolidated leverage ratio of funded debt to adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") which may not exceed 2.5 to 1.0 and a consolidated fixed charge coverage ratio of adjusted EBITDA to the sum of consolidated interest expense, scheduled funded debt payments, scheduled payments on acquisition earn-out obligations and income taxes paid, which must exceed 1.2 to 1.0. Both ratios are measured on a rolling four-quarter basis. We were in compliance with the financial covenants at December 31, 2004.

Cargill Facility. As of September 30, 2004, through a majority-owned subsidiary, Worldwide Asset Purchasing, LLC (WAP), we amended WAP's revolving financing facility with a third party specialty lender, CFSC Capital Corp. XXXIV. The lender is also a minority interest holder in WAP. Pursuant to this arrangement, we will borrow 80% to 85% of the purchase price of each portfolio purchase made from CFSC Capital Corp. XXXIV and we will fund the remainder. Interest accrues on the debt at a variable rate of 2% over prime. The debt is non-recourse and is collateralized by all receivable portfolios within a loan series. Each loan series contains a group of portfolio asset pools that have an aggregate original principal amount of approximately \$20 million. Payments are due monthly over two years from the date of origination. At December 31, 2004, we had \$28.5 million of non-recourse portfolio notes payable outstanding under this facility.

Sallie Mae Facility. In December 2003, we, through our wholly-owned subsidiary Attention, LLC, established a \$20 million revolving financing facility with a third-party specialty lender and capitalized a consolidated special purpose entity ("SPE") for the sole purpose of purchasing defaulted accounts receivable portfolios. We have agreed to finance under the amended facility the purchase of \$60.0 million in receivable portfolios over the next three years as follows: \$10.0 million by July 31, 2005, \$25.0 million of cumulative purchases by July 31, 2006 and the balance by July 31, 2007. Pursuant to this credit facility, we will be required to finance a minimum of \$12.0 million of the purchases and the third party lender will finance the remainder of the purchases on a non-recourse basis. Interest accrues on the debt at a variable rate equal to the greater of (i) prime plus 2% or (ii) 50 basis points above the lenders actual cost of funds. In certain circumstances, we may extend the three-year period to four years. These assets will be purchased by us, transferred to the SPE and sold to a non-consolidated qualified special purpose entity ("QSPE").

We will perform collection services on the receivable portfolio for a fee, recognized when cash is received. The SPE and the third party lender will also be entitled to a portion of the profits of the QSPE to the extent cash flows from collections are greater than amounts owed by the QSPE, after repayment of all servicing fees, loan expense and return of capital. On December 31, 2004, the SPE had a note receivable from the QSPE for \$1.6 million. Also, on December 31, 2004, \$2.6 million of the \$20.0 million revolving financing facility had been utilized.

Contractual Obligations

As described in "Financial Statements and Supplementary Data," we have contractual obligations that may affect our financial condition. However, based on management's assessment of the underlying provisions and circumstances of our material contractual obligations, there is no known trend, demand, commitment, event or uncertainty that is reasonably likely to occur which would have a material effect on our financial condition or results of operations.

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The following table summarizes our contractual obligations at December 31, 2004 (dollars in thousands):

Contractual Obligations	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Revolving credit facility	\$ 230,000	\$ —	\$ —	\$ 230,000	\$ —
Operating leases	92,149	21,430	32,197	17,845	20,677
Contractual minimums under telephony agreements	102,978	66,766	36,212	—	—
Purchase obligations*	23,484	23,484	—	—	—
Acquisition earn out commitments**	20,169	8,919	11,250	—	—
Commitments under forward flow agreements***	32,175	32,175	—	—	—
Total contractual cash obligations	\$ 500,955	\$ 152,774	\$ 79,659	\$ 247,845	\$ 20,677

* Represents future obligations for capital and expense projects that are in progress or are committed.

** Represents the minimum amounts payable. If the earnout conditions were fully satisfied an additional \$28.5 million would be payable over the next 1-3 years.

*** Up to 85% of this obligation could be funded by non-recourse financing.

The table above excludes variable interest expense under our credit facility and amounts paid for taxes.

The acquisition earn out commitments, noted above, represent commitments incurred for the acquisitions of Tel Mark Sales and Attention, which were completed in 2002. Under the Tel Mark Sales commitment there is a provision for a contingent earn-out with a maximum earn-out of \$5.0 million per year based on revenue growth. In 2004, the final year of this contingent earn-out, an accrual of \$3.67 million was recorded. In the Attention acquisition, additional consideration is payable over the three year period between 2005 and 2007, which will range from a minimum of \$16.5 million to a maximum of \$25.0 million, based on Attention satisfying certain earnings objectives during the years ending December 31, 2004 through 2006. During 2004, \$5.0 million was paid under this commitment. At December 31, 2004, the remaining \$16.5 minimum payment was accrued in accrued expenses and other long term liabilities.

Capital Expenditures

Our operations continue to require significant capital expenditures for technology, capacity expansion and upgrades. Capital expenditures were \$59.9 million for the year ended December 31, 2004, which were funded through operations and use of our bank credit facility. Capital expenditures were \$46.3 million for the year ended December 31, 2003. Capital expenditures for the year ended December 31, 2004 consisted primarily of equipment purchases, the cost of new call centers in the Philippines and Ohio as well as upgrades at existing facilities. We currently project our capital expenditures for 2005 to be approximately \$60.0 to \$70.0 million primarily for capacity expansion and upgrades at existing facilities.

We believe that the cash flows from operations, together with existing cash and cash equivalents and available borrowings under our bank credit facility will be adequate to meet our capital requirements for at least the next 12 months. Our credit facility, discussed above, includes covenants which allow us the flexibility to issue additional indebtedness that is pari passu with or subordinated to the existing credit facilities in an aggregate principal amount not to exceed \$400.0 million, allow us to incur capital lease indebtedness in an aggregate principal amount not to exceed \$25.0 million and allow us to incur accounts receivable securitization indebtedness in an aggregate principal amount not to exceed \$100.0 million and non-recourse indebtedness in an aggregate principal amount not to exceed \$150.0 million without requesting a waiver from the lender. We may pledge additional property or assets of our subsidiaries, which are not already pledged as collateral securing existing credit facilities or any of our affiliates. We or any of our affiliates may be required to guarantee any existing or additional credit facilities.

Off-Balance Sheet Arrangements

We amended a lease for two buildings from a development company in 2003. The development company is not a variable interest entity as defined by Financial Accounting Standards Board ("FASB") Interpretation No. 46R, *Consolidation of Variable Interest Entities (an interpretation of ARB No. 51)* ("FIN 46R"). The initial lease term expires in 2008. There are three renewal options of five years each subject to mutual agreement of the parties. The lease facility bears interest at a variable rate over a selected LIBOR, which resulted in an annual effective interest rate of 2.80% at December 31, 2004. On December 13, 2004, the San Antonio building was sold and is therefore no longer subject to the terms of the synthetic lease agreement. We may, at any time, elect to exercise a purchase option of approximately \$30.5 million for the Omaha building. If we elect not to purchase the building or renew the lease, the building would be returned to the lessee for remarketing. We have guaranteed a residual value of 85% to the lessor upon the sale of the building. At December 31, 2004, the fair value of the guaranteed residual value for the Omaha building was approximately \$1.149 million and is included in other long term assets and other long term liabilities.

Sallie Mae Facility. In December 2003, we established a \$20.0 million revolving financing facility with a third-party specialty lender and capitalized a consolidated special purpose entity ("SPE") for the sole purpose of purchasing defaulted accounts receivable portfolios. These assets will be purchased by us, transferred to the SPE and sold to a non-consolidated qualified special purpose entity ("QSPE").

We will perform collection services on the receivable portfolios for a fee, recognized when cash is received. The SPE and the third party lender will also be entitled to a portion of the profits of the QSPE to the extent cash flows from collections are greater than amounts owed by the QSPE, after repayment of all servicing fees, loan expense and return of capital. At December 31, 2004, the SPE had a note receivable from the QSPE for \$1.6 million. Also, at December 31, 2004, \$2.6 million of the \$20.0 million revolving financing facility had been utilized.

During 2004 we amended this financing facility. We agreed to finance under the amended facility the purchase of \$60.0 million in receivable portfolios over the next three years as follows: \$10.0 million by July 31, 2005, \$25.0 million of cumulative purchases by July 31, 2006 and the balance by July 31, 2007. Pursuant to this facility, we will be required to finance a minimum of \$12.0 million of the purchases and the third party lender will finance the remainder of the purchases on a non-recourse basis. In certain circumstances, we may extend the three year period to four years.

Inflation

We do not believe that inflation has had a material effect on our results of operations. However, there can be no assurance that our business will not be affected by inflation in the future.

Critical Accounting Policies

The process of preparing financial statements requires the use of estimates on the part of management. The estimates used by management are based on our historical experiences combined with management's understanding of current facts and circumstances. Certain of our accounting policies are considered critical as they are both important to the portrayal of our financial condition and results and require significant or complex judgment on the part of management. We believe the following represent our critical accounting policies as contemplated by Securities and Exchange Commission Financial Reporting Release No. 60, *"Cautionary Advice Regarding Disclosure About Critical Accounting Policies."*

Revenue Recognition. The Communication Services segment recognizes revenue for customer-initiated, agent based services, including order processing, customer acquisition, customer retention and customer care in the month that calls are answered by an agent based on the number of calls and/or minutes received and processed on behalf of clients. For agent based services that we initiate including order processing, customer acquisition, customer retention and customer care, revenue is recognized on an hourly basis or on a success rate basis in the month that we place calls to consumers on behalf of clients. Automated services revenue is

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recognized in the month that the calls are received or sent by automated voice response units and is billed based on call duration.

The Conferencing Services segment recognizes revenue when services are provided and generally consists of per-minute charges. Revenues are reported net of any volume or special discounts.

The Receivables Management segment recognizes contingency fee revenue in the month collection payments are received based upon a percentage of cash collected or other agreed upon contractual parameters.

The acquisition of Worldwide on August 1, 2004 resulted in us adopting a critical accounting policy for revenue recognition of purchased receivables. We believe that the amounts and timing of cash collections for our purchased receivables can be reasonably estimated and therefore, we utilize the effective interest method of accounting for our purchased receivables as set forth in Accounting Standards Executive Committee Practice Bulletin 6 ("PB6"). Selection of this revenue recognition policy, versus the cash recovery method, is based on our historical results and our knowledge of the industry. In accordance with this revenue recognition policy, each pool of receivables is recorded at historical cost and statistically modeled to determine its projected cash flows based on historical cash collections for pools with similar characteristics. The relevant factors in computing the cash flow are the timing, which typically averages from 50 to 60 months, and amount of cash to be received. An internal rate of return ("IRR") is established for each pool of receivables based on the projected cash flows and applied to the balance of the pool. The resulting revenue recognized is based on the IRR applied to the remaining balance of each pool of accounts. The effective interest method is used to allocate cash collections between revenue and amortization of the portfolios (principal reduction). Revenue is recognized over the period of the purchased receivables anticipated cash flow using the resulting yield. In the event that cash collected would be inadequate to amortize the carrying value, an impairment charge would be taken. In the event that cash collected would result in an excess amortization of the carrying value, the IRR would be adjusted. Periodically the receivables management segment will sell all or a portion of a pool to third parties. Proceeds of these sales are also recognized in revenue under the effective interest method.

Application of PB6 requires the use of estimates to calculate a projected IRR for each pool. These estimates are based on historical cash collections. If future cash collections are materially different in amount or timing than projected cash collections, earnings could be affected either positively or negatively. Higher collection amounts or cash collections that occur earlier than projected cash collections will have a favorable impact on IRR, revenues and amortization of portfolios. Lower collection amounts or cash collections that occur later than projected cash collections will have an unfavorable impact on IRR, revenues and amortization of portfolios. For the five months ended December 31, 2004, that Worldwide's operations were included in our results, every 100 basis point change in the average amortization rate for all pools would have affected year-to-date revenue by approximately \$0.5 million.

Allowance for Doubtful Accounts and Notes Receivable. Our allowance for doubtful accounts and notes receivable reflects reserves for receivables to reduce receivables and notes receivable to amounts expected to be collected. Management uses significant judgment in estimating uncollectible amounts. In estimating uncollectible amounts, management considers factors such as overall economic conditions, industry-specific economic conditions, historical customer performance and anticipated customer performance. While management believes the processes effectively address our exposure to doubtful accounts, changes in the economy, industry or specific customer conditions may require adjustment to the allowance for doubtful accounts recorded.

Goodwill and Other Intangible Assets. As a result of acquisitions made from 2002 through 2004, our recorded goodwill as of December 31, 2004 was \$573.9 million and the recorded value of other intangible assets as of December 31, 2004 was \$99.0 million. Two matters arise with respect to these assets that require significant management estimates and judgment: 1) the valuation in connection with the initial purchase price allocation and 2) the ongoing evaluation of goodwill and other intangible assets for impairment. In connection with these acquisitions, a third-party valuation was performed to assist management in the determination of the purchase price allocation between goodwill and other intangible assets. The purchase price allocation process requires estimates and judgments as to certain expectations and business strategies. If the actual results differ from the assumptions and judgments made, the amounts recorded in the consolidated financial

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statements could result in a possible impairment of the intangible assets and goodwill or require acceleration in amortization expense. In addition, SFAS No. 142 *Goodwill and Other Intangible Assets*, requires that goodwill be tested annually using a two-step process. The first step is to identify a potential impairment. The second step measures the amount of the impairment loss, if any. Any changes in key assumptions about the businesses and their prospects, or changes in market conditions or other externalities, could result in an impairment charge and such a charge could have a material effect on our financial condition and results of operations.

Stock Options. Our employees are periodically granted stock options by the Compensation Committee of the Board of Directors. As allowed under accounting principles generally accepted in the United States of America ("GAAP"), we do not record any compensation expense on the income statement with respect to options granted to employees. Alternatively, under GAAP, we could have recorded a compensation expense based on the fair value of employee stock options. As described in Note 1 in the Consolidated Financial Statements, had we recorded a fair value-based compensation expense for stock options, diluted earnings per share would have been \$0.07 to \$0.20 less than what we reported for 2004, 2003 and 2002.

Income Taxes. We account for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." We recognize current tax liabilities and assets based on an estimate of taxes payable or refundable in the current year for each of the jurisdictions in which we transact business. As part of the determination of our current tax liability, we exercise considerable judgment in evaluating positions we have taken in our tax returns. We have established reserves for probable tax exposures. These reserves, included in current tax liabilities, represent our estimate of amounts expected to be paid, which we adjust over time as more information becomes available. We also recognize deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences (e.g., book depreciation versus tax depreciation, etc.). The calculation of current and deferred tax assets and liabilities requires management to apply significant judgment related to the application of complex tax laws, changes in tax laws or related interpretations, uncertainties related to the outcomes of tax audits and changes in our operations or other facts and circumstances. Further, we must continually monitor changes in these factors. Changes in such factors may result in changes to management estimates and could require us to adjust our tax assets and liabilities and record additional income tax expense or benefits.

Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued SFAS No. 123R, "Share-Based Payment" ("SFAS 123R"), which requires companies to measure and recognize compensation expense for all stock-based payments at fair value. SFAS 123R is effective for all interim periods beginning after June 15, 2005 and thus, will be effective for West beginning with the third quarter of 2005. Early adoption is encouraged and retroactive application of the provisions of SFAS 123R to the beginning of the year that includes the effective date is permitted, but not required. Based on the unvested outstanding options at December 31, 2004, we estimate the effect on 2005 net income of adopting SFAS 123R in July will be approximately \$5.0 million.

In December 2003, the Accounting Standards Executive Committee issued Statement of Position 03-3, "*Accounting for Certain Loans of Debt Securities Acquired in a Transfer*". This Statement of Position ("SOP") addresses accounting for differences between contractual cash flows and cash flows expected to be collected from an investor's initial investment in loans or debt if those differences are attributable, at least in part, to credit quality. Increases in expected cash flows should be recognized prospectively through adjustment of IRR while decreases in expected cash flows should be recognized as an impairment. The SOP is effective for loans acquired in fiscal years beginning after December 15, 2004 and should be applied prospectively to loans acquired on or before December 15, 2004 as it applies to decreases in expected cash flows. Our preliminary evaluation of the effects of this SOP indicate the impact on our results of operations will not be material.

Risk Factors

An investment in our common stock involves risks. You should carefully consider the following risks before making an investment decision. If any of these risks occurs, our business, financial condition, liquidity and results of operations could be seriously harmed, in which case the price of our common stock could decline and you could lose all or a part of your investment.

We face risks in connection with completed or potential acquisitions.

Our growth has been enhanced through acquisitions of other businesses. We continue to pursue strategic acquisitions. If we are unable to make appropriate acquisitions on reasonable terms our financial results may be below the expectations of securities analysts and our investors.

In addition, when considering an acquisition, we determine whether such acquisition will allow us to achieve certain objectives including: operational synergies, reduced costs and expenses, increased revenues, additional clients, increased market share, new products and capabilities. To the extent that we are unable to achieve our planned objectives from an acquisition, this may affect our financial results.

We are subject to extensive regulation that could limit or restrict our activities and impose financial requirements or limitations on the conduct of our business.

The United States Congress, FCC, FTC and various states have promulgated and enacted rules and laws that govern the methods and processes of making and completing telephone solicitations and sales and the collection of consumer debt. We believe that our operating procedures currently comply in all material respects with presently effective provisions of these rules and laws. There can be no assurance, however, that we would not be subject to agency or state proceedings alleging violation of such rules and laws. Future rules and laws may require us to modify our operations or service offerings in order to effectively meet our clients' service requirements, and there can be no assurance that additional regulations would not limit our activities or significantly increase the cost of regulatory compliance. For further discussion of regulatory issues, see Item 1 — Business "Government Regulations."

Even if we comply with the rules and laws, the restrictions imposed by such regulations may generally adversely impact our business. Our clients may reduce the volume of business they outsource. Regulations regarding the use of technology, such as restrictions on automated dialers or the required transmittal of caller-identification information, may further reduce the efficiency or effectiveness of our operations. However, we cannot predict the impact state and federal regulations may have on our business or whether such impact may adversely affect or limit our operations. Our clients are also subject to varying degrees of government regulation, particularly in the telecommunications, insurance and financial services industries. We may be subject to a variety of enforcement or private actions for non-compliance or our clients' non-compliance with such regulations. There is increasing Federal and state interest in privacy protection, some aspects of which could impose additional regulatory pressure on the business of our clients and, less directly, on our business. Such pressures could impact our business if it has the effect of reducing the demand for our services or exposes us to potential liability.

We cannot be certain that we will be able to compete successfully in our highly competitive industries.

We face significant competition in our markets and expect this competition will intensify. The principal competitive factors in our industries are technological expertise, service quality, sales and marketing skills, the ability to develop and implement customized products and services and the cost of services. In addition, we believe there has been an industry trend to move agent-based operations towards offshore sites. Such movement could result in excess capacity in the United States where most of our current capacity exists. The trend towards international expansion by foreign and domestic competitors and continuous technological changes may bring new and different competitors into our markets and may erode profits because of reduced prices. Our competitors' products and services and pricing practices, as well as the timing and circumstances of the entry of additional competitors into our markets may harm our business.

Our Communication Services segment's business and growth depends in large part on the industry trend toward outsourcing CRM solutions and services. There can be no assurance that this trend will continue, as organizations may elect to perform such services themselves. A significant change in this trend could seriously harm our business, financial condition, results of operations and cash flows. Additionally, there can be no assurance that our cross-selling efforts will cause clients to purchase additional services from us or adopt a single-source outsourcing approach.

Our Conferencing Services segment faces competitive pressures as the audio conferencing services industry continues to consolidate in response to pricing pressures and technological advances. Video and web conferencing services continue to develop as new vendors are entering the marketplace offering a broader range of conferencing solutions.

The consumer debt collection industry is highly competitive and fragmented. We compete with a wide range of other purchasers of charged-off consumer receivables, third party collection agencies, other financial service companies and credit originators and other owners of debt that manage their own charged-off consumer receivables. Some of these companies have substantially greater personnel and financial resources than we do. Furthermore, during the past year some of our competitors have raised substantial amounts of capital, the proceeds from which may be used, at least in part, to fund expansion and to increase their purchases of charged-off portfolios. In addition, companies with greater financial resources than we have may elect in the future to enter the consumer debt collection business. Competitive pressures affect the availability and pricing of receivable portfolios as well as the availability and cost of qualified debt collectors.

We face bidding competition in our acquisition of charged-off consumer receivable portfolios. We believe successful bids generally are awarded based on a combination of price, service and relationships with the debt sellers. Some of our current competitors, and possible new competitors, may have more effective pricing and collection models, greater adaptability to changing market needs and more established relationships in our industry than we have. Moreover, our competitors may elect to pay prices for portfolios that we determine are not reasonable and, in that event, our volume of portfolio purchases may be diminished. In addition, there continues to be a consolidation of credit card issuers, which have been a principal source of our receivable purchases. This consolidation has decreased the number of sellers in the market which may, over time, give the remaining sellers increasing market strength and adversely affect the price and other terms of charged-off credit card accounts.

If we are unable to adapt to changing market conditions, we may experience reduced access to portfolios of charged-off consumer receivables in sufficient amounts at appropriate prices. If this were to occur, our business may be seriously harmed.

Our ability to recover on our charged-off consumer receivables may be limited under federal and state laws.

Federal and state consumer protection, privacy and related laws and regulations extensively regulate the relationship between debt collectors and debtors. Federal and state laws may limit our ability to recover on our charged-off consumer receivables regardless of any act or omission on our part. Some laws and regulations applicable to credit card issuers may preclude us from collecting on charged-off consumer receivables we purchase if the credit card issuer previously failed to comply with applicable law in generating or servicing those receivables. Additional consumer protection and privacy protection laws may be enacted that would impose additional or more stringent requirements on the enforcement of and collection on consumer receivables.

Any new laws, rules or regulations as well as existing consumer protection and privacy protection laws, may adversely affect our ability to collect on our charged-off consumer receivable portfolios and seriously harm our business. In addition, federal and state governments are considering, and may consider in the future, other legislative proposals that would further regulate the collection of consumer receivables. Although we cannot predict if or how any future legislation would impact our business, any failure to comply with any current or future laws applicable to us could limit our ability to collect on our charged-off consumer receivable portfolios, which could reduce our profitability and harm our business.

Our operating results may be harmed if we are unable to maximize our call center capacity utilization.

Our profitability is influenced significantly by our call center capacity utilization. We attempt to maximize utilization. However, we have significantly higher utilization during peak periods. From time to time we assess the expected long-term capacity utilization of our contact centers. Accordingly, we may, if deemed necessary, consolidate or close under-performing centers in order to maintain or improve utilization and margins. We may not be able to achieve or maintain optimal contact center capacity utilization. If we lose one or more significant clients, or if the volume of calls from any such client or clients decline, or if a significant contract is not implemented in the time frame and budget anticipated, our operating results are likely to be harmed unless and until we are able to reduce expenses proportionally or successfully negotiate contracts with new clients to generate additional revenues at a comparable level.

Increases in the cost of telephone and data services or significant interruptions in such services could seriously harm our business.

We depend on telephone and data service provided by various local and long distance telephone companies. Because of this dependence, any change to the telecommunications market that would disrupt these services or limit our ability to obtain services at favorable rates could harm our business. We have taken steps to mitigate our exposure to the risks associated with rate fluctuations and service disruption by entering into long-term contracts. There is no obligation, however, for these vendors to renew their contracts with us or to offer the same or lower rates in the future, and such contracts are subject to termination or modification for various reasons outside of our control. A significant increase in the cost of telephone services that is not recoverable through an increase in the price of our services, or any significant interruption in telephone services, could seriously harm our business.

The financial results of our Receivables Management segment depend on our ability to purchase charged-off receivable portfolios on acceptable terms and in sufficient amounts. If we are unable to do so, our business will be harmed.

If we are unable to purchase charged-off consumer receivables from credit originators on acceptable terms and in sufficient amounts, our business will be harmed. The availability of portfolios that generate an appropriate return on our investment depends on a number of factors both within and outside of our control, including:

- continued growth in the levels of consumer debt;
- continued growth in the number of industries selling charged-off consumer receivable portfolios;
- continued sales of charged-off consumer receivable portfolios by credit originators;
- competition from other buyers of consumer receivable portfolios; and
- our ability to purchase portfolios in industries in which we have little or no experience with the resulting risk of lower returns if we do not successfully purchase and collect these receivables.

Our inability to continue to attract and retain a sufficient number of qualified employees could seriously harm our business.

The CRM and receivables management industries are very labor intensive and experience high personnel turnover. Many of our employees receive modest hourly wages and, although we employ a significant number of full-time employees, many are nevertheless employed on a part-time basis. Some of our operations require specially trained employees. We must recruit and train qualified personnel at an accelerated rate from time to time. We may not be able to continue to hire, train and retain a sufficient labor force of qualified employees. A significant portion of our costs consists of wages to hourly workers. An increase in hourly wages, costs of employee benefits or employment taxes could seriously harm our business.

Because we have operations in countries outside of the United States, we may be subject to political, economic and other conditions affecting such countries that could result in increased operating expenses and regulation on our business.

We operate or rely upon businesses in numerous countries outside the United States. We may expand into additional countries and regions. There are risks inherent in conducting business internationally, including: exposure to currency fluctuations, longer payment cycles, greater difficulties in accounts receivable collection, uncertainty regarding intellectual property protection, difficulties in complying with a variety of foreign laws, unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, political instability and potentially adverse tax consequences. If one or more of such factors occurs our business could be harmed.

The loss of one or more key clients would result in the loss of net revenues.

In 2004, 2003 and 2002, our 100 largest clients represented 69%, 77% and 89% of total revenue, respectively. One customer, AT&T, accounted for 9% of our total revenue in 2004 and 15% and 19% of total revenue in 2003 and 2002, respectively. If we fail to retain a significant amount of business from AT&T or any of our other significant clients, our business could be seriously harmed. Many of our contracts are cancelable by the client at any time or on short-term notice, and clients may unilaterally reduce their use of our services under these contracts without penalty. Thus, our contracts with our clients do not ensure that we will generate a minimum level of revenue.

We serve clients and industries that have experienced a significant level of consolidation in recent years. Additional consolidating transactions could occur in which our clients acquire additional businesses or are acquired. The loss of any significant client could seriously harm our business.

Because of the length of time involved in collecting charged-off consumer receivables on acquired portfolios and the volatility in the timing of our collections, we may not be able to identify trends and make changes in our purchasing strategies in a timely manner.

We entered into a number of forward-flow contracts during 2004. These contracts commit a debt seller to regularly sell charged-off receivables to us and commit us to purchase receivables for a fixed percentage of the face amount. Consequently, our results of operations could be harmed if the fixed percentage price is higher than the appropriate market value. Worldwide has entered into such contracts in the past and plans to do so in the future depending on market conditions. To the extent new or existing competitors enter into forward-flow contracts, the pool of portfolios available for purchase may be diminished.

We are exposed to the risks that third parties may violate our proprietary rights. Our intellectual property rights may not be well protected in foreign countries.

Third parties may infringe or misappropriate our patents, trademarks, trade names, trade secrets or other intellectual property rights, which could seriously harm our business. The actions we take to protect our intellectual property may not be adequate. Litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others. We may not be able to prevent infringement of our intellectual property rights or misappropriation of our proprietary information. Any infringement or misappropriation could harm any competitive advantage we currently derive or may derive from our proprietary rights. In addition, third parties may assert infringement claims against us. Any claims and any resulting litigation could subject us to significant liability for damages. An adverse determination in any litigation of this type could require us to design around a third party's patent or to license alternative technology from another party. In addition, litigation is time-consuming and expensive to defend and could result in the diversion of our time and resources. Any claims from third parties may also result in limitations on our ability to use the intellectual property subject to these claims.

Our networks are exposed to the risks of software failure.

The software that we have purchased and developed to provide our products and services may contain undetected errors. Although we generally engage in extensive testing of our software prior to introducing the software onto any of our networks and/or product equipment, errors may be found in the software after the software goes into use. Any of these errors may result in partial or total failure of our networks, additional and unexpected expenses to fund further product development or to add programming personnel to complete a development project, and loss of revenue because of the inability of clients to use our service or the cancellation of services by significant customers.

Our clients may be affected by rapid technological change and systems availability. We may be unable to introduce solutions on a timely basis.

We have invested in sophisticated and specialized computer and telephone technology. Our business relies on this technology to provide customized solutions to meet our client's needs. We anticipate that it will be necessary to continue to select, invest in and develop new and enhanced technology on a timely basis in the future in order to maintain our competitiveness. Our future success will depend in part on our ability to continue to develop technology solutions that keep pace with evolving industry standards and changing client demands. Our products and services are dependent upon our ability to protect the equipment and data at our facilities against damage that may be caused by fire, power loss, technical failures, unauthorized intrusion, natural disasters, sabotage and other similar events. Despite taking a variety of precautions, we have experienced downtime in our infrastructure from time to time and we may experience downtime in the future. These types of service interruptions could result in the loss of significant clients and revenue.

The market price of our common stock may be volatile.

The market price of our common stock has fluctuated significantly during the past several years and may continue to do so in the future. The market price of our common stock could be subject to significant fluctuations in response to various factors or events, including among other things, the depth and liquidity of the trading market of the common stock, quarterly variations in actual liquidity of the trading market of our common stock, quarterly variations in actual and anticipated operating results, growth rates, changes in estimates by analysts, change of analyst coverage, market conditions in the industries in which we compete, announcements by competitors, the loss of a significant client or a significant change in our relationships with a significant client, regulatory actions, litigation, including class action litigation, and general economic conditions.

We could be subject to class action litigation due to stock price volatility, which would distract management, result in substantial costs and could result in significant judgments against us.

In the past, securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may be the target of similar litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources, which could cause serious harm to our business, financial condition and results of operations.

Gary and Mary West can exercise significant control over us.

Gary West, our Chairman, and Mary West, our Vice Chair of the Board of Directors, beneficially own approximately 68% of our outstanding common stock. As a result, Mr. and Mrs. West can exercise significant control over the outcome of substantially all matters requiring action by our stockholders. Mr. and Mrs. West can demand registration of their shares, which may have a material affect on our stock price volatility.

Terrorist acts and acts of war may seriously harm our business.

The risks of war and potential terrorist attacks on our operations cannot be estimated. However, we believe war and terrorist attacks could disrupt our operations. For example the agent-based business may

experience significant reductions in call volume during the initial phases of any significant event, and the conferencing business may experience significant increases in call volume.

Pending and future litigation may divert management time and attention and result in substantial costs of defense damages or settlement, which would seriously harm our business.

We face uncertainties relating to the pending litigation described in "Item 3. Legal Proceedings." We also cannot predict whether any other material suits, claims, or investigations may arise in the future based on the same claims as those described in "Item 3. Legal Proceedings" or other claims that may arise in the ordinary course of business. Regardless of the outcome of any of these lawsuits or any future actions, claims, or investigations relating to the same or any other subject matter, we may incur substantial defense costs and such actions may cause a diversion of management time and attention. Also, it is possible that we may be required to pay substantial damages or settlement costs which could seriously harm our business, financial condition, results of operations and cash flows.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market Risk Management

Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and changes in the market value of investments.

Interest Rate Risk

As of December 31, 2004, we had \$230.0 million outstanding under our revolving bank credit facility and \$30.5 million of a synthetic lease obligation. The revolving bank credit facility and the synthetic lease obligation bear interest at a variable rate.

On November 15, 2004, we amended and restated the two bank credit facilities we entered into during 2003. The effect of this amendment and restatement was to terminate the \$200.0 million four-year term loan, that had a \$137.5 million unpaid balance and increase the borrowing capacity of the revolving credit facility from \$250.0 million to \$400.0 million. The new maturity date of the credit facility is November 15, 2009. The facility bears interest at a variable rate over a selected LIBOR based on our leverage. At December 31, 2004, \$230.0 million was outstanding on the revolving credit facility. The highest period end balance of the revolving credit facility was on December 31, 2004. The average daily outstanding balance of the revolving credit facility during 2004 was \$57.8 million. The effective annual interest rate, inclusive of debt amortization costs, on the revolving credit facility for the year ended December 31, 2004 was 3.42%. The commitment fee on the unused revolving credit facility at December 31, 2004, was 0.175%. The amended and restated facility bears interest at a minimum of 75 basis points over the selected LIBOR and a maximum of 125 basis points over the selected LIBOR. At December 31, 2004 the contractual interest rate was 87.5 basis points over the selected LIBOR. Based on our obligation under this facility at December 31, 2004, a 50 basis point change would increase or decrease annual interest expense by approximately \$1.2 million.

We are party to a synthetic lease agreement that had an outstanding balance of \$30.5 million at December 31, 2004. The synthetic lease has interest terms similar to that of the revolving credit facility and bears interest at a variable rate over a selected LIBOR based on our leverage, which adjusts quarterly in 12.5 or 25 basis point increments. The weighted average annual interest rate at December 31, 2004 was 4.0%. The lease bears interest at a minimum of 75 basis points over the selected LIBOR and a maximum of 125 basis points over the selected LIBOR. Based on our obligation under this synthetic lease at December 31, 2004, a 50 basis point change would increase or decrease annual interest expense by approximately \$153,000.

We do not believe that changes in future interest rates on these variable rate obligations would have a material effect on our financial position, results of operations, or cash flows. We have not hedged our exposure to interest rate fluctuations.

Foreign Currency Risk

On December 31, 2004, the Communication Services segment had no material revenue or assets outside the United States. The Communication Services segment has a contract for workstation capacity in Mumbai, India, which is denominated in U.S. dollars. This contact center receives or initiates calls only from or to customers in North America. We have no ownership of the personnel or assets at this foreign location. The facilities in Canada, Jamaica and the Philippines operate under revenue contracts denominated in U.S. dollars. These contact centers receive calls only from customers in North America under contracts denominated in U.S. dollars.

In addition to the United States, the Conferencing Services segment operates facilities in the United Kingdom, Canada, Singapore, Australia, Hong Kong, Japan and New Zealand. Revenues and expenses from these foreign operations are typically denominated in local currency, thereby creating exposure to changes in exchange rates. Changes in exchange rates may positively or negatively affect our revenues and net income attributed to these subsidiaries.

For the year ended December 31, 2004, revenues and assets from non-U.S. countries were less than 10% of consolidated revenues and assets. We do not believe that changes in future exchange rates would have a material effect on our financial position, results of operations, or cash flows. We have not entered into forward exchange or option contracts for transactions denominated in foreign currency to hedge against foreign currency risk.

Investment Risk

We do not use derivative financial or commodity instruments. Our financial instruments include cash and cash equivalents, accounts and notes receivable, accounts payable and long-term obligations. Our cash and cash equivalents, accounts receivable and accounts payable balances are short-term in nature and do not expose us to material investment risk.

Item 8. *Financial Statements and Supplementary Data*

The information called for by this item is incorporated from our Consolidated Financial Statements and Notes thereto set forth on pages F-1 through F-28.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Additionally, our principal executive officer and our principal financial officer determined that there have been no significant changes to our internal control over financial reporting during the last quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including our principal executive officer, we conducted an evaluation of the

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effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of December 31, 2004.

Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2004 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

February 17, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
West Corporation
Omaha, Nebraska

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that West Corporation and subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2004 of the Company and our report dated February 18, 2005 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Omaha, Nebraska
February 18, 2005

PART III

Item 10. *Directors and Executive Officers of the Registrant*

The information required by Item 10 is incorporated by reference from our definitive proxy statement for the 2005 annual meeting of stockholders.

Our Code of Ethical Business Conduct is located on our website at www.west.com under Investor Relations.

Item 11. *Executive Compensation*

The information required by Item 11 is incorporated by reference from our definitive proxy statement for the 2005 annual meeting of stockholders.

Item 12. *Security Ownership of Certain Beneficial Owners and Management*

The information required by Item 12 is incorporated by reference from our definitive proxy statement for the 2005 annual meeting of stockholders.

Item 13. *Certain Relationships and Related Transactions*

The information required by Item 13 is incorporated by reference from our definitive proxy statement for the 2005 annual meeting of stockholders.

Item 14. *Principal Accounting Fees and Services*

The information required by Item 14 is incorporated by reference from our definitive proxy statement for the 2005 annual meeting of stockholders.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as a part of the report:

(1) Financial Statements:	
Report of Independent Registered Public Accounting Firm	F-1
Consolidated statements of operations for the years ended December 31, 2004, 2003 and 2002	F-2
Consolidated balance sheets as of December 31, 2004 and 2003	F-3
Consolidated statements of cash flows for the years ended December 31, 2004, 2003 and 2002	F-4
Consolidated statements of stockholders' equity for the years ended December 31, 2004, 2003 and 2002	F-5
Notes to the Consolidated Financial Statements	F-6
(2) Financial Statement Schedules:	
Schedule II (Consolidated valuation accounts for the three years ended December 31, 2004)	S-1
(3) Exhibits	

Exhibits identified in parentheses below, on file with the SEC, are incorporated by reference into this report.

Exhibit Number	Description
2.01	Purchase Agreement, dated as of July 23, 2002, by and among the Company, Attention, LLC, the sellers and the sellers' representative named therein (incorporated by reference to Exhibit 2.1 to Form 8-K dated August 2, 2002)
2.02	Agreement and Plan of Merger, dated as of March 27, 2003, by and among West Corporation, Dialing Acquisition Corp., ITC Holding Company, Inc. and, for purposes of Sections 3.6, 4.1 and 8.13 and Articles 11 and 12 only, the Stockholder Representative (incorporated by reference to Exhibit 2.1 to Form 8-K dated April 1, 2003)
2.03	Purchase Agreement, dated as of July 22, 2004, by and among Worldwide Asset Management, LLC; National Asset Management Enterprises, Inc.; Worldwide Asset Collections, LLC; Worldwide Asset Purchasing, LLC, BuyDebtCo; The Debt Depot, LLC; Worldwide Assets, Inc., Frank J. Hanna, Jr., Darrell T. Hanna, West Corporation and West Receivable Services, Inc. (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed on August 9, 2004)
2.04	Purchase Agreement, dated as of July 22, 2004, by and among Asset Direct Mortgage, LLC, Frank J. Hanna, Jr., Darrell T. Hanna and West Corporation (incorporated by reference to Exhibit 2.2 to Current Report on Form 8-K filed on August 9, 2004)
3.01	Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 99.02 to Form 8-K dated December 29, 2001)
3.02	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.01 to Form 8-K dated February 16, 2005)
10.01	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.01 to Registration Statement under Form S-1 (Amendment No. 1) dated November 12, 1996, File No. 333-13991)
10.02	Amended and Restated 1996 Stock Incentive Plan
10.03	Employment Agreement between the Company and Thomas B. Barker dated January 1, 1999, as amended February 11, 2005
10.04	Employment Agreement between the Company and Paul M. Mendlik dated November 4, 2002, as amended February 11, 2005

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Exhibit Number	Description
10.05	Stock Redemption Agreement, dated April 9, 1996, by and among Gary L. West and Mary E. West (incorporated by reference to Exhibit 10.11 to Registration Statement under Form S-1 (Amendment No. 1) dated November 12, 1996, File No. 333-13991)
10.06	Assignment and Assumption Agreement, dated as of November 12, 1996, by and among Gary L. West, Mary E. West, and the Company (incorporated by reference to Exhibit 10.12 to Registration Statement under Form S-1 (Amendment No. 2) dated November 21, 1996, File No. 333-13991)
10.07	Lease, dated September 1, 1994, by and between West Telemarketing Corporation and 99-Maple Partnership, amended December 10, 2003
10.08	Employment Agreement between the Company and Nancee R. Berger, dated January 1, 1999, as amended February 11, 2005
10.09	Amended and Restated Employee Stock Purchase Plan
10.10	Employment Agreement between the Company and Mark V. Lavin dated July 1, 1999, as amended February 11, 2005
10.11	Employment Agreement between the Company and Steven M. Stangl dated January 1, 1999, as amended February 11, 2005
10.12	Employment Agreement between the Company and Michael M. Sturgeon, dated January 1, 1999, as amended February 11, 2005
10.13	Employment Agreement between the Company and Jon R. (Skip) Hanson, dated October 4, 1999, as amended February 11, 2005
10.14	Employment Agreement between West Direct, Inc. and Todd B. Strubbe, dated July 30, 2001, as amended February 11, 2005
10.15	Employment Agreement between the Company and Michael E. Mazour, dated January 9, 2004 as amended February 11, 2005
10.16	Restricted Stock Agreement between the Company and Paul M. Mendlik dated September 12, 2002 (incorporated by reference to Exhibit 10.02 to Form 10-Q dated November 4, 2002)
10.17	Amended and Restated Nonqualified Deferred Compensation Plan
10.18	Employment Agreement between the Company and Joseph Scott Etzler, dated May 7, 2003, as amended February 11, 2005
10.19	Amended and Restated Credit Agreement, dated November 15, 2004, among the Company and Wachovia Bank National Association as Administrative Agent and the banks named therein
10.20	Employment Agreement between the Company and James F. Richards, dated July 23, 2002, as amended February 11, 2005
10.21	Participation Agreement, dated May 9, 2003, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein (incorporated by reference to Exhibit 10.22 to Form 10-K filed on March 8, 2004)
10.22	First amendment to the Participation Agreement, dated October 31, 2003, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein (incorporated by reference to Exhibit 10.23 to Form 10-K filed on March 8, 2004)
10.23	Second amendment to the Participation Agreement, dated January 22, 2004, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein (incorporated by reference to Exhibit 10.24 to Form 10-K filed on March 8, 2004)
10.24	Third amendment to the Participation Agreement, dated August 9, 2004, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein
10.25	Fourth amendment to the Participation Agreement, dated November 15, 2004, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein

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Exhibit Number	Description
21.01	Subsidiaries
23.01	Consent of Deloitte & Touche LLP
31.01	Certification pursuant to 18 U.S.C. section 7241 as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certification pursuant to 18 U.S.C. section 7241 as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.01	Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
32.02	Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
West Corporation
Omaha, Nebraska

We have audited the accompanying consolidated balance sheets of West Corporation and subsidiaries (the "Company") as of December 31, 2004 and 2003, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2004. Our audits also included the consolidated financial statement schedule list in Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance the standards of the Public Company Accounting Oversight Board (United States). 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 the Company as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 18, 2005 expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Omaha, Nebraska
February 18, 2005

WEST CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2004	2003	2002
	(Amounts in thousands except per share amounts)		
REVENUE	\$ 1,217,383	\$ 988,341	\$ 820,665
COST OF SERVICES	541,979	440,260	399,276
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	487,513	404,972	314,886
OPERATING INCOME	187,891	143,109	106,503
OTHER INCOME (EXPENSE):			
Interest Income	895	721	2,828
Interest Expense	(9,381)	(5,503)	(2,419)
Other, net	2,118	1,493	1,736
Other income (expense)	(6,368)	(3,289)	2,145
INCOME BEFORE INCOME TAX EXPENSE AND MINORITY INTEREST	181,523	139,820	108,648
INCOME TAX EXPENSE	65,762	51,779	39,706
INCOME BEFORE MINORITY INTEREST	115,761	88,041	68,942
MINORITY INTEREST IN NET INCOME OF CONSOLIDATED SUBSIDIARY	2,590	165	300
NET INCOME	<u>\$ 113,171</u>	<u>\$ 87,876</u>	<u>\$ 68,642</u>
EARNINGS PER COMMON SHARE:			
Basic	<u>\$ 1.67</u>	<u>\$ 1.32</u>	<u>\$ 1.04</u>
Diluted	<u>\$ 1.63</u>	<u>\$ 1.28</u>	<u>\$ 1.01</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:			
Basic common shares	67,643	66,495	65,823
Dilutive impact of potential common shares from stock options	1,826	2,122	2,306
Diluted common shares	<u>69,469</u>	<u>68,617</u>	<u>68,129</u>

The accompanying notes are an integral part of these financial statements.

WEST CORPORATION
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2004	2003
(Amounts in thousands)		
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 32,572	\$ 25,563
Accounts and notes receivable, net	195,598	153,428
Portfolio receivables, current portion	26,646	—
Other current assets	27,244	23,423
Total current assets	282,060	202,414
PROPERTY AND EQUIPMENT:		
Property and equipment	552,073	508,300
Accumulated depreciation and amortization	(328,963)	(273,650)
Property and equipment, net	223,110	234,650
PORTFOLIO RECEIVABLES, NET OF CURRENT PORTION	56,897	—
GOODWILL	573,885	452,848
INTANGIBLES, net	99,028	97,564
NOTES RECEIVABLE AND OTHER ASSETS	36,226	28,387
TOTAL ASSETS	<u>\$ 1,271,206</u>	<u>\$ 1,015,863</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 39,420	\$ 19,691
Accrued expenses	101,191	79,430
Current maturities of portfolio notes payable	20,144	—
Current maturities of long-term obligations	—	22,500
Total current liabilities	160,755	121,621
PORTFOLIO NOTES PAYABLE , less current maturities	8,354	—
LONG-TERM OBLIGATIONS, less current maturities	230,000	169,500
DEFERRED INCOME TAXES	42,733	42,626
OTHER LONG TERM LIABILITIES	27,769	25,878
MINORITY INTEREST	12,140	—
COMMITMENTS AND CONTINGENCIES (Notes 5, 8 and 12)		
STOCKHOLDERS' EQUITY		
Preferred stock \$0.01 par value, 10,000 shares authorized, no shares issued and outstanding	—	—
Common stock \$0.01 par value, 200,000 shares authorized, 68,452 shares issued and 68,380 outstanding and 67,327 shares issued and 67,255 outstanding	685	673
Additional paid-in capital	244,747	223,806
Retained earnings	549,416	436,245
Accumulated other comprehensive income (loss)	(193)	1,031
Treasury stock at cost (72 shares)	(2,697)	(2,697)
Unearned restricted stock (157 and 188 shares)	(2,503)	(2,820)
Total stockholders' equity	789,455	656,238
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,271,206</u>	<u>\$ 1,015,863</u>

The accompanying notes are an integral part of these financial statements.

WEST CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2004	2003	2002
	(Amounts in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 113,171	\$ 87,876	\$ 68,642
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation	81,317	74,882	58,133
Amortization	18,868	11,584	3,650
Provision for bad debts	5,706	9,979	24,487
Other	48	815	385
Deferred income tax expense (benefit)	6,177	(2,492)	6,502
Minority interest in earnings, net of distributions of \$1,184, \$0 and \$0	1,406	165	300
Changes in operating assets and liabilities, net of business acquisitions:			
Accounts receivable	(32,190)	(4,358)	(10,513)
Other assets	(8,710)	4,775	(10,469)
Accounts payable	13,513	(8,525)	(13,326)
Accrued expenses and other liabilities	23,169	21,472	(6,573)
Net cash flows from operating activities	<u>222,475</u>	<u>196,173</u>	<u>121,218</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Business acquisitions, net of cash acquired of \$11,256, \$16,878 and \$5,010	(193,885)	(424,553)	(80,382)
Purchase of property and equipment	(59,886)	(46,252)	(43,911)
Proceeds from disposal of property and equipment	1,998	513	897
Purchase of portfolio receivables, net	(28,683)	—	—
Collections applied to principal of portfolio receivables	19,713	—	—
Issuance of notes receivable	(5,200)	—	—
Proceeds from payments of notes receivable	2,721	3,531	711
Purchase of licensing agreement	—	(8,700)	—
Net cash flows from investing activities	<u>(263,222)</u>	<u>(475,461)</u>	<u>(122,685)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of debt	—	200,000	—
Net change in revolving credit facility	230,000	32,000	—
Payments of long-term obligations	(192,000)	(69,647)	(20,499)
Payments of portfolio notes payable	(28,534)	—	—
Proceeds from issuance of portfolio notes payable	25,316	—	—
Debt issuance costs	(1,068)	(4,506)	—
Proceeds from stock options exercised	14,567	8,918	8,373
Net cash flows from financing activities	<u>48,281</u>	<u>166,765</u>	<u>(12,126)</u>
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(525)	159	—
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,009	(112,364)	(13,593)
CASH AND CASH EQUIVALENTS, Beginning of period	25,563	137,927	151,520
CASH AND CASH EQUIVALENTS, End of period	<u>\$ 32,572</u>	<u>\$ 25,563</u>	<u>\$ 137,927</u>

The accompanying notes are an integral part of these financial statements.

WEST CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>	<u>Unearned Restricted Stock</u>	<u>Comprehensive Income (Loss)</u>	<u>Total Stockholders' Equity</u>
(Amounts in thousands)							
BALANCE, January 1, 2002	\$ 654	\$ 191,821	\$ 279,727	\$ (4,043)	\$ —	\$ —	\$ 468,159
Net income			68,642				68,642
Stock options exercised including related tax benefits (877 shares)	8	12,514					12,522
Issuance of restricted stock (80 shares)				1,346	(1,346)		—
Amortization of restricted stock					269		269
BALANCE, December 31, 2002	662	204,335	348,369	(2,697)	(1,077)	—	549,592
Comprehensive income:							
Net income			87,876				87,876
Foreign currency translation adjustment, net of tax of \$618						1,031	1,031
Total comprehensive income							88,907
Stock options exercised including related tax benefits (830 shares) and ESPP shares granted (28 shares)	9	13,153					13,162
Issuance of common and restricted stock (240 shares)	2	6,590			(2,418)		4,174
Amortization of restricted stock		(272)			675		403
BALANCE, December 31, 2003	673	223,806	436,245	(2,697)	(2,820)	1,031	656,238
Comprehensive income:							
Net income			113,171				113,171
Foreign currency translation adjustment, net of tax of (\$411)						(1,224)	(1,224)
Total comprehensive income							111,947
Stock options exercised including related tax benefits (1,086 shares)	11	20,777					20,788
Issuance of common and restricted stock (40 shares)	1	999			(1,000)		—
Amortization of restricted stock		(835)			1,317		482
BALANCE, December 31, 2004	<u>\$ 685</u>	<u>\$ 244,747</u>	<u>\$ 549,416</u>	<u>\$ (2,697)</u>	<u>\$ (2,503)</u>	<u>\$ (193)</u>	<u>\$ 789,455</u>

The accompanying notes are an integral part of these financial statements.

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1. Summary of Significant Accounting Policies

Business Description — West Corporation provides business process outsourcing services focused on helping our clients communicate more effectively with their customers. We help our clients maximize the value of their customer relationships and derive greater value from each transaction that we process. Some of the nation's leading enterprises trust us to manage their most important customer contacts and communication transactions. Companies in highly competitive industries choose us for our ability to efficiently and cost effectively deliver large and complex services and our ability to provide a broad portfolio of voice transaction services. We deliver our services through three segments; Communication Services, Conferencing Services and Receivables Management. Each segment leverages our core competencies of managing technology, telephony and human capital.

Our communication services include both agent and automated services. Our agent services provide clients with a comprehensive portfolio of services driven by both customer-initiated (inbound) and West-initiated (outbound) transactions. We offer our clients large volume transaction processing capabilities, including order processing, customer acquisition, customer retention and customer care. Our agent communication services are primarily consumer applications but we also support business-to-business applications. Our automated services operate over 137,000 Interactive Voice Response ports, which provide large-volume, automated voice response services to clients. Examples of our automated services include automated credit card activation, prepaid calling card services, automated product information requests, answers to frequently asked questions, utility power outage reporting, and call routing and call transfer services. Our Communication Services segment operates a network of customer contact centers and automated voice and data processing centers throughout the United States and in Canada, India, Jamaica and the Philippines. Our home agent service utilizes agents throughout the United States.

Our conferencing services include an integrated suite of audio, video and web conferencing services. These worldwide services range from basic automated solutions to highly complex, operator-assisted and event driven solutions. Our video conferencing services provide basic video conferencing with the additional ability to visually share documents and presentations. Our web conferencing services provide web conferencing and interactive web-casting services. Our Conferencing Services segment operates facilities in the United States, the United Kingdom, Canada, Singapore, Australia, Hong Kong, Japan and New Zealand.

Our receivables management operations include first party collections, contingent/ third-party collections, governmental collections, commercial collections and purchasing and collecting charged-off consumer and commercial debt. Charged-off debt consists of defaulted obligations of individuals and companies to credit originators, such as credit card issuers, consumer finance companies, and other holders of debt. The Receivables Management segment also provides contingent/ third party collections, first party collection efforts on pre-charged-off receivables and collection services for the U.S. Department of Education and other governmental agencies. Our Receivables Management segment operates facilities in the United States, Jamaica and Mexico.

Basis of Consolidation — The consolidated financial statements include our accounts and the accounts of our wholly owned and majority owned subsidiaries. All intercompany transactions and balances have been eliminated in the consolidated financial statements.

Use of 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. Actual results could differ from those estimates.

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Revenue recognition — The Communication Services segment recognizes revenue for customer-initiated, agent-based services, including order processing, customer acquisition, customer retention and customer care in the month that calls are processed by an agent, based on the number of calls and/or time processed on behalf of clients. For agent-based services that are initiated by us including order processing, customer acquisition, customer retention and customer care, revenue is recognized on an hourly basis or on a success rate basis in the month that we place calls to consumers on behalf of our clients. Automated services revenue is recognized in the month that the calls are received or sent by automated voice response units and is billed based on call duration or per call.

The Conferencing Services segment recognizes revenue when services are provided and generally consists of per-minute charges. Revenues are reported net of any volume or special discounts.

The Receivables Management segment recognizes revenue for contingent/ third party collection services and governmental collection services in the month collection payments are received based upon a percentage of cash collected or other agreed upon contractual parameters. First party collection services on pre-charged off receivables are recognized on an hourly rate basis. We believe that the amounts and timing of cash collections for our purchased receivables can be reasonably estimated and therefore, we utilize the effective interest method of accounting for our purchased receivables as set forth in Accounting Standards Executive Committee Practice Bulletin 6 ("PB6"). Selection of this revenue recognition policy, versus the cash recovery method, is based on our historical results and our knowledge of the industry. In accordance with this revenue recognition policy, each pool of receivables is recorded at historical cost and statistically modeled to determine its projected cash flows based on historical cash collections for pools with similar characteristics. The relevant factors in computing the cash flow are the timing, which typically averages from 50 to 60 months, and amount of cash to be received. An internal rate of return ("IRR") is established for each pool of receivables based on the projected cash flows and applied to the balance of the pool. The resulting revenue recognized is based on the IRR applied to the remaining balance of each pool of accounts. The effective interest method is used to allocate cash collections between revenue and amortization of the portfolios (principal reduction). Revenue is recognized over the period of the purchased receivables anticipated cash flow using the resulting yield. In the event that cash collected would be inadequate to amortize the carrying value, an impairment charge would be taken. In the event that cash collected would result in an excess amortization of the carrying value, the IRR would be adjusted. Periodically the Receivables Management segment will sell all or a portion of a pool to third parties. Proceeds of these sales are also recognized in revenue under the effective interest method.

The agreements to purchase receivables typically include customary representations and warranties from the sellers covering account status, which permit us to return non-conforming accounts to the seller. Purchases are pooled based on similar risk characteristics and the time period when the pools are purchased, typically quarterly. The receivables portfolios are purchased at a substantial discount from their face amounts and are initially recorded at our cost to acquire the portfolio. Returns are applied against the carrying value of the pool.

Cost of Services — Cost of services includes labor, sales commissions, telephone and other expenses directly related to service activities.

Selling, General and Administrative Expenses — Selling, general and administrative expenses consist of expenses that support the ongoing operation of our business. These expenses include costs related to division management, facilities costs, equipment depreciation and maintenance, amortization of finite lived intangible assets, sales and marketing activities, client support services, bad debt expense and corporate management costs.

Other income (expense) — Other income (expense) includes interest income from short-term investments, interest expense from short-term and long-term obligations and rental income.

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Cash and Cash Equivalents — We consider short-term investments with original maturities of three months or less at acquisition to be cash equivalents. Included in the December 31, 2004, and 2003 cash balances are restricted cash of \$11,287 and \$1,602, respectively, included in trust accounts. This restricted cash represents cash collected on behalf of our clients that has not yet been remitted to them. A corresponding liability is recorded in accounts payable.

Financial Instruments — Cash and cash equivalents, accounts receivable and accounts payable are short-term in nature and the net values at which they are recorded are considered to be reasonable estimates of their fair values. The carrying values of notes receivable, notes payable and long-term obligations are deemed to be reasonable estimates of their fair values. Interest rates that are currently available to us for the reissuance of notes with similar terms and remaining maturities are used to estimate fair values of the notes receivable, notes payable and long-term obligations.

Accounts and Notes Receivable — Short-term accounts and notes receivable from customers are presented net of an allowance for doubtful accounts of \$10,022 in 2004 and \$9,131 in 2003.

Property and Equipment — Property and equipment are recorded at cost. Depreciation expense is based on the estimated useful lives of the assets or remaining lease terms and is calculated on the straight-line method. Our owned buildings have estimated useful lives ranging from 20 to 39 years and the majority of the other assets have estimated useful lives of three to five years. We review property, plant and equipment for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Recoverability of an asset "held-for-use" is determined by comparing the carrying amount of the asset to the undiscounted net cash flows expected to be generated from the use of the asset. If the carrying amount is greater than the undiscounted net cash flows expected to be generated by the asset, the asset's carrying amount is reduced to its fair value. An asset "held-for-sale" is reported at the lower of the carrying amount or fair value less cost to sell.

Goodwill and other Intangible Assets — Goodwill and other intangible assets with indefinite lives are not amortized, but are tested for impairment on an annual basis. We have determined that presently goodwill and other intangible assets with indefinite lives are not impaired and therefore no write-off is necessary. Finite lived intangible assets are reviewed for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable.

Notes Receivable and Other Assets — At December 31, 2004 and 2003, long-term notes receivable from customers of \$5,406 and \$4,737, respectively, are presented net of an allowance for doubtful accounts of \$0 and \$2,077, respectively. Other assets primarily includes assets held in non-qualified deferred compensation plans and the unamortized balance of a licensing agreement and debt acquisition costs.

Income Taxes — We file a consolidated United States income tax return. We use an asset and liability approach for the financial reporting of income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*. Deferred income taxes arise from temporary differences between financial and tax reporting. Income tax expense has been provided on the portion of foreign source income that we have determined will be repatriated to the United States.

Earnings Per Common Share — Basic earnings per share is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed using the weighted-average number of common shares and dilutive potential common shares outstanding during the period. Dilutive potential common shares result from the assumed exercise of outstanding stock options, by application of the treasury stock method, that have a dilutive effect on earnings per share. At December 31, 2004, 2003 and 2002, respectively, 0; 1,387,765; and 869,526 stock

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options were outstanding with an exercise price exceeding the average market value of common stock that were therefore excluded from the computation of shares contingently issuable upon exercise of the options.

Comprehensive Income — Results of operations for foreign subsidiaries are translated using the average exchange rates during the period. Assets and liabilities are translated at the exchange rates in effect on the balance sheet dates. Currency translation adjustment is our only component of other comprehensive income.

Stock Based Compensation — We account for our stock-based compensation plans under the provisions of Accounting Principles Board Opinion 25, *Accounting for Stock Issued to Employees*, which utilizes the intrinsic value method. As a result of the exercise price being equal to the market price at the date of grant, we did not recognize compensation expense for the years ended December 31, 2004, 2003 and 2002. For purposes of the following disclosures, the estimated fair value of the options is amortized over the options' vesting period. Had our stock option and stock purchase plan been accounted for under Statement of Financial Accounting Standards ("SFAS") No. 123, *Accounting for Stock-Based Compensation*; 2004, 2003 and 2002 net income and earnings per share would have been reduced to the following amounts:

	Year Ended December 31,		
	2004	2003	2002
Net Income:			
As reported	\$ 113,171	\$ 87,876	\$ 68,642
Pro forma	\$ 101,603	\$ 74,227	\$ 64,300
Earnings per common share:			
Basic as reported	\$ 1.67	\$ 1.32	\$ 1.04
Diluted as reported	\$ 1.63	\$ 1.28	\$ 1.01
Pro forma basic	\$ 1.50	\$ 1.12	\$ 0.98
Pro forma diluted	\$ 1.46	\$ 1.08	\$ 0.94

The weighted average fair value per share of options granted in 2004, 2003, and 2002 was \$8.32, \$16.57 and \$18.19, respectively. The fair value for options granted under the above described plans was estimated at the date of grant using the Black Scholes pricing model with the following weighted average assumptions:

	2004	2003	2002
Risk-free interest rate	2.5%	2.2%	2.2%
Dividend yield	0.0%	0.0%	0.0%
Expected volatility	32.5%	105.0%	120.0%
Expected life (years)	4.7	4.4	4.4

Minority Interest — Effective September 30, 2004, one of our portfolio receivable lenders, CFSC Capital Corp. XXXIV, exchanged its rights to share profits in certain portfolio receivables for a 30% minority interest in one of our subsidiaries, Worldwide Asset Purchasing, LLC. We became a party to the CFSC Capital Corp. relationship as a result of the Worldwide acquisition. As a result of this exchange our \$10,734 loan participation obligation to CFSC Capital Corp. XXXIV, which had previously been included as a liability, to lender was converted to minority interest.

On April 1, 2003, we acquired all of the remaining outstanding capital stock of our 87.75% owned subsidiary, West Direct, Inc. ("West Direct") that we did not already own. As a result, we now own 100% of West Direct. Each share of common stock of West Direct (other than those already held by us) was automatically converted into the right to receive 1.9625 shares of our Common Stock. Holders of outstanding and unexercised options exercisable for shares of common stock of West Direct received options of equivalent

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value exercisable for 97,143 shares of our Common Stock pursuant to our Restated 1996 Stock Incentive Plan. We accounted for this transaction as a purchase of minority interest. The fair market value of the shares of West Direct common stock was based on the results of an appraisal performed by an independent investment banking firm. The value of the shares of our Common Stock was the average of the highest and lowest prices on the Nasdaq National Market during the day preceding the effective date of the Merger. As a result of this purchase, the minority interest of \$1,096 was eliminated, restricted stock of \$2,418 was recognized and an additional \$3,129 of goodwill was recorded, as the previously recorded minority interest was less than the fair market value of the shares of West Direct common stock received.

Restricted Stock — Restricted stock totaled 157,116 and 187,640 shares at December 31, 2004 and 2003, respectively. At December 31, 2004, there were 81,558 restricted shares related to compensation agreements with two senior executive officers. These shares carry voting rights; however, sale or transfer of the shares is restricted until the shares vest. The fair value of these restricted shares on the respective grant dates were \$25.04 and \$16.825 per share or \$2,346. These restricted shares vest through July, 2008 and will be recognized as compensation expense over that time period. During 2004, 2003 and 2002, \$482, \$403 and \$269 was recognized as compensation expense, respectively.

As a result of the West Direct minority interest transaction, discussed above, each share of common stock of West Direct (other than those held by us) was automatically converted into the right to receive 1.9625 shares of our Common Stock. The four minority stockholders of West Direct, who are each our executive officers or executive officers of West Direct, received an aggregate of 240,411 shares of our Common Stock in the transaction, of which 139,340 shares were subject to vesting. At December 31, 2004, there were 75,558 shares subject to vesting.

Preferred Stock — Our Board of Directors has the authority, without any further vote or action by the stockholders, to provide for the issuance of up to ten million shares of preferred stock from time to time in one or more series with such designations, rights, preferences and limitations as the Board of Directors may determine, including the consideration received therefore. The Board also has the authority to determine the number of shares comprising each series, dividend rates, redemption provisions, liquidation preferences, sinking fund provisions, conversion rights and voting rights without approval by the holders of common stock.

Recent Accounting Pronouncements — In December 2004, the Financial Accounting Standards Board issued SFAS No. 123R, "Share-Based Payment" ("SFAS 123R"), which requires companies to measure and recognize compensation expense for all stock-based payments at fair value. SFAS 123R is effective for all interim periods beginning after June 15, 2005 and thus, will be effective for West beginning with the third quarter of 2005. Early adoption is encouraged and retroactive application of the provisions of SFAS 123R to the beginning of the year that includes the effective date is permitted, but not required. Based on the unvested outstanding options at December 31, 2004, we estimate the effect on 2005 net income of adopting SFAS 123R in July will be approximately \$5,000.

In December 2003, the Accounting Standards Executive Committee issued Statement of Position 03-3, "*Accounting for Certain Loans of Debt Securities Acquired in a Transfer*". This Statement of Position ("SOP") addresses accounting for differences between contractual cash flows and cash flows expected to be collected from an investor's initial investment in loans or debt if those differences are attributable, at least in part, to credit quality. Increases in expected cash flows should be recognized prospectively through adjustment of the IRR while decreases in expected cash flows should be recognized as an impairment. The SOP is effective for loans acquired in fiscal years beginning after December 15, 2004 and should be applied prospectively to loans acquired on or before December 15, 2004 as it applies to decreases in expected cash flows. Our preliminary evaluation of the effects of this SOP indicate the impact on our results of operations will not be material.

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Reclassifications — Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation.

2. Acquisitions

Worldwide

On August 1, 2004, we acquired 100% of the equity interests of Worldwide for cash of \$133,443, net of cash received of \$10,639, assumed debt and other liabilities. The acquisition was funded with a combination of cash on hand and borrowings under our existing bank credit facility. Worldwide is a leading purchaser and collector of delinquent accounts receivable portfolios from consumer credit originators. Its primary areas of operations include, purchasing and collecting charged-off consumer debt, governmental collections and contingent/ third-party collections. The results of operations of Worldwide have been consolidated with our operating results since the acquisition date, August 1, 2004.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at August 1, 2004. We are in the process of finalizing the third-party valuation of certain intangible assets. Thus, the allocation of the purchase price is subject to refinement.

	<u>August 1, 2004</u>
	<u>(Amounts in thousands)</u>
Current assets	\$ 22,306
Portfolio receivables	74,573
Property and equipment	3,345
Other assets	111
Intangible assets	16,100
Goodwill	76,658
Total assets acquired	<u>193,093</u>
Current liabilities	6,237
Portfolio notes payable	31,769
Other liabilities	1,135
Liability to lender from loan participation feature	9,870
Total liabilities assumed	<u>49,011</u>
Net assets acquired	<u>\$ 144,082</u>

ECI

On December 1, 2004, we acquired 100% of the equity interests in ECI Conference Call Services LLC ("ECI") for cash of \$53,207, net of cash received of \$617, assumed debt and other liabilities. The acquisition was funded with a combination of cash on hand and borrowings under our existing bank credit facility. ECI is a provider of conferencing services, particularly operator-assisted calls. ECI was acquired from an investment group. ECI is being integrated into our conferencing segment, but will maintain its separate brand and market presence. The results of operations of ECI have been consolidated with our operating results since the acquisition date, December 1, 2004.

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InterCall

During 2003, we acquired 100% of the equity interests in ITC Holding Company, Inc., the parent company of InterCall, Inc. ("InterCall") for cash of \$388,261, net of cash received of \$13,904, assumed debt and other liabilities which was paid with proceeds from bank facilities and cash from operations. The results of operations of InterCall have been consolidated with our operating results since the acquisition date, May 9, 2003.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at May 9, 2003. During 2004, we finalized the third-party valuation of certain intangible assets.

	May 9, 2003
	(Amounts in thousands)
Current assets	\$ 58,085
Property and equipment	51,617
Intangible assets	61,450
Goodwill	297,213
Non-current assets	1,330
Total assets acquired	469,695
Current liabilities	47,663
Deferred income taxes	19,867
Total liabilities assumed	67,530
Net assets acquired	\$ 402,165

ConferenceCall.com

On November 1, 2003, we acquired Scherer Communications, Inc. (d/b/a ConferenceCall.com) for \$35,661 net of cash received of \$2,974. ConferenceCall.com, a privately held corporation headquartered in Dallas, Texas is a provider of conferencing solutions to companies of all sizes. ConferenceCall.com was integrated into our Conferencing Services segment, but will maintain its separate brand and market presence. The results of operations of ConferenceCall.com have been consolidated with our operating results since the acquisition date, November 1, 2003.

Assuming the acquisitions referred to above occurred as of the beginning of the periods presented, our unaudited pro forma results of operations for the years ended December 31, 2004 and 2003 would have been:

	2004	2003
Revenue	\$ 1,321,678	\$ 1,197,726
Net Income	\$ 118,458	\$ 101,651
Earnings per common share-basic	\$ 1.75	\$ 1.53
Earnings per common share-diluted	\$ 1.71	\$ 1.48

The pro forma results above are not necessarily indicative of the operating results that would have actually occurred if the acquisitions had been in effect on the dates indicated, nor are they necessarily indicative of future results of the combined companies.

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3. Goodwill and Other Intangible Assets

The following table presents the activity in goodwill by reporting segment for the years ended December 31, 2004 and 2003:

	Communication Services	Conferencing Services	Receivables Management	Combined
	(Dollars in thousands except per share amounts)			
Balance at January 1, 2003	\$ 70,821	\$ —	\$ 43,325	\$ 114,146
Acquisitions	—	326,489	—	326,489
Purchase price allocation finalization	—	—	6,914	6,914
Tel Mark Sales, Inc. earn out adjustment	2,170	—	—	2,170
Minority interest purchase	3,129	—	—	3,129
Balance at December 31, 2003	76,120	326,489	50,239	452,848
Acquisitions	—	37,229	76,658	113,887
Purchase price allocation finalization	—	3,481	—	3,481
Tel Mark Sales, Inc. earn out adjustment	3,669	—	—	3,669
Balance at December 31, 2004	<u>\$ 79,789</u>	<u>\$ 367,199</u>	<u>\$ 126,897</u>	<u>\$ 573,885</u>

We have allocated the excess of the Worldwide acquisition cost over the fair value of the assets acquired, liabilities assumed and other finite-lived intangible assets to goodwill based on an independent third-party preliminary appraisal. The process of obtaining a third-party appraisal involves numerous time consuming steps for information gathering, analysis, verification and review. We do not expect to finalize the Worldwide purchase price allocation and appraisal until the second quarter of 2005. Goodwill recognized in this transaction is currently estimated at \$76,658 and is deductible for tax purposes.

We allocated the excess of the ECI acquisition cost over the fair value of the assets acquired, liabilities assumed and other finite-lived intangible assets to goodwill based on preliminary estimates. We are in the process of obtaining a third-party appraisal. We do not expect to finalize the ECI appraisal until the second quarter of 2005. Goodwill recognized in this transaction is currently estimated at \$37,229 and is deductible for tax purposes.

We allocated the excess of the InterCall acquisition cost over the fair value of the assets acquired, including trade names and other intangible assets, and liabilities assumed to goodwill, based on an independent third-party appraisal. Goodwill recognized in this transaction is \$297,214 and is not deductible for tax purposes.

We allocated the excess of the ConferenceCall.com acquisition cost over the fair value of the assets acquired, including, trade names and other finite lived intangible assets, and liabilities assumed to goodwill based on an independent third-party appraisal. Goodwill recognized in this transaction is \$32,758 and is not deductible for tax purposes.

Two acquisitions made in 2002, Tel Mark Sales and Attention included earn out provisions. Under the Tel Mark Sales commitment there is a provision for a three-year revenue based contingent earn-out with a maximum earn-out of \$5,000 per year. Based on the revenue growth achieved by this entity in 2004, the final year of the earn out, an accrual of \$3,669 was recorded. In the Attention acquisition additional consideration is payable over the four year period between 2004 and 2008, which will range from a minimum of \$21,500 to a maximum of \$30,000, based on Attention satisfying certain earnings objectives during the years ending

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December 31, 2003 thru 2006. During 2004, \$5,000 was paid under this commitment. At December 31, 2004, the remaining \$16,500 minimum payment was accrued in accrued expenses and other long term liabilities.

Factors contributing to the recognition of goodwill

Factors that contributed to the Worldwide purchase price resulting in goodwill included synergies with other parts of our business, such as, Worldwide's experience with purchased receivable portfolios, the relationship Worldwide has with sellers of portfolios, the relationship Worldwide has with experienced portfolio lenders, Worldwide's historical cash flow, Worldwide's executive experience (not tied to non-competition agreements) and the value of the workforce in place.

Factors that contributed to the ECI purchase price resulting in goodwill included: synergies with other parts of our business and strengthening our position in managing operator assisted calls.

Factors that contributed to a purchase price resulting in goodwill for the InterCall acquisition included technological synergies with other business units, InterCall's cash flow and operating margins exceeding our current operations, InterCall's international presence, their distributed sales force and the affect the acquisition had on diversifying our revenue base.

Factors that contributed to a purchase price resulting in goodwill for the ConferenceCall.com acquisition included technological synergies with other business units; ConferenceCall.com's cash flow and operating margins exceeding our current operations; process and system synergies and further diversification of our revenue base.

Other intangible assets

Below is a summary of the major intangible assets and weighted average amortization periods for each identifiable intangible asset:

Intangible assets	As of December 31, 2004			Weighted Average Amortization Period
	Acquired Cost	Accumulated Amortization	Net Intangible Assets	
Customer lists	\$ 77,181	\$ (22,243)	\$ 54,938	6.4
Trade names	29,243	—	29,243	Indefinite
Patents	14,753	(4,050)	10,703	17.0
Trade names	1,511	(1,468)	43	2.8
Other intangible assets	5,705	(1,604)	4,101	5.4
Total	<u>\$ 128,393</u>	<u>\$ (29,365)</u>	<u>\$ 99,028</u>	

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Intangible assets	As of December 31, 2003			Weighted Average Amortization Period
	Acquired Cost	Accumulated Amortization	Net Intangible Assets	
Customer lists	\$ 67,197	\$ (9,415)	\$ 57,782	5.6
Trade names	24,110	—	24,110	Indefinite
Patents	14,850	(3,182)	11,668	17.0
Trade names	1,466	(957)	509	2.6
Other intangible assets	4,676	(1,181)	3,495	5.1
Total	<u>\$ 112,299</u>	<u>\$ (14,735)</u>	<u>\$ 97,564</u>	

Amortization expense for finite lived intangible assets was \$14,630, \$9,865 and \$3,381 for the years ended December 31, 2004, 2003 and 2002 respectively. Estimated amortization expense for the intangible assets acquired in all acquisitions for the next five years is as follows:

2005	\$ 17,331
2006	\$ 14,826
2007	\$ 13,590
2008	\$ 6,919
2009	\$ 3,602

The amount of other finite-lived intangible assets recognized in the Worldwide acquisition is currently estimated to be \$16,100 and is comprised of \$14,000 for customer lists, \$1,500 for covenants not to compete and \$600 for an attorney network relationship. These finite lived intangible assets are being amortized over five to ten years based on the estimated lives of the intangible assets. Amortization expense for the Worldwide finite lived intangible assets was \$914 for the five months ended December 31, 2004.

The amount of other finite and indefinite lived intangible assets recognized in the ECI acquisition are currently estimated to be \$10,231 and is comprised of \$4,354 for customer lists, \$544 for covenants not to compete and \$5,333 for trade name. The customer lists and covenants not to compete are being amortized over five years. The trade name intangible asset was preliminarily determined to have an indefinite life. Amortization expense for the ECI finite lived intangible assets was \$251 for the month of December, 2004.

The amount of other finite and indefinite lived intangible assets recognized in the InterCall acquisition were \$61,450 and is comprised of \$41,540 for customer lists and \$19,910 for trade names. The customer relationships intangible asset is being amortized over five years. The trade names intangible asset was determined to have an indefinite life. Amortization expense for the InterCall finite lived intangible assets was \$7,987 and \$5,860 for 2004 and 2003, respectively.

The amount of other finite and indefinite lived intangible assets recognized in the ConferenceCall.com acquisition were \$7,215 and is comprised of \$4,000 for trade names, \$2,600 for customer lists, \$435 for non-competition agreements and \$180 for software. The trade names intangible asset was determined to have an indefinite life. The finite lived intangible assets are being amortized over one and one-half to five years based on the estimated remaining useful lives of the intangible assets. Amortization expense for the ConferenceCall.com finite lived intangible assets was \$1,870 and \$360 for 2004 and 2003, respectively.

The intangible asset trade names for InterCall, ConferenceCall.com and ECI were determined to have an indefinite life based on management's current intentions. We periodically review the underlying factors

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relative to these intangible assets. If factors were to change, which would indicate the need to assign a definite life to these assets, we will do so and commence amortization.

Below is a summary of other intangible assets, at acquired cost, by reporting segment as of December 31, 2004 and 2003:

	<u>Communication Services</u>	<u>Conferencing Services</u>	<u>Receivables Management</u>	<u>Combined</u>
	(Dollars in thousands except per share amounts)			
As of December 31, 2004				
Customer lists	\$ 5,677	\$ 48,494	\$ 23,010	\$ 77,181
Trade names	831	29,288	635	30,754
Patents	14,753	—	—	14,753
Other intangible assets	1,996	1,159	2,550	5,705
Total	<u>\$ 23,257</u>	<u>\$ 78,941</u>	<u>\$ 26,195</u>	<u>\$ 128,393</u>
As of December 31, 2003				
Customer lists	\$ 5,677	\$ 52,510	\$ 9,010	\$ 67,197
Trade names	831	24,110	635	25,576
Patents	14,753	97	—	14,850
Other intangible assets	1,996	2,230	450	4,676
Total	<u>\$ 23,257</u>	<u>\$ 78,947</u>	<u>\$ 10,095</u>	<u>\$ 112,299</u>

4. Portfolio Receivables

Changes in purchased receivable portfolios since the acquisition of Worldwide on August 1, 2004 through December 31, 2004, were as follows:

	Amount in thousands
Beginning balance	\$ —
Amounts acquired through Worldwide acquisition	74,573
Investment in purchased receivables, net of returned accounts	28,683
Collections applied to principal of portfolio receivable	(19,713)
Balance at December 31, 2004	83,543
Less: current portion	26,646
Portfolio receivables, net of current portion	<u>\$ 56,897</u>

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5. Property and Equipment

Property and equipment, at cost consisted of the following:

	December 31,	
	2004	2003
Land and improvements	\$ 7,400	\$ 7,580
Buildings	58,947	58,314
Telephone and computer equipment	358,697	309,984
Office furniture and equipment	57,652	65,492
Leasehold improvements	64,501	61,634
Construction in progress	4,876	5,296
	<u>\$ 552,073</u>	<u>\$ 508,300</u>

We lease certain land, buildings and equipment under operating leases which expire at varying dates through July 2024. Rent expense on operating leases was \$21,234, \$17,175 and \$10,983 for the years ended December 31, 2004, 2003 and 2002, respectively, exclusive of related-party lease expense. We lease certain office space owned by a partnership whose partners are our majority stockholders. The lease was renewed on December 10, 2003 and expires in 2014. Related party lease expense was \$939, \$1,035 and \$976 for the years ended December 31, 2004, 2003 and 2002, respectively. On all real estate leases, we pay real estate taxes, insurance and maintenance associated with the leased sites. Certain of the leases offer extension options ranging from month to month to five years.

Future minimum payments under non-cancelable operating leases with initial or remaining terms of one year or more are as follows:

	Non-Related Party Operating Leases	Related-Party Operating Lease	Total Operating Leases
Year Ending December 31,			
2005	\$ 18,688	\$ 667	\$ 19,355
2006	18,081	667	18,748
2007	12,782	667	13,449
2008	10,372	667	11,039
2009	6,139	667	6,806
2010 and thereafter	17,244	3,433	20,677
Total minimum obligations	<u>\$ 83,306</u>	<u>\$ 6,768</u>	<u>\$ 90,074</u>

We entered into an amended lease for two buildings from a development company in 2003. The development company is not a variable interest entity as defined by Financial Accounting Standards Board ("FASB") Interpretation No. 46R, *Consolidation of Variable Interest Entities (an interpretation of ARB No. 51)* ("FIN 46R"). The initial lease term expires in 2008. There are three renewal options of five years each subject to mutual agreement of the parties. The lease facility bears interest at a variable rate over a selected LIBOR, which resulted in an annual effective interest rate of 2.80%, 2.42% and 2.83% for 2004, 2003 and 2002, respectively. The aggregate lease expense on these leases with the development company and under the prior arrangement for the three years ended December 31, 2004, 2003 and 2002 were \$1,130, \$973 and \$278, respectively. On December 13, 2004, the San Antonio building was sold and is therefore no longer

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subject to the terms of the synthetic lease agreement. Based on our variable-rate obligation at December 31, 2004, each 50 basis point rate increase would increase annual interest expense by approximately \$153. We may, at any time, elect to exercise a purchase option of approximately \$30,535 for the Omaha building. If we elect not to purchase the building or renew the lease, the building would be returned to the lessee for remarketing. We have guaranteed a residual value of 85% to the lessor upon the sale of the building. At December 31, 2004 and 2003, the fair value of the guaranteed residual value for the Omaha building was approximately \$1,149 and \$1,368, respectively and is included in other long term assets and other long term liabilities.

6. Accrued Expenses

Accrued expenses consisted of the following as of:

	December 31, 2004	December 31, 2003
Accrued wages	\$ 40,789	\$ 23,926
Accrued employee benefit costs	10,101	8,107
Accrued phone	9,734	11,352
Acquisition earnout commitments	8,919	7,170
Accrued other taxes (non-income related)	6,132	8,077
Customer deposits	3,359	4,927
Deferred revenue	3,917	2,102
Federal income tax payable	3,294	—
Other current liabilities	14,946	13,769
	<u>\$ 101,191</u>	<u>\$ 79,430</u>

7. Portfolio Notes Payable

Our portfolio notes payable consisted of:

	December 31, 2004
Non-recourse portfolio notes payable, monthly payments bearing a variable interest at prime plus 2%, due in various installments over 20 months from date of origination, secured by receivable portfolio asset pools	\$ 28,498
Less current maturities	20,144
Portfolio notes payable, due in 2006	<u>\$ 8,354</u>

As of September 30, 2004, through a majority-owned subsidiary, Worldwide Asset Purchasing, LLC ("WAP"), we amended WAP's revolving financing facility with a third party specialty lender, CFSC Capital Corp. XXXIV. The lender is also a minority interest holder in WAP. Pursuant to this arrangement, we can borrow from CFSC Capital Corp. XXXIV 80% to 85% of the purchase price of each portfolio purchase made and we will fund the remainder. Interest accrues on the debt at a variable rate of 2% over prime. The debt is non-recourse and is collateralized by all receivable portfolios within a loan series. Each loan series contains a group of portfolio asset pools that have an aggregate original principal amount of approximately \$20,000. Payments are due monthly over two years from the date of origination. At December 31, 2004, we had \$28,498 of non-recourse portfolio notes payable outstanding under this facility.

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8. Long-Term Obligations and Credit Arrangements

On November 15, 2004, we amended and restated the two bank credit facilities we entered into during 2003. The effect of this amendment and restatement was to terminate the \$200,000 four-year term loan, that had a \$137,500 unpaid balance and increase the borrowing capacity of the revolving credit facility from \$250,000 to \$400,000. This amendment and restatement was treated as a modification as our borrowing capacity was increased. The new maturity date of the credit facility is November 15, 2009. The facility bears interest at a variable rate over a selected LIBOR based on our leverage. At December 31, 2004, \$230,000 was outstanding on the revolving credit facility, which was the highest period end balance. The average daily outstanding balance of the revolving credit facility during 2004, was \$57,822. The effective annual interest rate, inclusive of debt amortization costs, on the revolving credit facility for 2004 and 2003 was 3.42% and 2.87%, respectively. The commitment fee on the unused revolving credit facility at December 31, 2004, was 0.175%. The amended and restated facility bears interest at a minimum of 75 basis points over the selected LIBOR and a maximum of 125 basis points over the selected LIBOR. All our obligations under the facility are unconditionally guaranteed by substantially all of our domestic subsidiaries. The facility contains various financial covenants, which include a consolidated leverage ratio of funded debt to adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") which may not exceed 2.5 to 1.0 and a consolidated fixed charge coverage ratio of adjusted EBITDA to the sum of consolidated interest expense, scheduled funded debt payments, scheduled payments on acquisition earn-out obligations and income taxes paid, which must exceed 1.2 to 1.0. Both ratios are measured on a rolling four-quarter basis. We were in compliance with the financial covenants at December 31, 2004.

There were no current maturities under this credit facility at December 31, 2004. There were \$22,500 of current maturities under the term loan outstanding as of December 31, 2003, which were repaid in 2004.

9. Income Taxes

Components of income tax expense were as follows:

	Year Ended December 31,		
	2004	2003	2002
Current income tax expense:			
Federal	\$ 51,486	\$ 49,868	\$ 30,477
State	2,819	2,337	2,727
Foreign	5,280	2,066	—
	<u>59,585</u>	<u>54,271</u>	<u>33,204</u>
Deferred income tax expense (benefit):			
Federal	5,895	(2,326)	6,069
State	282	(166)	433
	<u>6,177</u>	<u>(2,492)</u>	<u>6,502</u>
	<u>\$ 65,762</u>	<u>\$ 51,779</u>	<u>\$ 39,706</u>

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A reconciliation of income tax expense computed at statutory tax rates compared to effective income tax rates was as follows:

	Year Ended December 31,		
	2004	2003	2002
Statutory rate	35.0%	35.0%	35.0%
State income tax effect	1.0%	1.1%	1.6%
Other	0.8%	0.9%	0.0%
	<u>36.8%</u>	<u>37.0%</u>	<u>36.6%</u>

Significant temporary differences between reported financial and taxable earnings that give rise to deferred tax assets and liabilities were as follows:

	December 31,	
	2004	2003
Deferred tax assets:		
Allowance for doubtful accounts	\$ 3,217	\$ 4,045
Benefit plans	1,643	642
Accrued expenses	1,419	1,304
Total deferred tax assets	<u>6,279</u>	<u>5,991</u>
Deferred tax liabilities:		
Depreciation and amortization	\$ 38,775	\$ 43,706
Prepaid expenses	3,048	—
Cost Recovery	3,458	—
Foreign currency translation	213	618
Total deferred tax liabilities	<u>45,494</u>	<u>44,324</u>
Net deferred tax liability	<u>\$ 39,215</u>	<u>\$ 38,333</u>

The deferred tax assets at December 31, 2004 and 2003 were included in other current assets. Deferred tax liabilities at December 31, 2004 and 2003 were included in other accrued liabilities.

In 2004, 2003, and 2002, income tax benefits attributable to employee stock option transactions of \$6,221, \$4,244 and \$4,149, respectively were allocated to shareholders' equity.

In preparing our tax returns, we are required to interpret complex tax laws and regulations. On an ongoing basis, we are subject to examinations by federal and state tax authorities that may give rise to different interpretations of these complex laws and regulations. Due to the nature of the examination process, it generally takes years before these examinations are completed and matters are resolved. At year-end, we believe the aggregate amount of any additional tax liabilities that may result from these examinations, if any, will not have a material adverse effect on our financial condition, results of operations or cash flows.

10. Off-Balance Sheet Arrangements

In addition to the synthetic lease agreement discussed in Note 5, we, through our wholly-owned subsidiary Attention, LLC, established a \$20,000 revolving financing facility with a third-party specialty

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lender and capitalized a consolidated special purpose entity ("SPE") for the sole purpose of purchasing defaulted accounts receivable portfolios. These assets will be purchased by Attention, transferred to the SPE and sold to a non-consolidated qualified special purpose entity ("QSPE").

We will perform collection services on the receivable portfolios for a fee, recognized when cash is received. The SPE and the third party lender will also be entitled to a portion of the profits of the QSPE to the extent cash flows from collections are greater than amounts owed by the QSPE, after repayment of all servicing fees, loan expense and return of capital. At December 31, 2004, the SPE had a note receivable from the QSPE for \$1,578. Also, at December 31, 2004, \$2,648 of the \$20,000 revolving financing facility had been utilized.

During 2004 we amended this financing facility. We agreed to finance under the amended facility the purchase of \$60,000 in receivable portfolios over the next three years as follows: \$10,000 by July 31, 2005, \$25,000 of cumulative purchases by July 31, 2006 and the balance by July 31, 2007. Pursuant to this facility, we will be required to finance a minimum of \$12,000 of the purchases and the third party lender will finance the remainder of the purchases on a non-recourse basis. In certain circumstances, we may extend the three year period to four years. The QSPE will be funded through an interest bearing note issued to the third party specialty lender for 80% of each purchase and a 20% contribution from us for each purchase. The note to the third party lender is collateralized by the assets of the QSPE. In addition, we have pledged our interest in the QSPE to the third party lender to the extent cash flows generated by the portfolios cannot repay amounts owed for interest and principle due to the third party lender.

11. Employee Benefits and Incentive Plans

We have a 401(k) plan, which covers substantially all employees twenty-one years of age or older who will also complete a minimum of 1,000 hours of service in each calendar year. Under the plan, we match 50% of employees' contributions up to 14% of their gross salary if the employee satisfies the 1,000 hours of service requirement during the calendar year. Our matching contributions vest 25% per year beginning after the second service anniversary date. The matching contributions are 100% vested after the employee has attained five years of service. Total employer contributions under the plan were \$2,484, \$2,741 and \$1,634 for the years ended December 31, 2004, 2003 and 2002, respectively. The 401(k) plans of Tel Mark Sales, Inc., Attention, LLC and InterCall, Inc. were merged into our 401(k) plan in 2003. The Dakota Direct II, LLC 401(k) plan was merged into our plan during 2002.

We maintain a grantor trust under the West Corporation Executive Retirement Savings Plan ("Trust"). The principal of the Trust, and any earnings thereon shall be held separate and apart from our other funds and shall be used exclusively for the uses and purposes of plan participants and general creditors. Participation in the Trust is voluntary and is restricted to highly compensated individuals as defined by the Internal Revenue Service. We will match 50% of employee contributions, limited to the same maximums as those of the 401(k) plan. Our total contributions under the plan were \$644, \$599 and \$428 for the years ended December 31, 2004, 2003 and 2002.

Effective January 2003, we established our Nonqualified Deferred Compensation Plan (the "Deferred Compensation Plan"). Pursuant to the terms of the Deferred Compensation Plan, eligible management, non-employee directors or highly compensated employees may elect to defer a portion of their compensation and have such deferred compensation invested in the same investments made available to participants of the 401(k) plan or notionally in our Common Stock ("Common Shares"). We match 50% of any amounts notionally invested in Common Shares, where matched amounts are subject to a five-year vesting schedule with 20% vesting each year. The Deferred Compensation Plan and any earnings thereon shall be held separate and apart from our other funds and shall be used exclusively for the uses and purposes of plan participants and

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general creditors. Our total contributions under the plan were \$655 and \$478 for the years ended December 31, 2004 and 2003.

In June 2002, we amended our 1996 Stock Incentive Plan (the "Plan"), which authorizes the grant to our employees, consultants and non-employee directors of options to purchase Common Shares, as well as other incentive awards based on the Common Shares. Awards covering a maximum of 12,499,500 Common Shares may be granted under the Plan. The expiration date of the Plan, after which no awards may be granted, is September 24, 2006. However, the administration of the Plan shall continue in effect until all matters relating to the payment of options previously granted have been settled.

The following table presents the activity of the stock options for each of the fiscal years ended December 31, 2004, 2003 and 2002 and the stock options outstanding at the end of the respective fiscal years:

	<u>Stock Option Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at January 1, 2002	5,198,240	\$ 11.4626
Granted	338,000	23.1665
Canceled	(279,165)	9.9765
Exercised	(876,619)	9.7803
Outstanding at December 31, 2002	4,380,456	12.7981
Granted	2,797,973	19.9348
Canceled	(119,331)	15.7876
Exercised	(830,116)	9.9879
Outstanding at December 31, 2003	6,228,982	16.3210
Granted	1,764,001	25.6800
Canceled	(135,141)	22.7600
Exercised	(1,085,984)	13.4200
Outstanding at December 31, 2004	<u>6,771,858</u>	<u>\$ 19.1000</u>
Shares available for future grants at December 31, 2004	<u>947,408</u>	

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The following table summarizes information about our employee stock options outstanding at December 31, 2004:

Range of Exercise Prices	Stock Option Shares Outstanding	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price	Stock Option Shares Exercisable	Weighted Average Exercise Price
\$ 8.00 - \$ 9.68	4,000	4.4	\$ 8.00	4,000	\$ 8.00
\$ 9.69 - 12.648	1,840,998	4.7	\$ 9.73	1,747,898	\$ 9.74
\$12.6481 - 15.81	135,075	8.1	\$ 14.15	60,189	\$ 14.17
\$15.82 - 18.972	1,614,873	8.1	\$ 17.68	297,072	\$ 17.96
\$18.973 - 22.134	136,630	6.5	\$ 20.86	97,910	\$ 20.88
\$22.135 - 25.296	1,870,131	8.8	\$ 24.33	217,788	\$ 23.86
\$25.2961 - 28.458	677,333	7.8	\$ 26.39	260,311	\$ 26.38
\$28.459 - 31.62	492,818	9.4	\$ 29.75	31,019	\$ 31.62
\$ 8.00 - \$31.62	<u>6,771,858</u>	<u>7.4</u>	<u>\$ 19.10</u>	<u>2,716,187</u>	<u>\$ 14.11</u>

During May 1997, we and our stockholders adopted the 1997 Employee Stock Purchase Plan (the "1997 Stock Purchase Plan"). The 1997 Stock Purchase Plan provides employees an opportunity to purchase Common Shares through annual offerings. Each employee participating in any offering is granted an option to purchase as many full Common Shares as the participating employee may elect so long as the purchase price for such Common Shares does not exceed 10% of the compensation received by such employee from us during the annual offering period or 1,000 Common Shares. The purchase price is to be paid through payroll deductions. The purchase price for each Common Share is equal to 100% of the fair market value of the Common Share on the date of the grant, determined by the average of the high and low NASDAQ National Market quoted market price. On the last day of the offering period, the option to purchase Common Shares becomes exercisable. If at the end of the offering, the fair market value of the Common Shares is less than 100% of the fair market value at the date of grant, then the options will not be deemed exercised and the payroll deductions made with respect to the options will be applied to the next offering unless the employee elects to have the payroll deductions withdrawn from the 1997 Stock Purchase Plan. The maximum number of Common Shares available for sale under the 1997 Stock Purchase Plan was 1,965,532 Common Shares. In accordance with its terms, the 1997 Stock Purchase Plan expired on June 30, 2002.

During June 2002, we adopted the 2002 Employee Stock Purchase Plan (The "2002 Stock Purchase Plan"). The terms of the 2002 Stock Purchase Plan are substantially the same as the terms of the 1997 Stock Purchase Plan described above. The purchase price for each Common Share is equal to 100% of the fair market value of the Common Share on the date of the grant, determined by the average of the high and low NASDAQ National Market quoted market price (\$26.51 at July 1, 2004). No shares were issued under the plan in 2004. On June 30, 2003, 28,170 shares were issued under the plan. After this distribution the maximum number of Common Shares available for sale under the 2002 Stock Purchase Plan was 1,937,362 Common Shares.

12. Commitments and Contingencies

From time to time, we are subject to lawsuits and claims which arise out of our operations in the normal course of our business. West Corporation and certain of our subsidiaries are defendants in various litigation matters in the ordinary course of business, some of which involve claims for damages that are substantial in

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amount. We believe, except for the items discussed below for which we are currently unable to predict the outcome, the disposition of claims currently pending will not have a material adverse effect on our financial position, results of operations or cash flows.

Sanford v. West Corporation et al., No. GIC 805541, was filed February 13, 2003 in the San Diego County, California Superior Court. The original complaint alleged violations of the California Consumer Legal Remedies Act, Cal. Civ. Code §§ 1750 et seq., unlawful, fraudulent and unfair business practices in violation of Cal. Bus. & Prof. Code §§ 17200 et seq., untrue or misleading advertising in violation of Cal. Bus. & Prof. Code §§ 17500 et seq., and common law claims for conversion, unjust enrichment, fraud and deceit, and negligent misrepresentation, and sought monetary damages, including punitive damages, as well as restitution, injunctive relief and attorneys fees and costs. The complaint was brought on behalf of a purported class of persons in California who were sent a Memberworks, Inc. (“MWI”) membership kit in the mail, were charged for an MWI membership program, and were allegedly either customers of what the complaint contended was a joint venture between MWI and West Corporation (“West”) or West Telemarketing Corporation (“WTC”) or wholesale customers of West or WTC. WTC and West filed a demurrer in the trial court on July 7, 2004. The court sustained the demurrer as to all causes of action in plaintiff’s complaint, with leave to amend. WTC and West received an amended complaint and filed a renewed demurrer. The Court on January 24, 2005 entered an order sustaining West and WTC’s demurrer with respect to five of the seven causes of action including all causes of action that allow punitive damages.

Plaintiffs had previously filed a complaint in the United States District Court for the Southern District of California against WTC and West and MemberWorks Incorporated alleging, among other things, claims under 39 U.S.C. § 3009. The federal court dismissed the federal claims against WTC and West and declined to exercise supplemental jurisdiction over the remaining state law claims. Plaintiff proceeded to arbitrate her claims with MemberWorks Incorporated and refiled her claims as to WTC and West in the Superior Court of San Diego County, California. Plaintiff in the state action has contended in her pleadings that the order of dismissal in federal court was not a final order and that the federal case is still pending. The District Court on December 30, 2004 affirmed the arbitration award between plaintiff and Memberworks Incorporated. Plaintiff filed a Notice of Appeal on January 28, 2005. WTC and West are currently unable to predict the outcome or reasonably estimate the possible loss, if any, or range of losses associated with these claims.

Brandy L. Ritt, et al. v. Billy Blanks Enterprises, et al. was filed in January 2001 in the Court of Common Pleas in Cuyahoga County, Ohio, against two of West’s clients. The suit, a purported class action, was amended for the third time in July 2001 and West Corporation was added as a defendant at that time. The suit, which seeks statutory, compensatory, and punitive damages as well as injunctive and other relief, alleges violations of various provisions of Ohio’s consumer protection laws, negligent misrepresentation, fraud, breach of contract, unjust enrichment and civil conspiracy in connection with the marketing of certain membership programs offered by West’s clients. On February 6, 2002, the court denied the plaintiffs’ motion for class certification. On July 21, 2003, the Ohio Court of Appeals reversed and remanded the case to the trial court for further proceedings. The plaintiffs have filed a Fourth Amended Complaint naming West Telemarketing Corporation as an additional defendant and a renewed motion for class certification. One of the defendants, NCP Marketing Group, filed bankruptcy and on July 12, 2004 removed the case to federal court. Plaintiffs have filed a motion to remand the case back to state court. All defendants opposed that motion. In addition, one of the defendants moved to transfer the case from the United States District Court for the Northern District of Ohio to the Bankruptcy Court in Nevada. Plaintiffs objected to the transfer. On October 29, 2004, the district court referred the case to the Bankruptcy Court for the Northern District of Ohio. It is uncertain when the case will be tried. West Corporation and West Telemarketing Corporation are currently unable to predict the outcome or reasonably estimate the possible loss, if any, or range of losses associated with this claim.

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13. Business Segments

We operate in three segments, Communication Services, Conferencing Services and Receivables Management. These segments are consistent with our management of the business and operating focus. Previously, the financial results of Attention were included in the Communication Services segment. With the acquisition of Worldwide, the financial results of Attention are included with Worldwide in the Receivables Management segment. Prior period segment disclosures have been reclassified to reflect this change.

Communication Services is composed of agent-based (dedicated agent services, shared agent services, and business services), and automated services. Conferencing Services is composed of audio, video and web conferencing services. Receivables Management is composed of contingent/ third party collection services, governmental collection services, first party collection services, commercial collections and purchasing and collecting of charged-off consumer debt. The following year-to-date results for 2004 include Worldwide and ECI from the dates of acquisition, August 1, 2004 and December 1, 2004, respectively. The following year-to-date results for 2003 include InterCall and ConferenceCall.com from their dates of acquisition, May 9, 2003 and November 1, 2003, respectively.

	For the Year Ended December 31,		
	2004	2003	2002
Revenue:			
Communication Services	\$ 817,718	\$ 794,043	\$ 808,276
Conferencing Services	302,469	160,796	n/a
Receivables Management	99,411	34,134	12,389
Intersegment eliminations	(2,215)	(632)	—
Total	<u>\$ 1,217,383</u>	<u>\$ 988,341</u>	<u>\$ 820,665</u>
Operating Income:			
Communication Services	\$ 105,638	\$ 109,981	\$ 105,500
Conferencing Services	67,264	33,180	n/a
Receivables Management	14,989	(52)	1,003
Total	<u>\$ 187,891</u>	<u>\$ 143,109</u>	<u>\$ 106,503</u>
Depreciation and Amortization (Included in Operating Income):			
Communication Services	\$ 64,426	\$ 65,210	\$ 60,411
Conferencing Services	29,593	18,576	n/a
Receivables Management	6,166	2,680	1,372
Total	<u>\$ 100,185</u>	<u>\$ 86,466</u>	<u>\$ 61,783</u>
Capital Expenditures:			
Communication Services	\$ 41,871	\$ 31,007	\$ 45,690
Conferencing Services	13,440	5,710	n/a
Receivables Management	2,396	1,157	174
Corporate	2,179	8,378	14,185
Total	<u>\$ 59,886</u>	<u>\$ 46,252</u>	<u>\$ 60,049</u>

WEST CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(Dollars in Thousands Except Per Share Amounts)

	As of December 31, 2004	As of December 31, 2003	As of December 31, 2002
Assets:			
Communication Services	\$ 370,527	\$ 380,821	\$ 441,588
Conferencing Services	549,540	501,826	n/a
Receivables Management	271,977	69,903	67,180
Corporate	79,162	63,313	162,054
Total	<u>\$ 1,271,206</u>	<u>\$ 1,015,863</u>	<u>\$ 670,822</u>

There are no material revenues, or assets outside the United States.

For the years ended December 31, 2004, 2003 and 2002, our largest 100 clients represented 69%, 77% and 89% of total revenue. We had one customer, AT&T, who accounted for 9% of total revenue for the year ended December 31, 2004 and 15% and 19% of total revenue for the years ended December 31, 2003 and 2002, respectively.

14. Concentration of Credit Risk

Our accounts receivable subject us to the potential for credit risk with our customers. At December 31, 2004, three customers accounted for \$38,792 or 18.9% of gross accounts receivable, compared to \$56,231, or 34.8% of gross receivables at December 31, 2003. We perform ongoing credit evaluations of our customers' financial condition. We maintain an allowance for doubtful accounts for potential credit losses based upon historical trends, specific collection problems, historical write-offs, account aging and other analysis of all accounts and notes receivable. As of February 7, 2005, \$30,968 of the \$38,792 of the December 31, 2004 gross accounts receivable, noted above had been collected.

WEST CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(Dollars in Thousands Except Per Share Amounts)

15. Supplemental Cash Flow Information

The following table summarizes supplemental information about our cash flows for the years ended December 31, 2004, 2003 and 2002:

	Years Ended December 31,		
	2004	2003	2002
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for interest	\$ 8,680	\$ 4,744	\$ 2,286
Cash paid during the period for income taxes	\$ 48,778	\$ 42,749	\$ 29,709
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:			
Acquisition of property through assumption of long-term obligations	\$ —	\$ —	\$ 16,138
Future obligation related to acquisitions	\$ 3,669	\$ 2,170	\$ 24,252
Acquisition of minority interest in subsidiary	\$ —	\$ 3,129	\$ —
Restricted stock issued in the purchase of minority interest in a subsidiary	\$ —	\$ 2,418	\$ —
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:			
Issuance of restricted stock	\$ 1,000	\$ —	\$ 1,346

16. Quarterly Results of Operations (Unaudited)

The following is the summary of the unaudited quarterly results of operations for the two years ended December 31, 2004 and 2003.

	Three Months Ended			
	March 31, 2004	June 30, 2004	September 30, 2004	December 31, 2004
Revenue	\$ 289,368	\$ 283,684	\$ 307,613	\$ 336,718
Cost of services	125,934	123,550	137,858	154,637
Gross Profit	163,434	160,134	169,755	182,081
Net income	\$ 27,427	\$ 26,755	\$ 28,511	\$ 30,478
Earnings per common share:				
Basic	\$ 0.41	\$ 0.40	\$ 0.42	\$ 0.45
Diluted	\$ 0.40	\$ 0.39	\$ 0.41	\$ 0.43

WEST CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(Dollars in Thousands Except Per Share Amounts)

	Three Months Ended			
	March 31, 2003	June 30, 2003	September 30, 2003	December 31, 2003
Revenue	\$ 216,186	\$ 237,559	\$ 263,551	\$ 271,045
Cost of services	103,262	106,224	112,804	117,970
Gross Profit	112,924	131,335	150,747	153,075
Net income	\$ 20,095	\$ 20,861	\$ 24,368	\$ 22,552
Earnings per common share:				
Basic	\$ 0.30	\$ 0.31	\$ 0.37	\$ 0.34
Diluted	\$ 0.30	\$ 0.30	\$ 0.35	\$ 0.33

**WEST CORPORATION AND SUBSIDIARIES
CONSOLIDATED VALUATION ACCOUNTS
THREE YEARS ENDED DECEMBER 31, 2004**

<u>Description</u>	<u>Balance Beginning of Year</u>	<u>Reserves Obtained with Acquisitions</u>	<u>Additions — Charged to Cost and Expenses</u>	<u>Deductions — Amounts Charged-Off</u>	<u>Balance End of Year</u>
	(Amounts in thousands)				
December 31, 2004 — Allowance for doubtful accounts — Accounts and notes receivable	\$ 11,208	\$ 1,107	\$ 5,706	\$ 7,999	\$ 10,022
December 31, 2003 — Allowance for doubtful accounts — Accounts and notes receivable	\$ 6,139	\$ 2,007	\$ 9,979	\$ 6,917	\$ 11,208
December 31, 2002 — Allowance for doubtful accounts — Accounts and notes receivable	\$ 9,893	\$ 155	\$ 24,487	\$ 28,396	\$ 6,139

The year end balance in the allowance for doubtful accounts — accounts and notes receivable (current) for the years ended 2004, 2003 and 2002 was \$10,022, \$9,131 and \$5,139, respectively. The year end balance in the allowance for doubtful accounts — long-term notes receivable for the years ended 2004, 2003 and 2002 was \$0, \$2,077 and \$1,000, respectively.

EXHIBIT INDEX

Exhibits identified in parentheses below, on file with the SEC are incorporated by reference into this report.

Exhibit Number	Description	Sequential Page Number
2.01	Purchase Agreement, dated as of July 23, 2002, by and among the Company, Attention, LLC, the sellers and the sellers' representative named therein (incorporated by reference to Exhibit 2.1 to Form 8-K dated August 2, 2002)	*
2.02	Agreement and Plan of Merger, dated as of March 27, 2003, by and among West Corporation, Dialing Acquisition Corp., ITC Holding Company, Inc. and, for purposes of Sections 3.6, 4.1 and 8.13 and Articles 11 and 12 only, the Stockholder Representative (incorporated by reference to Exhibit 2.1 to Form 8-K dated April 1, 2003)	*
2.03	Purchase Agreement, dated as of July 22, 2004, by and among Worldwide Asset Management, LLC; National Asset Management Enterprises, Inc.; Worldwide Asset Collections, LLC; Worldwide Asset Purchasing, LLC; BuyDebtCo; The Debt Depot, LLC; Worldwide Assets, Inc., Frank J. Hanna, Jr., Darrell T. Hanna, West Corporation and West Receivable Services, Inc. (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed on August 9, 2004).	
2.04	Purchase Agreement, dated as of July 22, 2004, by and among Asset Direct Mortgage, LLC, Frank J. Hanna, Jr., Darrell T. Hanna and West Corporation (incorporated by reference to Exhibit 2.2 to Current Report on Form 8-K filed on August 9, 2004).	
3.01	Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 99.02 to Form 8-K dated December 29, 2001)	*
3.02	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.01 to Form 8-K dated February 16, 2005)	*
10.01	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.01 to Registration Statement under Form S-1 (Amendment No. 1) dated November 12, 1996, File No. 333-13991)	*
10.02	Amended and Restated 1996 Stock Incentive Plan	*
10.03	Employment Agreement between the Company and Thomas B. Barker dated January 1, 1999, as amended February 11, 2005	**
10.04	Employment Agreement between the Company and Paul M. Mendlik dated November 4, 2002, as amended February 11, 2005	**
10.05	Stock Redemption Agreement, dated April 9, 1996, by and among Gary L. West and Mary E West (incorporated by reference to Exhibit 10.11 to Registration Statement under Form S-1 (Amendment No. 1) dated November 12, 1996, File No. 333-13991)	*
10.06	Assignment and Assumption Agreement, dated as of November 12, 1996, by and among Gary L. West, Mary E. West and the Company (incorporated by reference to Exhibit 10.12 to Registration Statement under Form S-1 (Amendment No. 2) dated November 21, 1996, File No. 333-13991)	*
10.07	Lease, dated September 1, 1994, by and between West Telemarketing Corporation and 99-Maple Partnership, amended December 10, 2003	*
10.08	Employment Agreement between the Company and Nancee R. Berger, dated January 1, 1999, as amended February 11, 2005	**
10.09	Amended and Restated Employee Stock Purchase Plan	*
10.10	Employment Agreement between the Company and Mark V. Lavin dated July 1, 1999, as amended February 11, 2005	**
10.11	Employment Agreement between the Company and Steven M. Stangl dated January 1, 1999, as amended February 11, 2005	**
10.12	Employment Agreement between the Company and Michael M. Sturgeon, dated January 1, 1999, as amended February 11, 2005	**

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Exhibit Number	Description	Sequential Page Number
10.13	Employment Agreement between the Company and Jon R. (Skip) Hanson, dated October 4, 1999, as amended February 11, 2005	**
10.14	Employment Agreement between West Direct, Inc. and Todd B. Strubbe, dated July 30, 2001, as amended February 11, 2005	**
10.15	Employment Agreement between the Company and Michael E. Mazour, dated January 9, 2004 as amended February 11, 2005	**
10.16	Restricted Stock Agreement between the Company and Paul M. Mendlik dated September 12, 2002 (incorporated by reference to Exhibit 10.02 to Form 10-Q dated November 4, 2002)	*
10.17	Amended and Restated Nonqualified Deferred Compensation Plan	*
10.18	Employment Agreement between the Company and Joseph Scott Etzler, dated May 7, 2003, as amended February 11, 2005	**
10.19	Amended and Restated Credit Agreement, dated November 15, 2004, among the Company and Wachovia Bank National Association as Administrative Agent and the banks named therein	**
10.20	Employment Agreement between the Company and James F. Richards, dated July 23, 2002, as amended February 11, 2005	**
10.21	Participation Agreement, dated May 9, 2003, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein (incorporated by reference to Exhibit 10.22 to Form 10-K filed on March 8, 2004)	*
10.22	First amendment to the Participation Agreement, dated October 31, 2003, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein (incorporated by reference to Exhibit 10.23 to Form 10-K filed on March 8, 2004)	*
10.23	Second amendment to the Participation Agreement, dated January 22, 2004, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein (incorporated by reference to Exhibit 10.24 to Form 10-K filed on March 8, 2004)	*
10.24	Third amendment to the Participation Agreement, dated August 9, 2004, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein	**
10.25	Fourth amendment to the Participation Agreement, dated November 15, 2004, among West Facilities Corporation, Wachovia Development Corporation and Wachovia Bank, National Association as Agent for the Secured Parties and the banks named therein	**
21.01	Subsidiaries	**
23.01	Consent of Deloitte & Touche LLP	**
31.01	Certification pursuant to 15 U.S.C. section 7241 as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002	**
31.02	Certification pursuant to 15 U.S.C. section 7241 as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002	**
32.01	Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002	**
32.02	Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002	**

* Indicates that the page number for such item is not applicable.

** Filed herewith

(WEST (R) LOGO)

TO: THOMAS B. BARKER
FROM: WSTC COMP. COMMITTEE
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as Chief Executive Officer for West Corporation is outlined below:

1. Your base salary will be \$750,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. Effective January 1, 2005, you will be eligible to receive a performance bonus based on consolidated net income growth for West Corporation in 2005. Net income for each quarter will be compared to the same quarter in the previous year. Non cash expenses resulting from expensing options as a result of any amendments to FASB123 will be excluded from this calculation. Each \$1M increase of Net Income over 2004 Net Income will result in a \$60,000 bonus. 75% of the quarterly bonus earned will be paid within thirty (30) days from the end of the quarter. 100% of the total bonus earned will be paid within thirty (30) days of the final determination of 2005 Net Income.

Should Net Income exceed \$130M for the year, you will eligible to receive \$75,000 for every \$1M of Net Income above that threshold.

Please note that if there is a negative year-to date profit calculation at the end of any quarter, this will result in a "loss carry forward" to be applied to the next quarterly or year-to-date calculation.

3. All Net Income objectives are based upon West Corporation operations and will not include net income derived from mergers or acquisitions unless specifically and individually approved by West Corporation's Compensation Committee.
4. At the discretion of management, you may receive an additional bonus based on the Company's and your individual performance.
5. Your Compensation Plan for the year 2006 will be presented in December, 2005.
6. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Thomas B. Barker

Employee - Thomas B. Barker

(WEST (R) LOGO)

TO: PAUL M. MENDLIK
FROM: TOM BARKER
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as Chief Financial Officer for West Corporation is outlined below:

1. Your base salary will be \$385,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. Effective January 1, 2005, you will be eligible to receive a performance bonus based on consolidated net income growth for West Corporation in 2005. Net income for each quarter will be compared to the same quarter in the previous year. Non cash expenses resulting from expensing options as a result of any amendments to FASB123 will be excluded from this calculation. Each \$1M increase of Net Income over 2004 Net Income will result in a \$12,500 bonus. 75% of the quarterly bonus earned will be paid within thirty (30) days from the end of the quarter. 100% of the total bonus earned will be paid within thirty (30) days of the final determination of 2005 Net Income.

Should Net Income exceed \$130M for the year, you will eligible to receive \$15,625 for every \$1M of Net Income above that threshold.

Please note that if there is a negative year-to date profit calculation at the end of any quarter, this will result in a "loss carry forward" to be applied to the next quarterly or year-to-date calculation.

3. All Net Income objectives are based upon West Corporation operations and will not include net income derived from mergers or acquisitions unless specifically and individually approved by West Corporation's Compensation Committee.
4. At the discretion of management, you may receive an additional bonus based on the Company's and your individual performance.
5. Your Compensation Plan for the year 2006 will be presented in December, 2005.
6. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Paul M. Mendlik

Employee - Paul M. Mendlik

(WEST (R) LOGO)

TO: NANCEE R. BERGER
FROM: WSTC COMP. COMMITTEE
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as President and Chief Operating Officer for West Corporation is outlined below:

1. Your base salary will be \$500,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. Effective January 1, 2005, you will be eligible to receive a performance bonus based on consolidated net income growth for West Corporation in 2005. Net income for each quarter will be compared to the same quarter in the previous year. Non cash expenses resulting from expensing options as a result of any amendments to FASB123 will be excluded from this calculation. Each \$1M increase of Net Income over 2004 Net Income will result in a \$40,000 bonus. 75% of the quarterly bonus earned will be paid within thirty (30) days from the end of the quarter. 100% of the total bonus earned will be paid within thirty (30) days of the final determination of 2005 Net Income.

Should Net Income exceed \$130M for the year, you will eligible to receive \$50,000 for every \$1M of Net Income above that threshold.

Please note that if there is a negative year-to date profit calculation at the end of any quarter, this will result in a "loss carry forward" to be applied to the next quarterly or year-to-date calculation.

3. All Net Income objectives are based upon West Corporation operations and will not include net income derived from mergers or acquisitions unless specifically and individually approved by West Corporation's Compensation Committee.
4. At the discretion of management, you may receive an additional bonus based on the Company's and your individual performance.
5. Your Compensation Plan for the year 2006 will be presented in December, 2005.
6. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Nancee R. Berger

Employee - Nancee R. Berger

(WEST (R) LOGO)

TO: MARK V. LAVIN
FROM: STEVE STANGL
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as President of West Telemarketing, LP, including COS and DR, is outlined below:

1. Your base salary will be \$250,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. You are eligible to receive up to a \$250,000 annual performance bonus for meeting your plan objective in Net Operating Income before corporate allocations. The percent of plan achieved will apply to this bonus calculation, but will not exceed a total of \$250,000 for the year. Up to \$46,875 of this bonus will be available to be paid quarterly and trueed up annually.
3. You are also eligible to receive an additional bonus for Net Operating Income before corporate allocations in excess of your plan objectives. The bonus will be calculated by multiplying the excess Net Operating Income before corporate allocation times .02. This bonus will be calculated at the end of the 2005 plan year and will be paid no later than February 28, 2006.
4. Two significant financial statement factors must be achieved in 2005. Each has a \$25,000 bonus available for achieving the following:
 - 1.) West Telemarketing, LP "Gross Margin" at or exceeding 45%.
 - 2.) West Telemarketing, LP "Net Operating Income" after corporate allocations at or exceeding 13.5%.
5. In addition, if West Corporation achieves its publicly stated 2005 Net Income range provided in December 2004, you will be eligible to receive an additional one-time bonus of \$50,000. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
6. You will be paid the amount due for any quarterly bonuses within thirty (30) days after the quarter ends, except for the 4th Quarter and annual true-up amounts which will be paid no later than February 28, 2006.
7. All objectives are based upon West Telemarketing, LP and West Corporation operations and will not include profit and income derived from mergers, acquisitions, joint ventures, stock buybacks or other non-operating income unless specifically and individually approved by West Corporation's Compensation Committee.
8. At the discretion of executive management, you may also receive an additional bonus based on your individual performance. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
9. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Mark V. Lavin

Employee - Mark V. Lavin

(WEST (R) LOGO)

TO: STEVEN M. STANGL
FROM: NANCEE BERGER
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed by West Corporation as President of West Communication Services (West Telemarketing, LP, West Business Services, LP, West Interactive Corporation, West Direct, Inc.), is outlined below:

1. Your base salary will be \$325,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. You will also be eligible to earn up to \$300,000 for achieving the pre-tax Net Income plan for the Communication Services division. The percent of plan achieved will apply to the bonus calculation, but will not exceed a total of \$300,000. Up to \$56,250 of this bonus will be available to be paid quarterly and trued up annually.
3. You are also eligible to receive an additional bonus for Net Operating Income in excess of the plan. The bonus will be calculated by multiplying the excess Net Operating Income after corporate allocations times .02. This bonus will be calculated at the end of the 2005 plan year and will be paid no later than February 28, 2006.
4. In addition, if West Corporation achieves its 2005 Net Income range provided in December 2004, you will be eligible to receive an additional one-time bonus of \$75,000. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
4. You will be paid the amount due for any quarterly bonuses within thirty (30) days after the quarter ends, except for the 4th Quarter and annual true-up amounts which will be paid no later than February 28, 2006.
5. All objectives are based upon West Corporation operations and will not include profit and income derived from mergers, acquisitions, joint ventures, stock buy backs or other non-operating income unless specifically and individually approved by the West Corporation Compensation Committee.
7. At the discretion of executive management, you may also receive an additional bonus based on your individual performance. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
8. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting

term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Steven M. Stangl

Employee - Steven M. Stangl

(WEST (R) LOGO)

TO: MIKE STURGEON
 FROM: NANCEE BERGER
 DATE: FEBRUARY 11, 2005
 RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as Executive Vice-President of Sales and Marketing for West Corporation is outlined below:

1. Your base salary will be \$235,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. You are eligible to receive up to a \$200,000 annual performance bonus for West's Communication Services and West Asset Management (Consumer, Commercial and 1st Party Collections only) aggregate revenue achieving plan of \$936M. The percent of plan achieved will apply to the bonus calculation provided a minimum of 85% or \$796M is achieved. This bonus will not exceed \$200,000. Up to \$37,500 of this bonus will be available to be paid quarterly and the total bonus will be trued up at the end of the year. Revenue dollars which exceed the plan amount stated above will be bonused at a rate factor of .0045. The excess bonus will be calculated at the end of 2005 and will be paid no later than February 28, 2006.
3. You may also receive a quarterly performance bonus for three specific revenue goals as outlined below. These specific revenue growth bonuses will be calculated by applying year-to-date growth times the rate factor indicated on the schedules below:

RATE FACTOR

- | | | |
|---|--|------|
| - | 2005 West Asset Management, Inc. Revenue Growth Bonus
(schedule attached) | |
| | Up to \$10M of revenue growth | .005 |
| | \$10M+ | .01 |
| - | 2005 Home Agent Revenue Growth Bonus. | |
| | Revenue Growth | .01 |
| | (not to include any West-designated DR transactions) | |
| - | 2005 West Interactive Corporation Growth Bonus | |
| | (no Account Services included in either year) | .02 |
4. Bonuses will not be combined nor netted with any other bonus outlined in this compensation plan. A maximum of 75% of each bonus calculation will be paid thirty (30) days after the end of the quarter. A negative quarterly calculation will result in a loss carry forward and will be trued up each quarter and the total (100%) bonus true up will occur at the year end 2005 and will be paid no later than February 28, 2006.
 5. In addition, if West Corporation achieves its publicly stated 2005 Net Income range provided in December 2004, you will be eligible to receive an additional one-time bonus of \$50,000. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
 6. All objectives are based upon West Corporation operations and will not include revenue derived from mergers, acquisitions, joint ventures, stock buy backs or other non-operating income unless specifically and individually approved by West Corporation's Compensation Committee.

7. At the discretion of executive management, you may also receive an additional bonus based on your individual performance.
8. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Mike Sturgeon

Employee - Mike Sturgeon

SCHEDULE

	2004	2005	GROWTH
	-----	-----	-----
COMMERCIAL	3,600	7,200	100%
FIRST PARTY	1,500	8,000	433%
CONSUMER - ATTENTION	11,100	13,000	17%
CONSUMER - WORLDWIDE	12,000	12,500	4%
	-----	-----	---
	28,200	40,700	44%
	-----	-----	---

(WEST (R) LOGO)

TO: JON (SKIP) HANSON
FROM: NANCEE BERGER
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as Executive Vice President & Chief Administrative Officer for West Corporation is outlined below:

1. Your base salary will be \$225,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. Effective January 1, 2005, you will be eligible to receive a performance bonus based on consolidated net income growth for West Corporation in 2005. Net income for each quarter will be compared to the same quarter in the previous year. Non cash expenses resulting from expensing options as a result of any amendments to FASB123 will be excluded from this calculation. Each \$1M increase of Net Income over 2004 Net Income will result in a \$10,700 bonus. 75% of the quarterly bonus earned will be paid within thirty (30) days from the end of the quarter. 100% of the total bonus earned will be paid within thirty (30) days of the final determination of 2005 Net Income.

Please note that if there is a negative year-to date profit calculation at the end of any quarter, this will result in a "loss carry forward" to be applied to the next quarterly or year-to-date calculation.

3. All Net Income objectives are based upon West Corporation operations and will not include net income derived from mergers or acquisitions unless specifically and individually approved by West Corporation's Compensation Committee.
4. At the discretion of management, you may receive an additional bonus based on the Company's and your individual performance.
5. Your Compensation Plan for the year 2006 will be presented in December, 2005.
6. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Skip Hanson

Employee - Jon (Skip) Hanson

(WEST (R) LOGO)

TO: TODD B. STRUBBE
FROM: STEVE STANGL
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as President of West Direct, Inc. ("WDI") and West Interactive Corporation ("WIC") is outlined below:

1. Your base salary will be \$250,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. You are eligible to receive up to a \$100,000 annual performance bonus for meeting your WDI objective in Net Operating Income before corporate allocations. The percent of plan achieved will apply to this bonus calculation, but will not exceed a total of \$100,000 for the year. Up to \$18,750 of this bonus will be available to be paid quarterly and trued up annually. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
3. You are also eligible to receive up to a \$100,000 annual performance bonus for meeting your WIC objective Net Operating Income before corporate allocations. The percent of plan achievement will apply to this bonus calculation, but will not exceed a total of \$100,000 for the year. Up to \$18,750 of this bonus will be available to be paid quarterly and trued up annually. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
4. You are also eligible to receive an additional bonus for Net Operating Income before corporation allocations in excess of WDI's and/or WIC's plan objectives. The bonus will be calculated by multiplying the respective excess Net Operating Income before corporate allocations times .02. This bonus will be calculated at the end of the 2005 plan year and will be paid no later than February 28, 2006. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
5. In addition, if West Corporation achieves its publicly stated 2005 Net Income range provided in December 2004, you will be eligible to receive an additional one-time bonus of \$50,000. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
6. You will be paid the amount due for any quarterly bonuses within thirty (30) days after the quarter ends, except for the 4th Quarter and annual true-up amounts which will be paid no later than February 28, 2006.
7. All objectives are based upon each company's operations and will not include profit and income derived from mergers, acquisitions, joint ventures, stock buy backs or other non-operating income unless specifically and individually approved by West Corporation's Compensation Committee.
8. At the discretion of executive management, you may also receive an additional bonus based on your individual performance. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
9. The benefit plans, as referenced in Section 7(h), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Todd B. Strubbe

Employee - Todd B. Strubbe

(WEST (R) LOGO)

TO: MICHAEL E. (MICK) MAZOUR
FROM: STEVE STANGL
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as President of West Business Services, LP is outlined below:

1. Your base salary will be \$250,000.00. Should you elect to voluntarily terminate your employment, you will be compensated for your services as an employee through the date of your actual termination per your Employment Agreement.
2. You are eligible to receive up to a \$200,000 annual performance bonus for meeting your plan objective in Net Operating Income before corporate allocations. The percent of plan achievement will apply to this bonus calculation, but will not exceed a total of \$200,000 for the year. Up to \$37,500 of this bonus will be available to be paid quarterly and true-up annually.
3. You are also eligible to receive an additional bonus for Net Operating Income before corporate allocations in excess of your plan objectives. The bonus will be calculated by multiplying the excess Net Operating Income before corporate allocations times .02. This bonus will be calculated at the end of 2005 plan year and will be paid no later than February 28, 2006.
4. In addition, if West Corporation achieves its publicly stated 2005 Net Income range provided in December 2004, you will be eligible to receive an additional one-time bonus of \$50,000. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
5. You will be paid the amount due for any quarterly bonuses within thirty (30) days after the quarter ends, except for the 4th Quarter and annual true-up amounts which will be paid no later than February 28, 2006.
6. All objectives are based upon West Business Services, LP and West Corporation operations and will not include profit and income derived from mergers, acquisitions, joint ventures or other non-operating income unless specifically and individually approved by West Corporation's Compensation Committee.
7. At the discretion of executive management, you may also receive an additional bonus based on your individual performance. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
8. The benefit plans, as referenced in Section 7(i), shall include insurance plans based upon eligibility pursuant to the plans. If the insurance plans do not provide for continued participation, the continuation of benefits shall be pursuant to COBRA. In the event Employee's benefits continue pursuant to COBRA and Employee accepts new employment during the consulting term, Employee may continue benefits thereafter to the extent allowed under COBRA. In no event shall benefits plans include the 401K Plan or the 1996 Stock Incentive Plan.

/s/ Mick Mazour

Employee - Michael E. (Mick) Mazour

(WEST (R) LOGO)

TO: JOSEPH SCOTT ETZLER
FROM: NANCEE BERGER
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN

Your 2005 compensation plan ("Plan Year") for your employment as President for Intercall, Inc. (the "Company"), including ConferenceCall.com and ECI Conference Call Services LLC, for 2005 is as follows:

1. Your base salary will be \$425,000 per year.
2. You may also receive additional bonuses pursuant to Paragraph 3 of your Employment Agreement. The Company intends to calculate those bonuses as follows:
 - a) First, you will be eligible to receive a bonus based upon the Company's results ("Company Profitability Bonus"). The Company intends to calculate this Company Profitability Bonus as follows:
 - 1) The Target Company Profitability Bonus shall be \$350,000.
 - 2) Each cumulative quarter's net operating income for the Company ("Plan Year Company NOI") will be compared to the cumulative budgeted net operating income for the Company for the same period ("Company NOI Budget").
 - 3) The percentage by which the cumulative Plan Year Company NOI exceeds (i.e., a positive percentage) or is less than (i.e., a negative percentage) the cumulative Company NOI Budget shall be the "Company Profit Variance Percentage."
 - 4) Each quarter's cumulative revenue for the Company ("Plan Year Company Revenue") will be compared to the cumulative budgeted revenue for the Company for the same period ("Company Revenue Budget").
 - 5) The percentage by which the cumulative Plan Year Company Revenue exceeds (i.e., a positive percentage) or is less than (i.e., a negative percentage) the cumulative Company Revenue Budget shall be the "Company Revenue Variance Percentage."
 - 6) The sum of one hundred percentage points (100%), plus the product of (i) the average of the Company Profit Variance Percentage and the Company Revenue Variance Percentage, multiplied by (ii) three (3), is the "Company Bonus Factor."
 - 7) The product of the Company Bonus Factor and the Target Company Profitability Bonus, less any amounts paid to you for prior Company Profitability Bonuses during the Plan Year, will be paid to you in the month following each quarter end.
 - b) In no event shall the Company Profitability Bonus exceed \$550,000.
3. In addition, if West Corporation achieves its publicly stated 2005 Net Income range provided in December 2004, you will be eligible to receive an additional one-time bonus of \$50,000. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.
4. All bonus calculations will be based upon the Company's operations and will not include profit and income derived from mergers, acquisitions, joint ventures, stock buybacks, other non-operating income or loss, or financing changes associated with such events unless specifically and individually approved by West Corporation's Compensation Committee

/s/ Joseph Scott Etzler

Employee - Joseph Scott Etzler

\$400,000,000

AMENDED AND RESTATED CREDIT AGREEMENT

among

WEST CORPORATION,
as Borrower

and

CERTAIN DOMESTIC SUBSIDIARIES OF THE BORROWER
FROM TIME TO TIME PARTIES HERETO,
as Guarantors,

THE LENDERS PARTIES HERETO

and

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

U.S. BANK NATIONAL ASSOCIATION
and
WELLS FARGO BANK, NATIONAL ASSOCIATION
as Syndication Agents,

BANK OF AMERICA, N.A.
and
BNP PARIBAS
as Co-Documentation Agents

and

WACHOVIA CAPITAL MARKETS, LLC,
as Lead Arranger and Sole Book Runner

Dated as of November 15, 2004

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AMENDED AND RESTATED CREDIT AGREEMENT, dated as of November 15, 2004, among WEST CORPORATION, a Delaware corporation (the "Borrower"), those Domestic Subsidiaries of the Borrower identified as a "Guarantor" on the signature pages hereto and such other Domestic Subsidiaries of the Borrower as may from time to time become a party hereto (collectively, the "Guarantors"), the several banks and other financial institutions as may from time to time become parties to this Credit Agreement (collectively, the "Lenders"; and individually, a "Lender") and WACHOVIA BANK, NATIONAL ASSOCIATION, as administrative agent for the Lenders hereunder (in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, the Borrower, the guarantors party thereto, the lenders party thereto and Wachovia Bank, National Association, as administrative agent, entered into that certain Credit Agreement, dated as of May 9, 2003, pursuant to which such lenders agreed to provide credit facilities to the Borrower in the aggregate amount of \$325,000,000 (as amended, modified or supplemented prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, the Borrower has requested that the credit facilities provided under the Existing Credit Agreement be increased and restructured and that, in connection therewith, the Existing Credit Agreement be amended and restated in accordance with the terms hereof; and

WHEREAS, the Lenders have agreed to amend and restate the Existing Credit Agreement and to make the loans and other financial accommodations contemplated hereby to the Borrowers on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms.

As used in this Credit Agreement, terms defined in the preamble to this Credit Agreement have the meanings therein indicated, and the following terms have the following meanings:

"Account Designation Letter" shall mean the Notice of Account Designation dated as of the Closing Date from the Borrower to the Administrative Agent substantially in the form attached hereto as Schedule 1.1(a).

"Additional Credit Party" shall mean each Person that becomes a Guarantor by execution of a Joinder Agreement in accordance with Section 5.10.

"Additional Loan" shall have the meaning set forth in Section 2.2.

"Administrative Agent" shall have the meaning set forth in the first paragraph of this Credit Agreement and any successors in such capacity.

"Affiliate" shall mean as to any Person, any other Person (excluding any Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person shall be deemed to be "controlled by" a Person if such Person possesses, directly or indirectly, power either (a) to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors of such Person or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Aggregate Revolving Committed Amount" shall have the meaning set forth in Section 2.1.

"Alternate Base Rate" shall mean, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "Prime Rate" shall mean, at any time, the rate of interest per annum publicly announced from time to time by Wachovia at its principal office in Charlotte, North Carolina as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in the Prime Rate

occurs. The parties hereto acknowledge that the rate announced publicly by Wachovia as its Prime Rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks; and "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published on the next succeeding Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive in the absence of manifest error) that it is unable to ascertain the Federal Funds Effective Rate, for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the first sentence of this definition, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the opening of business on the date of such change.

"Alternate Base Rate Loans" shall mean Loans that bear interest at an interest rate based on the Alternate Base Rate.

"Applicable Percentage" shall mean, for any day, the rate per annum set forth below opposite the applicable level then in effect:

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LEVEL	CONSOLIDATED LEVERAGE RATIO	APPLICABLE PERCENTAGE FOR ALTERNATE BASE RATE LOANS	APPLICABLE PERCENTAGE FOR LIBOR RATE LOANS AND LETTER OF CREDIT FEE	COMMITMENT FEE
I	< 0.50x	0.00%	0.75%	0.15%
II	> or = 0.50x but < 1.00x	0.00%	.875%	0.175%
III	> or = 1.00x but < 1.50x	0.00%	1.00%	0.20%
IV	> or = 1.50x	0.25%	1.25%	0.25%

The Applicable Percentage shall be determined and adjusted quarterly on the date five (5) Business Days after the date on which the Administrative Agent has received from the Borrower the quarterly financial information and certifications required to be delivered to the Administrative Agent and the Lenders in accordance with the provisions of Sections 5.1(b) and 5.2(b) pursuant to which the Borrower notifies the Administrative Agent of a change in the applicable pricing level based on the financial information contained therein (each an "Interest Determination Date"). Such Applicable Percentage shall be effective from such Interest Determination Date until the next such Interest Determination Date. If the Borrower shall fail to provide the quarterly financial information and certifications in accordance with the provisions of Sections 5.1(b) and 5.2(b), the Applicable Percentage from such Interest Determination Date shall, on the date five (5) Business Days after the date by which the Borrower was so required to provide such financial information and certifications to the Administrative Agent and the Lenders, be based on Level IV until such time as such information and certifications are provided, whereupon the Level shall be determined by the then current Consolidated Leverage Ratio.

"Arranger" shall mean Wachovia Capital Markets, LLC.

"Asset Disposition" shall mean the disposition of any or all of the assets (including, without limitation, the Capital Stock of a Subsidiary or any ownership interest in a joint venture) of any Credit Party or any Subsidiary whether by sale, lease, transfer or otherwise. The term "Asset Disposition" shall not include (i) Specified Sales, (ii) the sale, lease or transfer of assets permitted by Section 6.4(a)(iii) or (iv) hereof, or (iii) any Equity Issuance.

"Bankruptcy Code" shall mean the Bankruptcy Code in Title 11 of the United

States Code, as amended, modified, succeeded or replaced from time to time.

"Borrower" shall have the meaning set forth in the first paragraph of this Credit Agreement.

"Borrowing Date" shall mean, in respect of any Loan, the date such Loan is made.

"Business" shall have the meaning set forth in Section 3.10(b).

"Business Day" shall mean a day other than a Saturday, Sunday or other day on which commercial banks in Charlotte, North Carolina or New York, New York are authorized or required by law to close; provided, however, that when used in connection with a rate

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determination, borrowing or payment in respect of a LIBOR Rate Loan, the term "Business Day" shall also exclude any day on which banks in London, England are not open for dealings in Dollar deposits in the London interbank market.

"Capital Lease" shall mean any lease of property, real or personal, the obligations with respect to which are required to be capitalized on a balance sheet of the lessee in accordance with GAAP.

"Capital Stock" shall mean (i) in the case of a corporation, capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company, membership interests and (v) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" shall mean (i) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition ("Government Obligations"), (ii) U.S. dollar denominated (or foreign currency fully hedged or other non-hedged foreign currency in an aggregate amount not to exceed \$5,000,000) time deposits, certificates of deposit, Eurodollar time deposits and Eurodollar certificates of deposit of (x) any domestic commercial bank of recognized standing having capital, surplus and retained earnings in excess of \$250,000,000, (y) any domestic commercial bank having capital and surplus of less than \$250,000,000, provided that no more than \$25,000,000 of such investments shall be deemed "Cash Equivalents" at any time, or (z) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "Approved Bank"), in each case with maturities of not more than 364 days from the date of acquisition, (iii) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six months of the date of acquisition, (iv) repurchase agreements with a bank or trust company (including a Lender) or a recognized securities dealer having capital, surplus and retained earnings in excess of \$500,000,000 for direct obligations issued by or fully guaranteed by the United States of America and (v) obligations of any state of the United States or any political subdivision thereof for the payment of the principal and redemption price of and interest on which there shall have been irrevocably deposited Government Obligations maturing as to principal and interest at times and in amounts sufficient to provide such payment.

"Change of Control" shall mean any Person or two or more Persons acting in concert (other than members of the West Family Group) shall have acquired "beneficial ownership," directly or indirectly, of, or shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of, or control over, Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 50% or more of the combined voting power of all Voting Stock of the Borrower. As used herein,

"beneficial ownership" shall have the meaning provided in Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Closing Date" shall mean the date of this Credit Agreement.

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

"Commitment" shall mean the Revolving Commitment, the LOC Commitment, and the Swingline Commitment, individually or collectively, as appropriate.

"Commitment Fee" shall have the meaning set forth in Section 2.5(a).

"Commitment Percentage" shall mean, for each Lender, the percentage identified as its Commitment Percentage on Schedule 2.1(a), as such percentage may be modified in connection with any assignment made in accordance with the provisions of Section 9.6(c).

"Commitment Period" shall mean the period from and including the Closing Date to but not including the Maturity Date.

"Commitment Transfer Supplement" shall mean a Commitment Transfer Supplement, substantially in the form of Schedule 9.6(c).

"Commonly Controlled Entity" shall mean an entity, whether or not incorporated, which is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the Borrower and which is treated as a single employer under Section 414 of the Code.

"Consolidated Capital Expenditures" shall mean, for any period, all capital expenditures of the Consolidated Group on a consolidated basis for such period, as determined in accordance with GAAP. The term "Consolidated Capital Expenditures" shall not include capital expenditures in respect of the reinvestment of proceeds derived from Recovery Events received by the Borrower and its Subsidiaries to the extent that such reinvestment is permitted under the Credit Documents.

"Consolidated EBITDA" shall mean, as of any date for the four fiscal quarter period ending on such date with respect to the Consolidated Group on a consolidated basis, the sum of (a) Consolidated Net Income, plus (b) an amount which, in the determination of Consolidated Net Income, has been deducted for (i) Consolidated Interest Expense, (ii) total federal, state, local and foreign income, value added and similar taxes, (iii) depreciation and amortization expense, all as determined in accordance with GAAP, (iv) non-cash charges relating to equity and other performance-related compensation, including stock options and (v) minority equity interests in an amount not to exceed \$15,000,000 during any such period. Notwithstanding the above, Consolidated EBITDA shall be (A) \$78,189,000 for the fiscal quarter ended March 31, 2004, (B) \$80,149,000 for the fiscal quarter ended June 30, 2004 and (C) \$77,359,000 for the fiscal quarter ended September 30, 2004.

"Consolidated Fixed Charge Coverage Ratio" shall mean, as of the end of each fiscal quarter of the Consolidated Group for the four fiscal quarter period ending on such date with respect to the Consolidated Group on a consolidated basis, the ratio of (i) Consolidated EBITDA for the applicable period minus Consolidated Capital Expenditures for the applicable period to (ii) the sum of Consolidated Interest Expense for the applicable period plus Scheduled Funded Debt Payments for the applicable period plus payments made in connection with earnout obligations for the applicable period to the extent permitted hereunder plus cash taxes paid during the applicable period.

"Consolidated Group" shall mean the Borrower and its Consolidated Subsidiaries.

"Consolidated Interest Expense" shall mean, for any period, all cash interest expense of the Consolidated Group (including, without limitation, the interest component under Capital Leases), as determined in accordance with GAAP.

"Consolidated Leverage Ratio" shall mean, as of the end of any fiscal quarter of the Consolidated Group for the four fiscal quarter period ending on such date with respect to the Consolidated Group on a consolidated basis, the ratio of (a) Funded Debt of the Consolidated Group on a consolidated basis on the last day of such period to (b) the sum of (i) Consolidated EBITDA for such period plus (ii) any payments made by the Credit Parties during such period under Synthetic Leases (including, without limitation, pursuant to the Operative Agreements).

"Consolidated Net Income" shall mean, as of any date for the four fiscal quarter period ending on such date with respect to the Consolidated Group on a consolidated basis, net income (excluding extraordinary items) after Consolidated Interest Expense, income taxes and depreciation and amortization, all as determined in accordance with GAAP.

"Consolidated Subsidiary" shall mean, as to any Person, any Subsidiary of such Person which under the rules of GAAP consistently applied should have its financial results consolidated with those of such Person for purposes of financial accounting statements.

"Contractual Obligation" shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Credit Agreement" shall mean this Credit Agreement, as amended, modified or supplemented from time to time in accordance with its terms.

"Credit Documents" shall mean this Credit Agreement, each of the Notes, any Joinder Agreement, the Letters of Credit, LOC Documents and all other agreements, documents, certificates and instruments delivered to the Administrative Agent or any Lender by any Credit Party in connection therewith (other than any agreement, document, certificate or instrument related to a Hedging Agreement).

"Credit Party" shall mean any of the Borrower and the Guarantors.

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"Credit Party Obligations" shall mean, without duplication, (a) all of the obligations of the Credit Parties to the Lenders (including the Issuing Lender) and the Administrative Agent, whenever arising, under this Credit Agreement, the Notes or any of the other Credit Documents (including, but not limited to, any interest accruing after the occurrence of a filing of a petition of bankruptcy under the Bankruptcy Code with respect to any Credit Party, regardless of whether such interest is an allowed claim under the Bankruptcy Code) and (b) all liabilities and obligations, whenever arising, owing from any Credit Party or any of its Subsidiaries to any Hedging Agreement Provider arising under any Hedging Agreement permitted pursuant to Section 6.1.

"Debt Issuance" shall mean the issuance of any Indebtedness for borrowed money by any Credit Party or any of its Subsidiaries (excluding, for purposes hereof, any Equity Issuance or any Indebtedness of the Borrower and its Subsidiaries permitted to be incurred pursuant to Section 6.1 hereof).

"Default" shall mean any of the events specified in Section 7.1, whether or not any requirement for the giving of notice or the lapse of time, or both, or any other condition, has been satisfied.

"Defaulting Lender" shall mean, at any time, any Lender that, at such time (a) has failed to make a Loan required pursuant to the term of this Credit Agreement, including the funding of a Participation Interest in accordance with the terms hereof, (b) has failed to pay to the Administrative Agent or any Lender an amount owed by such Lender pursuant to the terms of this Credit Agreement, or (c) has been deemed insolvent or has become subject to a bankruptcy or insolvency proceeding or to a receiver, trustee or similar official.

"Dollars" and "\$" shall mean dollars in lawful currency of the United

States of America.

"Domestic Lending Office" shall mean, initially, the office of each Lender designated as such Lender's Domestic Lending Office shown on Schedule 9.2; and thereafter, such other office of such Lender as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office of such Lender at which Alternate Base Rate Loans of such Lender are to be made.

"Domestic Subsidiary" shall mean any Subsidiary that is organized and existing under the laws of the United States or any state or commonwealth thereof or under the laws of the District of Columbia.

"Environmental Laws" shall mean any and all applicable foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirement of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time be in effect during the term of this Credit Agreement.

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"Equity Issuance" shall mean any issuance by any Credit Party or any Subsidiary to any Person which is not a Credit Party of (a) shares of its Capital Stock, (b) any shares of its Capital Stock pursuant to the exercise of options or warrants or (c) any shares of its Capital Stock pursuant to the conversion of any debt securities to equity. The term "Equity Issuance" shall not include any equity issued in connection with any Asset Disposition, any Debt Issuance, or any Purchase Paper Facility.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurodollar Reserve Percentage" shall mean for any day, the percentage (expressed as a decimal and rounded upwards, if necessary, to the next higher 1/100th of 1%) which is in effect for such day as prescribed by the Federal Reserve Board (or any successor) for determining the maximum reserve requirement (including without limitation any basic, supplemental or emergency reserves) in respect of Eurocurrency liabilities, as defined in Regulation D of such Board as in effect from time to time, or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

"Event of Default" shall mean any of the events specified in Section 7.1; provided, however, that any requirement for the giving of notice or the lapse of time, or both, or any other condition, has been satisfied.

"Excluded Subsidiaries" shall mean Attention Funding Corporation and Attention Funding Trust.

"Existing Credit Agreement" shall have the meaning set forth in the recitals hereto.

"Extension of Credit" shall mean, as to any Lender, the making of a Loan by such Lender or the issuance of, or participation in, a Letter of Credit by such Lender.

"Federal Funds Effective Rate" shall have the meaning set forth in the definition of "Alternate Base Rate".

"Fee Letter" shall mean the letter agreement dated October 1, 2004 addressed to the Borrower from the Administrative Agent and the Arranger, as amended, modified or otherwise supplemented.

"Foreign Target" shall have the meaning set forth in the definition of Permitted Acquisition.

"Foreign Subsidiary" shall mean any Subsidiary that is not a Domestic Subsidiary.

"Funded Debt" shall mean, with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or

upon which interest payments are customarily made, (iii) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of

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title under agreements with suppliers entered into in the ordinary course of business), (iv) all obligations of such Person issued or assumed as the deferred purchase price of property or services purchased by such Person (other than (A) trade debt incurred in the ordinary course of business and due within twelve months of the incurrence thereof and (B) obligations under earnout agreements in existence as of the Closing Date) which would appear as liabilities on a balance sheet of such Person, (v) the principal portion of all obligations of such Person under Capital Leases, (vi) all Guaranty Obligations of such Person with respect to Funded Debt of another Person, (vii) the maximum available amount of all letters of credit or bankers' acceptances facilities issued or created for the account of such Person, (viii) all Funded Debt of another Person secured by a Lien on any property of such Person, whether or not such Funded Debt has been assumed, provided that for purposes hereof the amount of such Funded Debt shall be limited to the greater of (A) the amount of such Funded Debt as to which there is recourse to such Person and (B) the fair market value of the property which is subject to such Lien, (ix) the outstanding attributed principal amount under any securitization transaction, (x) the principal balance outstanding under any Synthetic Lease to which such Person is a party and (xi) all preferred Capital Stock issued by such Person and which by the terms thereof could be (at the request of the holders thereof or otherwise) subject to mandatory sinking fund payments, redemption or other acceleration prior to the date that is 6 months after the Maturity Date. The Funded Debt of any Person shall (i) include the Funded Debt of any partnership or joint venture in which such Person is a general partner or joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Funded Debt and (ii) exclude non-recourse Indebtedness of such Person.

"GAAP" shall mean generally accepted accounting principles in effect in the United States of America applied on a consistent basis, subject, however, in the case of determination of compliance with the financial covenants set out in Section 5.9 to the provisions of Section 1.3.

"Government Acts" shall have the meaning set forth in Section 2.19.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guaranty Obligations" shall mean, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting security therefor, (ii) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (iii) to lease or purchase Property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (iv) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an

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amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

"Guarantor" shall mean any of the Subsidiaries identified as a "Guarantor" on the signature pages hereto and the Additional Credit Parties which execute a Joinder Agreement, together with their successors and permitted assigns.

"Guaranty" shall mean the guaranty of the Guarantors set forth in Article X.

"Hedging Agreement Provider" shall mean any Person that enters into a Hedging Agreement with a Credit Party or any of its Subsidiaries that is permitted by Section 6.1 to the extent such Person is a (a) Lender, (b) an Affiliate of a Lender or (c) any other Person that was a Lender (or an Affiliate of a Lender) at the time it entered into the Hedging Agreement but has ceased to be a Lender (or whose Affiliate has ceased to be a Lender) under the Credit Agreement.

"Hedging Agreements" shall mean, with respect to any Person, any agreement entered into to protect such Person against fluctuations in interest rates, or currency or raw materials values, including, without limitation, any interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more counterparties, any foreign currency exchange agreement, currency protection agreements, commodity purchase or option agreements or other interest or exchange rate or commodity price hedging agreements.

"Incremental Facility" shall have the meaning set forth in Section 2.2.

"Indebtedness" shall mean, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (e) all obligations of such Person under take-or-pay or similar arrangements or under commodities agreements, (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (g) all Guaranty Obligations of such Person with respect to Indebtedness of another Person, (h) the principal portion of all obligations of such Person under Capital Leases, (i) all obligations of such Person under Hedging Agreements, (j) the maximum amount of all letters of credit issued or bankers' acceptances facilities created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), (k) all preferred Capital Stock issued by such Person and which by the terms thereof could be (at the request of the holders thereof or otherwise) subject to mandatory sinking fund payments, redemption or other acceleration, (l) the principal balance outstanding under any

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Synthetic Lease, and (m) the Indebtedness of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer.

"Insolvency" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of such term as used in Section 4245 of ERISA.

"Insolvent" shall mean being in a condition of Insolvency.

"Interest Determination Date" shall have the meaning assigned thereto in the definition of "Applicable Percentage".

"Interest Payment Date" shall mean (a) as to any Alternate Base Rate Loan, the last day of each March, June, September and December, (b) as to any LIBOR Rate Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any LIBOR Rate Loan having an Interest Period

longer than three months, each day which is three months after the first day of such Interest Period and the last day of such Interest Period and (d) with respect to any Alternate Base Rate Loan or LIBOR Rate Loan, the Maturity Date.

"Interest Period" shall mean, with respect to any LIBOR Rate Loan,

(i) initially, the period commencing on the Borrowing Date or conversion date, as the case may be, with respect to such LIBOR Rate Loan and ending one, two, three or six months thereafter, as selected by the Borrower in the Notice of Borrowing or Notice of Conversion given with respect thereto; and

(ii) thereafter, each period commencing on the last day of the immediately preceding Interest Period applicable to such LIBOR Rate Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that the foregoing provisions are subject to the following:

(A) if any Interest Period pertaining to a LIBOR Rate Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(B) any Interest Period pertaining to a LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month;

(C) if the Borrower shall fail to give notice as provided above, then, so long as no Default or Event of Default has occurred and is continuing, the

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Borrower shall be deemed to have requested an extension of such LIBOR Rate Loan at the end of the Interest Period applicable thereto for another Interest Period of equal duration in accordance with Section 2.10(b);

(D) any Interest Period in respect of any Loan that would otherwise extend beyond the applicable Maturity Date; and

(E) no more than seven (7) LIBOR Rate Loans may be in effect at any time. For purposes hereof, LIBOR Rate Loans with different Interest Periods shall be considered as separate LIBOR Rate Loans, even if they shall begin on the same date and have the same duration, although borrowings, extensions and conversions may, in accordance with the provisions hereof, be combined at the end of existing Interest Periods to constitute a new LIBOR Rate Loan with a single Interest Period.

"Investment" shall mean all investments, in cash or by delivery of property made, directly or indirectly in, to or from any Person, whether by acquisition of shares of Capital Stock, property, assets, indebtedness or other obligations or securities or by loan advance, capital contribution or otherwise.

"Issuing Lender" shall mean Wachovia.

"Issuing Lender Fees" shall have the meaning set forth in Section 2.5(c).

"Joinder Agreement" shall mean a Joinder Agreement substantially in the form of Schedule 5.10, executed and delivered by an Additional Credit Party in accordance with the provisions of Section 5.10.

"Lender" shall have the meaning set forth in the first paragraph of this

Credit Agreement.

"Letters of Credit" shall mean any letter of credit issued by the Issuing Lender pursuant to the terms hereof, as such Letters of Credit may be amended, modified, extended, renewed or replaced from time to time.

"Letter of Credit Facing Fee" shall have the meaning set forth in Section 2.5(b).

"Letter of Credit Fee" shall have the meaning set forth in Section 2.5(b).

"LIBOR" shall mean, for any LIBOR Rate Loan for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If for any reason such rate is not available, the term "LIBOR" shall mean, for any LIBOR Rate Loan for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the London interbank offered rate for deposits in Dollars at approximately

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11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates (rounded upwards, if necessary, to the nearest 1/100 of 1%). If, for any reason, neither of such rates is available, then "LIBOR" shall mean the rate per annum at which, as determined by the Administrative Agent, Dollars in an amount comparable to the Loans then requested are being offered to leading banks at approximately 11:00 A.M. London time, two (2) Business Days prior to the commencement of the applicable Interest Period for settlement in immediately available funds by leading banks in the London interbank market for a period equal to the Interest Period selected.

"LIBOR Lending Office" shall mean, initially, the office of each Lender designated as such Lender's LIBOR Lending Office shown on Schedule 9.2; and thereafter, such other office of such Lender as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office of such Lender at which the LIBOR Rate Loans of such Lender are to be made.

"LIBOR Rate" shall mean a rate per annum (rounded upwards, if necessary, to the next higher 1/100th of 1%) determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

"LIBOR Rate Loan" shall mean Loans the rate of interest applicable to which is based on the LIBOR Rate.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any Capital Lease having substantially the same economic effect as any of the foregoing).

"Loan" shall mean a Revolving Loan and/or Swingline Loan, as appropriate.

"LOC Commitment" shall mean the commitment of the Issuing Lender to issue Letters of Credit and with respect to each Lender, the commitment of such Lender to purchase participation interests in the Letters of Credit up to such Lender's LOC Commitment as specified in Schedule 2.1(a), as such amount may be reduced from time to time in accordance with the provisions hereof.

"LOC Committed Amount" shall mean, collectively, the aggregate amount of all of the LOC Commitments of the Lenders to issue and participate in Letters of Credit as referenced in Section 2.3 and, individually, the amount of each

Lender's LOC Commitment as specified in Schedule 2.1(a).

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"LOC Documents" shall mean, with respect to any Letter of Credit, such Letter of Credit, any amendments thereto, any documents delivered in connection therewith, any application therefor, and any agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (i) the rights and obligations of the parties concerned or (ii) any collateral security for such obligations.

"LOC Obligations" shall mean, at any time, the sum of (i) the maximum amount which is, or at any time thereafter may become, available to be drawn under Letters of Credit then outstanding, assuming compliance with all requirements for drawings referred to in such Letters of Credit plus (ii) the aggregate amount of all drawings under Letters of Credit honored by the Issuing Lender but not theretofore reimbursed.

"Mandatory Borrowing" shall have the meaning set forth in Section 2.4(b)(ii) or Section 2.3(e), as the context may require.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, operations, property, condition (financial or otherwise) or prospects of any of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any Guarantor to perform its obligations, when such obligations are required to be performed, under this Credit Agreement, any of the Notes or any other Credit Document or (c) the validity or enforceability of this Credit Agreement, any of the Notes or any of the other Credit Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Material Agreements" shall mean contracts, notes, securities, instruments and other agreements to which the Borrower or any of its Subsidiaries is a party or by which it is bound which, if violated or breached, could have a Material Adverse Effect.

"Material Domestic Subsidiary" means any Domestic Subsidiary of the Borrower that, together with its Subsidiaries, (i) owns more than \$15,000,000 in assets on a pro forma basis or (ii) generates more than 5% of Consolidated EBITDA on a pro forma basis for the four fiscal quarter period most recently ended; provided, however, that if at any time there are Domestic Subsidiaries which are not classified as "Material Domestic Subsidiaries" but which collectively account for greater than \$40,000,000 in assets on a pro forma basis or which collectively generate more than 20% of Consolidated EBITDA on a pro forma basis, then the Borrower shall immediately designate one or more of such Domestic Subsidiaries as Material Domestic Subsidiaries and cause any such Domestic Subsidiaries to comply with the provisions of Section 5.10 hereof in a number sufficient to comply with such requirement.

"Material Proceedings" shall mean any litigation, investigation or other proceeding by or before any Governmental Authority (i) which involves any of the Credit Documents or any of the transactions contemplated hereby or thereby, or involves the Borrower or any of its Subsidiaries as a party or the property of Borrower or any of its Subsidiaries, and could reasonably be expected to have a Material Adverse Effect if adversely determined, (ii) in which there has been issued an injunction, writ, temporary restraining order or any other order of any nature which purports to restrain or enjoin the making of any requested Extension of Credit, the consummation of any other transaction contemplated by the Credit Documents, or the

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enforceability of any provision of any of the Credit Documents, (iii) which involves the actual or alleged breach or violation by the Borrower or any of its Subsidiaries of, or default by the Borrower or any of its Subsidiaries under, any Material Agreement or (iv) which involves the actual or alleged violation by the Borrower or any of its Subsidiaries of any applicable law.

"Materials of Environmental Concern" shall mean any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any

hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date" shall mean the fifth anniversary of the Closing Date.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"New Lender" shall have the meaning set forth in Section 2.2(d).

"Note" or "Notes" shall mean the Revolving Notes and/or the Swingline Note, collectively, separately or individually, as appropriate.

"Notice of Borrowing" shall mean the written notice of borrowing as referenced and defined in Section 2.1(b)(i) or 2.4(b)(i), as appropriate.

"Notice of Conversion" shall mean the written notice of extension or conversion as referenced and defined in Section 2.10.

"Obligations" shall mean, collectively, Loans and LOC Obligations.

"Operative Agreements" shall have the meaning ascribed to such term in Appendix A of the Participation Agreement.

"Participant" shall have the meaning set forth in Section 9.6(b).

"Participation Agreement" shall mean that certain Participation Agreement, dated as of May 9, 2003, by and among West Facilities Corporation, a Delaware corporation, as lessee, Wachovia Development Corporation, a North Carolina corporation, as lessor, the lenders party thereto and Wachovia, as the agent (as previously amended and modified, and as further amended, modified, extended, supplemented, restated and/or replaced from time to time).

"Participation Interest" shall mean the purchase by a Lender of a participation interest in Letters of Credit as provided in Section 2.3 and in Swingline Loans as provided in Section 2.4.

"Patriot Act" shall have the meaning set forth in Section 9.18.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Permitted Acquisition" shall mean an acquisition or any series of related acquisitions by a Credit Party of the assets or all of the Capital Stock of a Person or any division, line of business or other business unit of a Person (such Person or such division, line of business or other business unit of such Person referred to herein as the "Target"), in each case that is in the same line of business (or assets used in the same line of business) as the Credit Parties and their Subsidiaries or whereby a substantial portion of the acquired business relies upon automated transactions, telephone representatives or telephony technology, so long as (a) no Default or Event of Default shall then exist or would exist after giving effect thereto; (b) the Credit Parties shall demonstrate to the reasonable satisfaction of the Administrative Agent that the Credit Parties will be in compliance on a pro forma basis with all of the terms and provisions of the financial covenants set forth in Section 5.9; (c) the Target, if a Person and if after the acquisition the Target would be a Material Domestic Subsidiary, shall have executed and delivered to the Administrative Agent a Joinder Agreement in accordance with the terms of Section 5.10; (d) such acquisition is not a "hostile" public company acquisition and has been approved by the Board of Directors and/or shareholders of the applicable Credit Party and the public company Target; and (e) with respect to any acquisition where the total consideration shall be (i) greater than \$75,000,000 and less than or equal to \$150,000,000 the Borrower shall have delivered to the Administrative Agent and each of the Lenders not more than thirty (30) days after the consummation of such acquisition a reasonably detailed description of the material terms of such acquisition (including, without limitation, the purchase price and method and structure of payment) and of each Target and (ii) greater than \$150,000,000, the

Borrower shall have delivered to the Administrative Agent and each of the Lenders not less than five (5) Business Days prior to the consummation of such acquisition (A) a reasonably detailed description of the material terms of such acquisition (including, without limitation, the purchase price and method and structure of payment) and of each Target, (B) audited financial statements of the Target, or company-prepared financial statements that have been certified by the Target, for the Target's two (2) most recent fiscal years and unaudited fiscal year-to-date statements for the most recent interim periods, which financial statements shall be consistent with any financial statements filed with the Securities and Exchange Commission in connection with such acquisition and (C) a certificate, in form and substance reasonably satisfactory to the Administrative Agent, executed by a Responsible Officer of the Borrower (1) certifying that such Permitted Acquisition complies with the requirements of this Credit Agreement and (2) demonstrating compliance with subsections (b) and (e) of this definition; provided, however, that an acquisition of a Target that is not incorporated, formed or organized in the United States (a "Foreign Target") shall only qualify as a Permitted Acquisition if each of the other requirements set forth in this definition shall have been satisfied and the total consideration for all such Foreign Targets does not exceed \$50,000,000 in the aggregate during the term of this Credit Agreement.

"Permitted Investments" shall mean:

(i) cash and Cash Equivalents;

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(ii) receivables owing to the Borrower or any of its Subsidiaries or any receivables and advances to suppliers or customers, in each case if created, acquired or made in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(iii) Investments in and loans to any Credit Parties;

(iv) Investments in and loans to Domestic Subsidiaries of the Borrower that are not Guarantors solely for the purpose of purchasing third party debt obligations; provided that the aggregate amount of Investments and loans made pursuant to this clause (iv), together with the aggregate amount of Indebtedness incurred pursuant to Section 6.1(d)(iii), shall not exceed \$100,000,000 at any time outstanding;

(v) Investments in and loans to Subsidiaries of the Borrower that are not Guarantors (other than Investments and loans pursuant to clause (iv) above); provided that the aggregate amount of such Investments and loans, together with the aggregate amount of Indebtedness incurred pursuant to Section 6.1(d)(iv), shall not exceed \$50,000,000 at any time outstanding;

(vi) loans and advances to employees (other than any officer or director) of the Borrower or its Subsidiaries in an aggregate amount not to exceed \$1,000,000 at any time outstanding;

(vii) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(viii) Investments, acquisitions or transactions permitted under Section 6.4(b);

(ix) the Borrower may enter into Hedging Agreements to the extent permitted pursuant to Section 6.1;

(x) loans, advances and/or Investments, in an aggregate amount not to exceed \$25,000,000 at any time outstanding, by Asset Direct Mortgage, LLC or any other Credit Party in connection with a mortgage loan program consisting of the purchase, origination and/or pooling of mortgage loans;

(xi) Permitted Acquisitions; and

(xii) additional loans, advances and/or Investments of a nature not contemplated by the foregoing clauses hereof, provided that such loans, advances and/or Investments made pursuant to this clause (xii) shall not

exceed an aggregate amount of \$25,000,000 at any time outstanding.

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"Permitted Liens" shall mean:

(i) Liens created by or otherwise existing, under or in connection with this Credit Agreement or the other Credit Documents in favor of the Lenders;

(ii) Liens in favor of a Lender hereunder in connection with Hedging Agreements, but only (A) to the extent such Liens secure obligations under Hedging Agreements with any Lender, or any Affiliate of a Lender, (B) to the extent such Liens are on the same collateral as to which the Administrative Agent on behalf of the Lenders also has a Lien and (C) if such provider and the Lenders shall share pari passu in the collateral subject to such Liens;

(iii) purchase money Liens securing purchase money indebtedness (and refinancings thereof) to the extent permitted under Section 6.1(c);

(iv) Liens for taxes, assessments, charges or other governmental levies not yet due or as to which the period of grace (not to exceed 60 days), if any, related thereto has not expired or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP (or, in the case of Subsidiaries with significant operations outside of the United States of America, generally accepted accounting principles in effect from time to time in their respective jurisdictions of incorporation);

(v) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings;

(vi) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(vii) deposits to secure the performance of bids, trade contracts, (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(viii) Liens on the real property and fixtures of the Borrower located at or on Lots 19 and 20, Miracle Hills Park, Douglas County, Nebraska and all personal property located on or at such real property that is integral to the operation of such real property and fixtures;

(ix) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses; provided that such extension, renewal or replacement Lien shall be limited to all or a part

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of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property);

(x) Liens existing on the Closing Date and set forth on Schedule 1.1(b); provided that (a) no such Lien shall at any time be extended to cover property or assets other than the property or assets subject thereto on the Closing Date and (b) the principal amount of the Indebtedness secured by such Liens shall not be extended, renewed, refunded or refinanced;

(xi) Liens arising in connection with Capital Leases to the extent

permitted under Section 6.1(c);

(xii) easements, rights-of-way, restrictions, encroachments, and other minor defects or irregularities in title to real property, in each case which do not and will not interfere in any material respect with the operation of such real property or the ordinary conduct of the business of the Borrower or any of its Subsidiaries; and

(xiii) Liens arising in connection with accounts receivable securitizations;

(xiv) Liens on accounts receivable and associated collateral, lockbox and other collection accounts, records and/or proceeds incurred in connection with any Purchase Paper Facility or other non-recourse Indebtedness in the Credit Parties' ordinary course of business and consistent with past practices; and

(xv) other Liens in addition to those permitted by the foregoing clauses securing Indebtedness not exceeding \$1,000,000 on an individual basis and \$10,000,000 in the aggregate outstanding at any one time.

"Person" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" shall mean, at any particular time, any employee benefit plan which is covered by Title IV of ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" shall have the meaning set forth in the definition of Alternate Base Rate.

"Properties" shall have the meaning set forth in Section 3.10(a).

"Purchase Paper Facility" shall mean any financing arrangement involving the purchase by the Credit Parties of commercial or consumer debt (including, without limitation, that certain loan agreement dated as of August 15, 2001 by and between Worldwide Asset Purchasing, LLC and CFSC Capital Corp. XXXIV and that certain Financing Facility and Security Agreement, dated as of December 19, 2003, by and among Arrow Funding, LLC, Attention, LLC, Attention

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Funding Corporation, Attention Funding Trust, and Arrow Financial Services, LLC), as amended, modified supplemented or replaced from time to time.

"Purchasing Lenders" shall have the meaning set forth in Section 9.6(c).

"Recovery Event" shall mean the receipt by the Borrower or any of its Subsidiaries of any cash insurance proceeds or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective property or assets.

"Register" shall have the meaning set forth in Section 9.6(d).

"Related Fund" shall mean, with respect to any Lender or other Person who invests in commercial bank loans in the ordinary course of business, any other fund or trust or entity that invests in commercial bank loans in the ordinary course of business and is advised or managed by such Lender, by an Affiliate of such Lender or other Persons or the same investment advisor as such Lender or by an Affiliate of such Lender or investment advisor.

"Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is in reorganization within the meaning of such term as used in Section 4241 of ERISA.

"Replaced Lender" shall have the meaning set forth in Section 2.20.

"Replacement Lender" shall have the meaning set forth in Section 2.20.

"Reportable Event" shall mean any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty-day notice period is waived under PBGC Reg. Section 4043.

"Required Lenders" shall mean Lenders holding in the aggregate greater than 50% of (i) the Commitments (and Participation Interests therein) or (ii) if the Commitments have been terminated, the outstanding Loans and Participation Interests (including the Participation Interests of the Issuing Lender in any Letters of Credit and of the Swingline Lender in Swingline Loans) provided, however, that if any Lender shall be a Defaulting Lender at such time, then there shall be excluded from the determination of Required Lenders, Obligations (including Participation Interests) owing to such Defaulting Lender and such Defaulting Lender's Commitments, or after termination of the Commitments, the principal balance of the Obligations owing to such Defaulting Lender.

"Requirement of Law" shall mean, as to any Person, the Certificate of Incorporation and By-laws or other organizational or governing documents of such Person, and each law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

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"Responsible Officer" shall mean, as to (a) the Borrower, any of the President, the Chief Executive Officer or the Chief Financial Officer or (b) any other Credit Party, any duly authorized officer thereof.

"Restricted Payment" shall mean (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of Capital Stock of the Borrower or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of the Borrower or any of its Subsidiaries, now or hereafter outstanding, (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of the Borrower or any of its Subsidiaries, now or hereafter outstanding, or (d) any payment or prepayment of principal of, premium, if any, or interest on, redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Subordinated Debt.

"Revolving Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Loans in an aggregate principal amount at any time outstanding up to such Lender's Revolving Committed Amount.

"Revolving Committed Amount" shall mean the amount of each Lender's Revolving Commitment as specified on Schedule 2.1(a), as such amount may be reduced from time to time in accordance with the provisions hereof.

"Revolving Loans" shall have the meaning set forth in Section 2.1.

"Revolving Note" or "Revolving Notes" shall mean the promissory notes of the Borrower in favor of each of the Lenders evidencing the Revolving Loans provided pursuant to Section 2.1(e), individually or collectively, as appropriate, as such promissory notes may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"S&P" shall mean Standard & Poor's Ratings Group, a division of The McGraw Hill Companies, Inc.

"Scheduled Funded Debt Payments" shall mean, as of any date of determination for the Borrower and its Subsidiaries, the sum of all scheduled payments of principal on Funded Debt for the applicable period ending on the date of determination (including the principal component of payments due on Capital Leases during the applicable period ending on the date of determination).

"Single Employer Plan" shall mean any Plan which is not a Multiemployer Plan.

"Specified Sales" shall mean (a) the sale, transfer, lease or other

disposition of inventory and materials in the ordinary course of business and (b) the sale, transfer or other disposition of Permitted Investments described in clause (i) of the definition thereof.

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"Subordinated Debt" shall mean any Indebtedness incurred by any Credit Party which by its terms is specifically subordinated in right of payment to the prior payment of the Credit Party Obligations on terms satisfactory to the Required Lenders.

"Subsidiary" shall mean, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Credit Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower; provided, however, that references to a "Subsidiary" or to "Subsidiaries" in this Credit Agreement shall not include Excluded Subsidiaries.

"Super Majority Lenders" shall mean Lenders holding in the aggregate greater than 80% of (i) the Commitments (and Participation Interests therein) or (ii) if the Commitments have been terminated, the outstanding Loans and Participation Interests (including the Participation Interests of the Issuing Lender in any Letters of Credit and of the Swingline Lender in Swingline Loans) provided, however, that if any Lender shall be a Defaulting Lender at such time, then there shall be excluded from the determination of Super Majority Lenders, Obligations (including Participation Interests) owing to such Defaulting Lender and such Defaulting Lender's Commitments, or after termination of the Commitments, the principal balance of the Obligations owing to such Defaulting Lender.

"Synthetic Lease" shall mean any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product where such product is considered borrowed money indebtedness for tax purposes but is classified as an operating lease in accordance with GAAP.

"Swingline Commitment" shall mean the commitment of the Swingline Lender to make Swingline Loans in an aggregate principal amount at any time outstanding up to the Swingline Committed Amount, and the commitment of the Lenders to purchase participation interests in the Swingline Loans as provided in Section 2.4(b)(ii), as such amounts may be reduced from time to time in accordance with the provisions hereof.

"Swingline Committed Amount" shall mean the amount of the Swingline Lender's Swingline Commitment as specified in Section 2.4(a).

"Swingline Lender" shall mean Wachovia.

"Swingline Loan" or "Swingline Loans" shall have the meaning set forth in Section 2.4(a).

"Swingline Note" shall mean the promissory note of the Borrower in favor of the Swingline Lender evidencing the Swingline Loans provided pursuant to Section 2.4(d), as such

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promissory note may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"Target" shall have the meaning set forth in the definition of "Permitted Acquisitions."

"Taxes" shall have the meaning set forth in Section 2.18.

"Tranche" shall mean the collective reference to LIBOR Rate Loans whose Interest Periods begin and end on the same day. A Tranche may sometimes be referred to as a "LIBOR Tranche".

"Transfer Effective Date" shall have the meaning set forth in each Commitment Transfer Supplement.

"2.18 Certificate" shall have the meaning set forth in Section 2.18.

"UCC" shall mean the Uniform Commercial Code in effect in the State of New York, as the same may be amended from time to time.

"Voting Stock" shall mean, with respect to any Person, Capital Stock issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Wachovia" shall mean Wachovia Bank, National Association, together with its successors and/or assigns.

"West Family Group" shall mean Gary L. West and Mary E. West and any charitable foundation or trust created by Gary L. West or Mary E. West to the extent the board of trustees of any such charitable foundation or trust is controlled by Thomas B. Barker and Roland J. Santoni (or any replacement of Thomas B. Barker or Roland J. Santoni on the board of trustees that is a Responsible Officer of the Borrower and/or a person designated by Gary L. West and Mary E. West).

Section 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Credit Agreement shall have the defined meanings when used in the Notes or other Credit Documents or any certificate or other document made or delivered pursuant hereto.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Credit Agreement shall refer to this Credit Agreement as a whole and not to any particular provision of this Credit Agreement, and Section, subsection, Schedule and Exhibit references are to this Credit Agreement unless otherwise specified.

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(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) For purposes of this Credit Agreement and the other Credit Documents, any reference to a Lender party to a Hedging Agreement shall include (i) any Affiliate of a Lender party to a Hedging Agreement and (ii) any Person that was a Lender (or Affiliate of a Lender) under the Credit Agreement at the time it entered into the Hedging Agreement that has ceased to be a Lender under the Credit Agreement.

Section 1.3 Accounting Terms.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP applied on a basis consistent with the most recent audited consolidated financial statements of the Borrower delivered to the Lenders; provided that, if the Borrower shall notify the Administrative Agent that it wishes to amend any covenant in Section 5.9 to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Section 5.9 for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

The Borrower shall deliver to the Administrative Agent and each Lender at

the same time as the delivery of any annual or quarterly financial statements given in accordance with the provisions of Section 5.1, (i) a description in reasonable detail of any material change in the application of accounting principles employed in the preparation of such financial statements from those applied in the most recently preceding quarterly or annual financial statements as to which no objection shall have been made in accordance with the provisions above and (ii) a reasonable estimate of the effect on the financial statements on account of such changes in application.

ARTICLE II

THE LOANS; AMOUNT AND TERMS

Section 2.1 Revolving Loans.

(a) Revolving Commitment. During the Commitment Period, subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans ("Revolving Loans") to the Borrower from time to time in an aggregate principal amount of up to FOUR HUNDRED MILLION DOLLARS (\$400,000,000) (as such aggregate maximum amount may be reduced from time to time as provided in Section 2.6, the "Aggregate Revolving Committed Amount") for the purposes hereinafter set forth; provided, however, that (i) with regard to each Lender individually, the sum of such Lender's share of outstanding Revolving Loans plus such

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Lender's Commitment Percentage of outstanding Swingline Loans plus such Lender's Commitment Percentage of LOC Obligations shall not exceed such Lender's Revolving Committed Amount, and (ii) with regard to the Lenders collectively, the sum of the outstanding Revolving Loans plus outstanding Swingline Loans plus LOC Obligations shall not exceed the Aggregate Revolving Committed Amount. Revolving Loans may consist of Alternate Base Rate Loans or LIBOR Rate Loans, or a combination thereof, as the Borrower may request, and may be repaid and reborrowed in accordance with the provisions hereof; provided, however, Revolving Loans made on the Closing Date or on any of the three Business Days following the Closing Date may only consist of Alternate Base Rate Loans unless the Borrower executes a funding indemnity letter in form and substance satisfactory to the Administrative Agent. LIBOR Rate Loans shall be made by each Lender at its LIBOR Lending Office and Alternate Base Rate Loans at its Domestic Lending Office.

(b) Revolving Loan Borrowings.

(i) Notice of Borrowing. The Borrower may request a Revolving Loan borrowing by written notice (or telephone notice promptly confirmed in writing which confirmation may be by fax) to the Administrative Agent not later than 12:00 noon (New York time) on the Business Day prior to the date of requested borrowing in the case of Alternate Base Rate Loans, and on the third Business Day prior to the date of the requested borrowing in the case of LIBOR Rate Loans. Each such request for borrowing shall be irrevocable and shall specify (A) that a Revolving Loan is requested, (B) the date of the requested borrowing (which shall be a Business Day), (C) the aggregate principal amount to be borrowed, (D) whether the borrowing shall be comprised of Alternate Base Rate Loans, LIBOR Rate Loans or a combination thereof, and if LIBOR Rate Loans are requested, the Interest Period(s) therefor. A form of Notice of Borrowing (a "Notice of Borrowing") is attached as Schedule 2.1(b)(i). If the Borrower shall fail to specify in any such Notice of Borrowing (I) an applicable Interest Period in the case of a LIBOR Rate Loan, then such notice shall be deemed to be a request for an Interest Period of one month, or (II) the type of Revolving Loan requested, then such notice shall be deemed to be a request for an Alternate Base Rate Loan hereunder. The Administrative Agent shall give notice to each Lender promptly upon receipt of each Notice of Borrowing, the contents thereof and each such Lender's share thereof.

(ii) Minimum Amounts. Each Revolving Loan which is an Alternate Base Rate Loan shall be in a minimum aggregate amount of \$1,000,000 and in integral multiples of \$500,000 in excess thereof (or the remaining amount of the Aggregate Revolving Committed Amount, if less). Each Revolving Loan which is a LIBOR Rate Loan shall be in a minimum aggregate amount of \$5,000,000 and in integral multiples of \$1,000,000 in excess thereof (or

the remaining amount of the Aggregate Revolving Committed Amount, if less).

(iii) Advances. Each Lender will make its Commitment Percentage of each Revolving Loan borrowing available to the Administrative Agent for the account of the Borrower at the office of the Administrative Agent specified in Schedule 9.2, or at such other office as the Administrative Agent may designate in writing, by 12:00 noon (New

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York time) on the date specified in the applicable Notice of Borrowing in Dollars and in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent by crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

(c) Repayment. The principal amount of all Revolving Loans shall be due and payable in full on the Maturity Date.

(d) Interest. Subject to the provisions of Section 2.9, Revolving Loans shall bear interest as follows:

(i) Alternate Base Rate Loans. During such periods as Revolving Loans shall be comprised of Alternate Base Rate Loans, each such Alternate Base Rate Loan shall bear interest at a per annum rate equal to the sum of the Alternate Base Rate plus the Applicable Percentage; and

(ii) LIBOR Rate Loans. During such periods as Revolving Loans shall be comprised of LIBOR Rate Loans, each such LIBOR Rate Loan shall bear interest at a per annum rate equal to the sum of the LIBOR Rate plus the Applicable Percentage.

Interest on Revolving Loans shall be payable in arrears on each Interest Payment Date and on the Maturity Date.

(e) Revolving Notes. Each Lender's Revolving Committed Amount shall be evidenced by a duly executed promissory note of the Borrower to such Lender in substantially the form of Schedule 2.1(e).

Section 2.2 Incremental Facilities.

Subject to the terms and conditions set forth herein, the Borrower shall have the right, at any time and from time to time after the Closing Date (but not to be exercised more than twice), to increase the Aggregate Revolving Commitment Amount by an aggregate amount (the "Incremental Facility") of up to \$150,000,000 (for an Aggregate Revolving Commitment Amount of up to \$550,000,000). The following terms and conditions shall apply to the Incremental Facility: (a) the loans made under any such Incremental Facility (each an "Additional Loan") shall constitute Credit Party Obligations and will be guaranteed with the other Loans on a pari passu basis, (b) any such Incremental Facility shall be in the form of an increase to the existing Revolving Loan facility and shall have the same terms (including interest rate and maturity date) as the existing Revolving Loan facility, (c) any such Incremental Facility shall be entitled to the same voting rights as the existing Loans and shall be entitled to receive proceeds of prepayments on the same basis as comparable Loans, (d) any such Incremental Facility shall be obtained from existing Lenders or from other banks, financial institutions or investment funds (each a "New Lender"), in each case in accordance with the terms set forth below, (e) any such Incremental Facility shall be in a minimum principal amount of \$25,000,000

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and integral multiples of \$5,000,000 in excess thereof, (f) any New Lender shall have a Commitment of at least \$10,000,000, (g) the proceeds of any Additional Loan will be used in accordance with Section 3.11, (h) the Borrower shall execute such promissory notes as are necessary to reflect the Additional Loans under any such Incremental Facility, (i) the conditions to Extensions of Credit

in Section 4.2 shall have been satisfied, (j) the Administrative Agent shall have received an officer's certificate of the Borrower, demonstrating that, after giving effect to any such Incremental Facility, the Borrower will be in compliance with the financial covenants set forth in Section 5.9 and (k) the Administrative Agent shall have received from the Borrower such other documents as may be reasonably requested by the Administrative Agent (including, without limitation, updated financial projections and a legal opinion), in form and substance satisfactory to the Administrative Agent. Participation in any such Incremental Facility hereunder shall be offered first to each of the existing Lenders, but each such Lender shall have no obligation to provide all or any portion of such Incremental Facility. If the amount of the Incremental Facility requested by the Borrower shall exceed the commitments which the existing Lenders are willing to provide with respect to such Incremental Facility, then the Borrower may invite other banks, financial institutions and investment funds reasonably acceptable to the Administrative Agent to join this Agreement as Lenders hereunder for the portion of such Incremental Facility not taken by existing Lenders, provided that such other banks, financial institutions and investment funds shall enter into such joinder agreements to give effect thereto as the Administrative Agent and the Borrower may reasonably request. The Administrative Agent is authorized to enter into, on behalf of the Lenders, any amendment to this Agreement or any other Credit Document as may be necessary to incorporate the terms of any new Incremental Facility therein.

Section 2.3 Letter of Credit Subfacility.

(a) Issuance. Subject to the terms and conditions hereof and of the LOC Documents and any other terms and conditions which the Issuing Lender may reasonably require, during the Commitment Period the Issuing Lender shall issue, and the Lenders shall participate in, Letters of Credit for the account of the Borrower from time to time upon request in a form acceptable to the Issuing Lender; provided, however, that (i) the aggregate amount of LOC Obligations shall not at any time exceed TWENTY MILLION DOLLARS (\$20,000,000) (the "LOC Committed Amount"), (ii) the sum of outstanding Revolving Loans plus outstanding Swingline Loans plus LOC Obligations shall not at any time exceed the Aggregate Revolving Committed Amount (iii) all Letters of Credit shall be denominated in U.S. Dollars and (iv) Letters of Credit shall be issued for lawful corporate purposes and may be issued as standby letters of credit, including, without limitation, in connection with workers' compensation and other insurance programs, and trade letters of credit. Except as otherwise expressly agreed upon by all the Lenders, no Letter of Credit shall have an original expiry date more than twelve (12) months from the date of issuance; provided, however, so long as no Default or Event of Default has occurred and is continuing and subject to the other terms and conditions to the issuance of Letters of Credit hereunder, the expiry dates of Letters of Credit may be extended annually or periodically from time to time on the request of the Borrower or by operation of the terms of the applicable Letter of Credit to a date not more than twelve (12) months from the date of extension; provided, further, that no Letter of Credit, as originally issued or as extended, shall have an expiry date extending beyond the date that is thirty (30) days prior to the Maturity Date. Each Letter of Credit shall comply

with the related LOC Documents. The issuance and expiry date of each Letter of Credit shall be a Business Day. Any Letters of Credit issued hereunder shall be in a minimum original face amount of \$100,000. Wachovia shall be the Issuing Lender on all Letters of Credit issued after the Closing Date.

(b) Notice and Reports. The request for the issuance of a Letter of Credit shall be submitted to the Issuing Lender at least five (5) Business Days prior to the requested date of issuance. The Issuing Lender will promptly upon request provide to the Administrative Agent for dissemination to the Lenders a detailed report specifying the Letters of Credit which are then issued and outstanding and any activity with respect thereto which may have occurred since the date of any prior report, and including therein, among other things, the account party, the beneficiary, the face amount, expiry date as well as any payments or expirations which may have occurred. The Issuing Lender will further provide to the Administrative Agent promptly upon request copies of the Letters of Credit. The Issuing Lender will provide to the Administrative Agent promptly upon request a summary report of the nature and extent of LOC Obligations then outstanding.

(c) Participations. Each Lender upon issuance of a Letter of Credit shall be deemed to have purchased without recourse a risk participation from the Issuing Lender in such Letter of Credit and the obligations arising thereunder and any collateral relating thereto, in each case in an amount equal to its Commitment Percentage of the obligations under such Letter of Credit and shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and be obligated to pay to the Issuing Lender therefor and discharge when due, its Commitment Percentage of the obligations arising under such Letter of Credit. Without limiting the scope and nature of each Lender's participation in any Letter of Credit, to the extent that the Issuing Lender has not been reimbursed as required hereunder or under any LOC Document, each such Lender shall pay to the Issuing Lender its Commitment Percentage of such unreimbursed drawing in same day funds on the day of notification by the Issuing Lender of an unreimbursed drawing pursuant to the provisions of subsection (d) hereof. The obligation of each Lender to so reimburse the Issuing Lender shall be absolute and unconditional and shall not be affected by the occurrence of a Default, an Event of Default or any other occurrence or event. Any such reimbursement shall not relieve or otherwise impair the obligation of the Borrower to reimburse the Issuing Lender under any Letter of Credit, together with interest as hereinafter provided.

(d) Reimbursement. In the event of any drawing under any Letter of Credit, the Issuing Lender will promptly notify the Borrower and the Administrative Agent. The Borrower shall reimburse the Issuing Lender on the day of drawing under any Letter of Credit (with the proceeds of a Revolving Loan obtained hereunder or otherwise) in same day funds as provided herein or in the LOC Documents. If the Borrower shall fail to reimburse the Issuing Lender as provided herein, the unreimbursed amount of such drawing shall bear interest at a per annum rate equal to the Alternate Base Rate plus two percent (2%) for so long as such amount shall be unreimbursed. Unless the Borrower shall immediately notify the Issuing Lender and the Administrative Agent of its intent to otherwise reimburse the Issuing Lender, the Borrower shall be deemed to have requested a Revolving Loan in the amount of the drawing as provided in subsection (e) hereof, the proceeds of which will be used to satisfy the reimbursement

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obligations. The Borrower's reimbursement obligations hereunder shall be absolute and unconditional under all circumstances irrespective of any rights of set-off, counterclaim or defense to payment the Borrower may claim or have against the Issuing Lender, the Administrative Agent, the Lenders, the beneficiary of the Letter of Credit drawn upon or any other Person, including without limitation any defense based on any failure of the Borrower to receive consideration or the legality, validity, regularity or unenforceability of the Letter of Credit. The Issuing Lender will promptly notify the other Lenders of the amount of any unreimbursed drawing and each Lender shall promptly pay to the Administrative Agent for the account of the Issuing Lender in Dollars and in immediately available funds, the amount of such Lender's Commitment Percentage of such unreimbursed drawing. Such payment shall be made on the day such notice is received by such Lender from the Issuing Lender if such notice is received at or before 2:00 P.M. (New York time), otherwise such payment shall be made at or before 12:00 Noon (New York time) on the Business Day next succeeding the day such notice is received. If such Lender does not pay such amount to the Issuing Lender in full upon such request, such Lender shall, on demand, pay to the Administrative Agent for the account of the Issuing Lender interest on the unpaid amount during the period from the date of such drawing until such Lender pays such amount to the Issuing Lender in full at a rate per annum equal to, if paid within two (2) Business Days of the date of drawing, the Federal Funds Effective Rate and thereafter at a rate equal to the Alternate Base Rate. Each Lender's obligation to make such payment to the Issuing Lender, and the right of the Issuing Lender to receive the same, shall be absolute and unconditional, shall not be affected by any circumstance whatsoever and without regard to the termination of this Credit Agreement or the Commitments hereunder, the existence of a Default or Event of Default or the acceleration of the Credit Party Obligations hereunder and shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Repayment with Revolving Loans. On any day on which the Borrower shall have requested, or been deemed to have requested, a Revolving Loan to reimburse a drawing under a Letter of Credit, the Administrative Agent shall give notice to the Lenders that a Revolving Loan has been requested or deemed requested in

connection with a drawing under a Letter of Credit, in which case a Revolving Loan borrowing comprised entirely of Alternate Base Rate Loans (each such borrowing, a "Mandatory Borrowing") shall be immediately made (without giving effect to any termination of the Commitments pursuant to Section 7.2) pro rata based on each Lender's respective Commitment Percentage (determined before giving effect to any termination of the Commitments pursuant to Section 7.2) and in the case of both clauses (i) and (ii) the proceeds thereof shall be paid directly to the Issuing Lender for application to the respective LOC Obligations. Each Lender hereby irrevocably agrees to make such Revolving Loans immediately upon any such request or deemed request on account of each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the same such date notwithstanding (i) the amount of Mandatory Borrowing may not comply with the minimum amount for borrowings of Revolving Loans otherwise required hereunder, (ii) whether any conditions specified in Section 4.2 are then satisfied, (iii) whether a Default or an Event of Default then exists, (iv) failure for any such request or deemed request for Revolving Loan to be made by the time otherwise required in Section 2.1(b), (v) the date of such Mandatory Borrowing, or (vi) any reduction in the Aggregate Revolving Committed Amount after any such Letter of Credit may have been drawn upon; provided, however, that in the event any such Mandatory Borrowing should be less than the minimum amount for borrowings of Revolving

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Loans otherwise provided in Section 2.1(b) (ii), the Borrower shall pay to the Administrative Agent for its own account an administrative fee of \$500. In the event that any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding under the Bankruptcy Code), then each such Lender hereby agrees that it shall forthwith fund (as of the date the Mandatory Borrowing would otherwise have occurred, but adjusted for any payments received from the Borrower on or after such date and prior to such purchase) its Participation Interests in the outstanding LOC Obligations; provided, further, that in the event any Lender shall fail to fund its Participation Interest on the day the Mandatory Borrowing would otherwise have occurred, then the amount of such Lender's unfunded Participation Interest therein shall bear interest payable by such Lender to the Issuing Lender upon demand, at the rate equal to, if paid within two (2) Business Days of such date, the Federal Funds Effective Rate, and thereafter at a rate equal to the Alternate Base Rate.

(f) Modification, Extension. The issuance of any supplement, modification, amendment, renewal, or extension to any Letter of Credit shall, for purposes hereof, be treated in all respects the same as the issuance of a new Letter of Credit hereunder.

(g) Uniform Customs and Practices. The Issuing Lender shall have the Letters of Credit be subject to The Uniform Customs and Practice for Documentary Credits, as published as of the date of issue by the International Chamber of Commerce (the "UCP"), in which case the UCP may be incorporated therein and deemed in all respects to be a part thereof.

Section 2.4 Swingline Loan Subfacility.

(a) Swingline Commitment. During the Commitment Period, subject to the terms and conditions hereof, the Swingline Lender, in its individual capacity, agrees to make certain revolving credit loans to the Borrower (each a "Swingline Loan" and, collectively, the "Swingline Loans") for the purposes hereinafter set forth; provided, however, (i) the aggregate amount of Swingline Loans outstanding at any time shall not exceed TEN MILLION DOLLARS (\$10,000,000) (the "Swingline Committed Amount"), and (ii) the sum of the outstanding Revolving Loans plus outstanding Swingline Loans plus LOC Obligations shall not exceed the Aggregate Revolving Committed Amount. Swingline Loans hereunder may be repaid and reborrowed in accordance with the provisions hereof.

(b) Swingline Loan Borrowings.

(i) Notice of Borrowing and Disbursement. The Swingline Lender will make Swingline Loans available to the Borrower on any Business Day upon request made by the Borrower not later than 12:00 noon (New York time) on such Business Day. A notice of request for Swingline Loan borrowing shall be made in the form of Schedule 2.1(b) (i) with appropriate modifications. Swingline Loan borrowings hereunder shall be made in minimum amounts of

\$100,000 and in integral amounts of \$100,000 in excess thereof.

(ii) Repayment of Swingline Loans. Each Swingline Loan borrowing shall be due and payable on the Maturity Date. The Swingline Lender may, at any time, in its

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sole discretion, by written notice to the Borrower and the Administrative Agent, demand repayment of its Swingline Loans by way of a Revolving Loan borrowing, in which case the Borrower shall be deemed to have requested a Revolving Loan borrowing comprised entirely of Alternate Base Rate Loans in the amount of such Swingline Loans; provided, however, that, in the following circumstances, any such demand shall also be deemed to have been given one Business Day prior to each of (i) the Maturity Date, (ii) the occurrence of any Event of Default described in Section 7.1(e), (iii) upon acceleration of the Credit Party Obligations hereunder, whether on account of an Event of Default described in Section 7.1(e) or any other Event of Default, and (iv) the exercise of remedies in accordance with the provisions of Section 7.2 hereof (each such Revolving Loan borrowing made on account of any such deemed request therefor as provided herein being hereinafter referred to as "Mandatory Borrowing"). Each Lender hereby irrevocably agrees to make such Revolving Loans promptly upon any such request or deemed request on account of each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the same such date notwithstanding (I) the amount of Mandatory Borrowing may not comply with the minimum amount for borrowings of Revolving Loans otherwise required hereunder, (II) whether any conditions specified in Section 4.2 are then satisfied, (III) whether a Default or an Event of Default then exists, (IV) failure of any such request or deemed request for Revolving Loans to be made by the time otherwise required in Section 2.1(b)(i), (V) the date of such Mandatory Borrowing, or (VI) any reduction in the Revolving Committed Amount or termination of the Revolving Commitments immediately prior to such Mandatory Borrowing or contemporaneously therewith. In the event that any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding under the Bankruptcy Code), then each Lender hereby agrees that it shall forthwith purchase (as of the date the Mandatory Borrowing would otherwise have occurred, but adjusted for any payments received from the Borrower on or after such date and prior to such purchase) from the Swingline Lender such participations in the outstanding Swingline Loans as shall be necessary to cause each such Lender to share in such Swingline Loans ratably based upon its respective Commitment Percentage (determined before giving effect to any termination of the Commitments pursuant to Section 7.2). provided that (A) all interest payable on the Swingline Loans shall be for the account of the Swingline Lender until the date as of which the respective participation is purchased, and (B) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Lender shall be required to pay to the Swingline Lender interest on the principal amount of such participation purchased for each day from and including the day upon which the Mandatory Borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the rate equal to, if paid within two (2) Business Days of the date of the Mandatory Borrowing, the Federal Funds Effective Rate, and thereafter at a rate equal to the Alternate Base Rate.

(c) Interest on Swingline Loans. Subject to the provisions of Section 2.9, Swingline Loans shall bear interest at a per annum rate equal to the Alternate Base Rate plus the applicable Percentage for Revolving Loans that are Alternate Base Rate Loans. Interest on Swingline Loans shall be payable in arrears on each Interest Payment Date.

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(d) Swingline Note. The Swingline Loans shall be evidenced by a duly executed promissory note of the Borrower to the Swingline Lender in the original amount of the Swingline Committed Amount and substantially in the form of Schedule 2.4(d).

Section 2.5 Fees.

(a) Commitment Fee. In consideration of the Revolving Commitment, the Borrower agrees to pay to the Administrative Agent for the ratable benefit of the Lenders holding Revolving Commitments a commitment fee (the "Commitment Fee") in an amount equal to the Applicable Percentage per annum on the average daily unused amount of the Aggregate Revolving Committed Amount. For purposes of computation of the Commitment Fee, LOC Obligations shall be considered usage of the Aggregate Revolving Committed Amount but Swingline Loans shall not be considered usage of the Aggregate Revolving Committed Amount. The Commitment Fee shall be payable quarterly in arrears on the 15th day following the last day of each calendar quarter for the prior calendar quarter.

(b) Letter of Credit Fees. In consideration of the LOC Commitments, the Borrower agrees to pay to the Issuing Lender a fee (the "Letter of Credit Fee") equal to the Applicable Percentage per annum on the average daily maximum amount available to be drawn under each Letter of Credit from the date of issuance to the date of expiration. In addition to such Letter of Credit Fee, the Issuing Lender may charge, and retain for its own account without sharing by the other Lenders, an additional facing fee (the "Letter of Credit Facing Fee") of one-tenth of one percent (.10%) per annum on the average daily maximum amount available to be drawn under each such Letter of Credit issued by it. The Issuing Lender shall promptly pay over to the Administrative Agent for the ratable benefit of the Lenders (including the Issuing Lender) the Letter of Credit Fee. The Letter of Credit Fee shall be payable quarterly in arrears on the 15th day following the last day of each calendar quarter for the prior calendar quarter.

(c) Issuing Lender Fees. In addition to the Letter of Credit Fees payable pursuant to subsection (b) hereof, the Borrower shall pay to the Issuing Lender for its own account without sharing by the other Lenders the reasonable and customary charges from time to time of the Issuing Lender with respect to the amendment, transfer, administration, cancellation and conversion of, and drawings under, such Letters of Credit (collectively, the "Issuing Lender Fees").

(d) Administrative Fee. The Borrower agrees to pay to the Administrative Agent the annual administrative fee as described in the Fee Letter.

Section 2.6 Commitment Reductions.

(a) Voluntary Reductions. The Borrower shall have the right to terminate or permanently reduce the unused portion of the Aggregate Revolving Committed Amount at any time or from time to time upon not less than five Business Days' prior notice to the Administrative Agent (which shall notify the Lenders thereof as soon as practicable) of each such termination or reduction, which notice shall specify the effective date thereof and the

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amount of any such reduction which shall be in a minimum amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof and shall be irrevocable and effective upon receipt by the Administrative Agent; provided that after giving effect to any voluntary reduction, the sum of the outstanding Revolving Loans plus outstanding Swingline Loans plus LOC Obligations shall not exceed the Aggregate Revolving Committed Amount, as reduced.

(b) Maturity Date. The Revolving Commitment, the Swingline Commitment and the LOC Commitment shall automatically terminate on the Maturity Date.

Section 2.7 Repayments and Prepayments.

(a) Optional Repayments and Prepayments. The Borrower shall have the right to repay or prepay the Loans in whole or in part from time to time; provided, however, that each partial repayment of a Revolving Loan shall be in a minimum principal amount of \$1,000,000 and integral multiples of \$500,000 in excess thereof, and each partial repayment of a Swingline Loan shall be in a minimum principal amount of \$100,000 and integral multiples of \$100,000 in excess thereof. The Borrower shall give three Business Days' irrevocable notice in the case of LIBOR Rate Loans and same-day irrevocable notice on any Business Day in the case of Alternate Base Rate Loans, to the Administrative Agent (which shall notify the Lenders thereof as soon as practicable). All prepayments under this

Section 2.7(a) shall be subject to Section 2.17, but otherwise without premium or penalty. Interest on the principal amount prepaid shall be payable on the next occurring Interest Payment Date that would have occurred had such loan not been prepaid or, at the request of the Administrative Agent, interest on the principal amount prepaid shall be payable on any date that a prepayment is made hereunder through the date of prepayment. Amounts repaid on the Revolving Loans and the Swingline Loans may be reborrowed in accordance with the terms hereof.

(b) Mandatory Repayments and Prepayments. If at any time after the Closing Date, the sum of the outstanding Revolving Loans plus outstanding Swingline Loans plus LOC Obligations shall exceed the Aggregate Revolving Committed Amount, the Borrower immediately shall repay the Loans in an amount sufficient to eliminate such excess. All amounts required to be paid pursuant to this Section 2.7(b) shall be applied first to the Revolving Loans and then (after all Revolving Loans have been repaid) to a cash collateral account in respect of LOC Obligations. Repayments and prepayments shall be applied first to Alternate Base Rate Loans and then to LIBOR Rate Loans in direct order of Interest Period maturities. All repayments and prepayments under this Section 2.7(b) shall be subject to Section 2.17 and be accompanied by interest on the principal amount repaid or prepaid through the date of repayment or prepayment.

(c) Hedging Obligations Unaffected. Any repayment or prepayment made pursuant to this Section 2.7 shall not affect the Borrower's obligation to continue to make payments under any Hedging Agreement, which shall remain in full force and effect notwithstanding such repayment or prepayment, subject to the terms of such Hedging Agreement.

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Section 2.8 Minimum Principal Amount of Tranches.

All borrowings, payments and prepayments in respect of Revolving Loans shall be in such amounts and be made pursuant to such elections so that after giving effect thereto the aggregate principal amount of the Revolving Loans shall be (a) with respect to the aggregate amount of Alternate Base Rate Loans, \$1,000,000 or a whole multiple of \$500,000 in excess thereof and (b) with respect to any Tranche of LIBOR Rate Loans, \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof.

Section 2.9 Default Rate and Payment Dates.

Upon the occurrence, and during the continuance, of an Event of Default, at the discretion of the Required Lenders, the principal of and, to the extent permitted by law, interest on the Loans and any other amounts owing hereunder or under the other Credit Documents shall bear interest, payable on demand, at a per annum rate 2% greater than the rate which would otherwise be applicable (or if no rate is applicable, whether in respect of interest, fees or other amounts, then the Alternate Base Rate plus 2%).

Section 2.10 Conversion Options.

(a) The Borrower may, in the case of Revolving Loans, elect from time to time to convert Alternate Base Rate Loans to LIBOR Rate Loans, by giving the Administrative Agent at least three Business Days' prior irrevocable written notice of such election. A form of Notice of Conversion/Extension is attached as Schedule 2.10. If the date upon which an Alternate Base Rate Loan is to be converted to a LIBOR Rate Loan is not a Business Day, then such conversion shall be made on the next succeeding Business Day and during the period from such last day of an Interest Period to such succeeding Business Day such Loan shall bear interest as if it were an Alternate Base Rate Loan. All or any part of outstanding Alternate Base Rate Loans may be converted as provided herein, provided that (i) no Loan may be converted into a LIBOR Rate Loan when any Default or Event of Default has occurred and is continuing and (ii) partial conversions shall be in an aggregate principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof.

(b) Any LIBOR Rate Loans may be continued as such upon the expiration of an Interest Period with respect thereto by compliance by the Borrower with the notice provisions contained in Section 2.10(a); provided, that no LIBOR Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing, in which case such Loan shall be automatically converted to an Alternate Base Rate Loan at the end of the applicable Interest Period with

respect thereto. In the event the Administrative Agent does not receive a request from the Borrower for an extension or conversion of any LIBOR Rate Loan in accordance with this Section, then, so long as no Default or Event of Default has occurred and is continuing, such LIBOR Rate Loan shall be continued as a LIBOR Rate Loan at the end of the Interest Period applicable thereto for an Interest Period of equal duration until the Borrower selects an alternate Interest Period or converts such Loans to Alternate Base Rate Loans. Each request for an extension or conversion of a Loan, and each deemed request for an extension or conversion of a LIBOR Rate Loan by virtue of the Administrative Agent not receiving a timely

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notice to continue such Loan, shall be irrevocable and shall constitute a representation and warranty by the Borrower of the matters specified in subsections (a) through (g) of Section 4.2.

Section 2.11 Computation of Interest and Fees.

(a) Interest payable hereunder with respect to Alternate Base Rate Loans shall be calculated on the basis of a year of 365 days (or 366 days, as applicable) for the actual days elapsed. All other fees, interest and all other amounts payable hereunder shall be calculated on the basis of a 360 day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of each determination of a LIBOR Rate on the Business Day of the determination thereof. Any change in the interest rate on a Loan resulting from a change in the Alternate Base Rate shall become effective as of the opening of business on the day on which such change in the Alternate Base Rate shall become effective. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of the effective date and the amount of each such change.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Credit Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the computations used by the Administrative Agent in determining any interest rate.

(c) It is the intent of the Lenders and the Credit Parties to conform to and contract in strict compliance with applicable usury law from time to time in effect. All agreements between the Lenders and the Credit Parties are hereby limited by the provisions of this paragraph which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no way, nor in any event or contingency (including but not limited to prepayment or acceleration of the maturity of any Obligation), shall the interest taken, reserved, contracted for, charged, or received under this Credit Agreement, under the Notes or otherwise, exceed the maximum nonusurious amount permissible under applicable law. If, from any possible construction of any of the Credit Documents or any other document, interest would otherwise be payable in excess of the maximum nonusurious amount, any such construction shall be subject to the provisions of this paragraph and such interest shall be automatically reduced to the maximum nonusurious amount permitted under applicable law, without the necessity of execution of any amendment or new document. If any Lender shall ever receive anything of value which is characterized as interest on the Loans under applicable law and which would, apart from this provision, be in excess of the maximum nonusurious amount, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Loans and not to the payment of interest, or refunded to the Borrower or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal amount of the Loans. The right to demand payment of the Loans or any other Indebtedness evidenced by any of the Credit Documents does not include the right to receive any interest which has not otherwise accrued on the date of such demand, and the Lenders do not intend to charge or receive any unearned interest in the event of such demand. All interest paid or agreed to be paid to the Lenders with respect to the Loans shall, to the extent permitted by applicable law, be amortized, prorated,

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allocated, and spread throughout the full stated term (including any renewal or extension) of the Loans so that the amount of interest on account of such indebtedness does not exceed the maximum nonusurious amount permitted by applicable law.

Section 2.12 Pro Rata Treatment and Payments.

(a) Each borrowing of Revolving Loans and any reduction of the Revolving Commitments shall be made pro rata according to the respective Commitment Percentages of the Lenders. Each payment under this Credit Agreement or any Note shall be applied, first, to any fees then due and owing by the Borrower pursuant to Section 2.5, second, to interest then due and owing in respect of the Notes of the Borrower and, third, to principal then due and owing hereunder and under the Notes of the Borrower. Each payment on account of any fees pursuant to Section 2.5 shall be made pro rata in accordance with the respective amounts due and owing (except as to the Letter of Credit Facing Fee and the Issuing Lender Fees). Each payment (other than prepayments) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective amounts due and owing in accordance with Section 2.7 hereof. Prepayments made pursuant to Section 2.15 shall be applied in accordance with such section. Each mandatory prepayment on account of principal of the Loans shall be applied in accordance with Section 2.7(b). All payments (including prepayments) to be made by the Borrower on account of principal, interest and fees shall be made without defense, set-off or counterclaim (except as provided in Section 2.18(b)) and shall be made to the Administrative Agent for the account of the Lenders at the Administrative Agent's office specified on Schedule 9.2 in Dollars and in immediately available funds not later than 12:00 noon (New York time) on the date when due. The Administrative Agent shall distribute such payments to the Lenders entitled thereto promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the LIBOR Rate Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a LIBOR Rate Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day.

(b) Allocation of Payments After Event of Default. Notwithstanding any other provisions of this Credit Agreement to the contrary, after the exercise of remedies by the Administrative Agent or the Lenders pursuant to Section 7.2 (or after the Commitments shall automatically terminate and the Loans (with accrued interest thereon) and all other amounts under the Credit Documents (including without limitation the maximum amount of all contingent liabilities under Letters of Credit) shall automatically become due and payable in accordance with the terms of such Section), all amounts collected or received by the Administrative Agent or any Lender on account of the Credit Party Obligations or any other amounts outstanding under any of the Credit Documents shall be paid over or delivered as follows:

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FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation reasonable attorneys' fees) of the Administrative Agent in connection with enforcing the rights of the Lenders under the Credit Documents;

SECOND, to payment of any fees owed to the Administrative Agent;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation, reasonable attorneys' fees) of each of the Lenders in connection with enforcing its rights under the Credit Documents or otherwise with respect to the Credit Party Obligations owing to such Lender;

FOURTH, to the payment of all of the Credit Party Obligations consisting of accrued fees and interest, and including with respect to any Hedging Agreement between any Credit Party and any Lender, or any Affiliate of a Lender, to the extent such Hedging Agreement is permitted by Section 6.1, any fees, premiums and scheduled periodic payments due under such Hedging Agreement and any interest accrued thereon;

FIFTH, to the payment of the outstanding principal amount of the Credit Party Obligations and the payment or cash collateralization of the outstanding LOC Obligations, and including with respect to any Hedging Agreement between any Credit Party and any Lender, or any Affiliate of a Lender, to the extent such Hedging Agreement is permitted by Section 6.1, any breakage, termination or other payments due under such Hedging Agreement and any interest accrued thereon;

SIXTH, to all other Credit Party Obligations and other obligations which shall have become due and payable under the Credit Documents or otherwise and not repaid pursuant to clauses "FIRST" through "FIFTH" above; and

SEVENTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; (ii) each of the Lenders shall receive an amount equal to its pro rata share (based on the proportion that the then outstanding Loans and LOC Obligations held by such Lender bears to the aggregate then outstanding Loans and LOC Obligations) of amounts available to be applied pursuant to clauses "THIRD", "FOURTH", "FIFTH" and "SIXTH" above; and (iii) to the extent that any amounts available for distribution pursuant to clause "FIFTH" above are attributable to the issued but undrawn amount of outstanding Letters of Credit, such amounts shall be held by the Administrative Agent in a cash collateral account and applied (A) first, to reimburse the Issuing Lender from time to time for any drawings under such Letters of Credit and (B) then, following the expiration of all Letters of Credit, to all other obligations of the types described in clauses "FIFTH" and "SIXTH" above in the manner provided in this Section 2.12(b).

Section 2.13 Non-Receipt of Funds by the Administrative Agent.

(a) Unless the Administrative Agent shall have been notified in writing by a Lender prior to the date a Loan is to be made by such Lender (which notice shall be effective upon receipt) that such Lender does not intend to make the proceeds of such Loan available to the Administrative Agent, the Administrative Agent may assume that such Lender has made such proceeds available to the Administrative Agent on such date, and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent, the Administrative Agent shall be able to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent will promptly notify the Borrower, and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from the Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent at a per annum rate equal to (i) from the Borrower at the applicable rate for the applicable borrowing pursuant to the Notice of Borrowing and (ii) from a Lender at the Federal Funds Effective Rate.

(b) Unless the Administrative Agent shall have been notified in writing by the Borrower, prior to the date on which any payment is due from it hereunder (which notice shall be effective upon receipt) that the Borrower does not intend to make such payment, the Administrative Agent may assume that the Borrower has made such payment when due, and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to each Lender on such payment date an amount equal to the portion of such assumed payment to which such Lender is entitled hereunder, and if the Borrower has not in fact made such payment to the Administrative Agent, such Lender shall, on demand, repay to the Administrative Agent the amount made available to such Lender. If such amount is repaid to the Administrative Agent on a date after the date such amount was made available to such Lender, such Lender shall pay to the Administrative Agent on demand interest on such amount in respect of each day from the date such amount was made available by the Administrative Agent to such

Lender to the date such amount is recovered by the Administrative Agent at a per annum rate equal to the Federal Funds Effective Rate.

(c) A certificate of the Administrative Agent submitted to the Borrower or any Lender with respect to any amount owing under this Section 2.13 shall be conclusive in the absence of manifest error.

Section 2.14 Inability to Determine Interest Rate.

Notwithstanding any other provision of this Credit Agreement, if (i) the Administrative Agent shall reasonably determine (which determination shall be conclusive and binding absent manifest error) that, by reason of circumstances affecting the relevant market, reasonable and adequate means do not exist for ascertaining LIBOR for such Interest Period, or (ii) the Required

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Lenders shall reasonably determine (which determination shall be conclusive and binding absent manifest error) that the LIBOR Rate does not adequately and fairly reflect the cost to such Lenders of funding LIBOR Rate Loans that the Borrower has requested be outstanding as a LIBOR Tranche during such Interest Period, the Administrative Agent shall forthwith give telephone notice of such determination, confirmed in writing, to the Borrower, and the Lenders at least two Business Days prior to the first day of such Interest Period. Unless the Borrower shall have notified the Administrative Agent upon receipt of such telephone notice that they wish to rescind or modify their request regarding such LIBOR Rate Loans, any Loans that were requested to be made as LIBOR Rate Loans shall be made as Alternate Base Rate Loans and any Loans that were requested to be converted into or continued as LIBOR Rate Loans shall remain as or be converted into Alternate Base Rate Loans. Until any such notice has been withdrawn by the Administrative Agent, no further Loans shall be made as, continued as, or converted into, LIBOR Rate Loans for the Interest Periods so affected.

Section 2.15 Illegality.

Notwithstanding any other provision of this Credit Agreement, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by the relevant Governmental Authority to any Lender shall make it unlawful for such Lender or its LIBOR Lending Office to make or maintain LIBOR Rate Loans as contemplated by this Credit Agreement or to obtain in the interbank eurodollar market through its LIBOR Lending Office the funds with which to make such Loans, (a) such Lender shall promptly notify the Administrative Agent and the Borrower thereof, (b) the commitment of such Lender hereunder to make LIBOR Rate Loans or continue LIBOR Rate Loans as such shall forthwith be suspended until the Administrative Agent shall give notice that the condition or situation which gave rise to the suspension shall no longer exist, and (c) such Lender's Loans then outstanding as LIBOR Rate Loans, if any, shall be converted on the last day of the Interest Period for such Loans or within such earlier period as required by law as Alternate Base Rate Loans. The Borrower hereby agrees to promptly pay any Lender, upon its demand, any additional amounts necessary to compensate such Lender for actual and direct costs (but not including anticipated profits) reasonably incurred by such Lender in making any repayment in accordance with this Section including, but not limited to, any interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain its LIBOR Rate Loans hereunder. A certificate as to any additional amounts payable pursuant to this Section submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. Each Lender agrees to use reasonable efforts (including reasonable efforts to change its LIBOR Lending Office) to avoid or to minimize any amounts which may otherwise be payable pursuant to this Section; provided, however, that such efforts shall not cause the imposition on such Lender of any additional costs or legal or regulatory burdens deemed by such Lender in its sole discretion to be material.

Section 2.16 Requirements of Law.

(a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive

(whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject such Lender to any tax of any kind whatsoever with respect to any Letter of Credit or any application relating thereto, any LIBOR Rate Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the LIBOR Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining LIBOR Rate Loans or the Letters of Credit or to reduce any amount receivable hereunder or under any Note, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such additional cost or reduced amount receivable which such Lender reasonably deems to be material as determined by such Lender with respect to its LIBOR Rate Loans or Letters of Credit. A certificate as to any additional amounts payable pursuant to this Section submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. Each Lender agrees to use reasonable efforts (including reasonable efforts to change its Domestic Lending Office or LIBOR Lending Office, as the case may be) to avoid or to minimize any amounts which might otherwise be payable pursuant to this paragraph of this Section; provided, however, that such efforts shall not cause the imposition on such Lender of any additional costs or legal or regulatory burdens deemed by such Lender to be material.

(b) If any Lender shall have reasonably determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or Governmental Authority made subsequent to the date hereof does or shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount reasonably deemed by such Lender to be material, then from time to time, within fifteen (15) days after demand by such Lender, the Borrower shall pay to such Lender such additional amount as shall be certified by such Lender as being required to compensate it for such reduction; provided that such Lender shall not be permitted to request such compensation from the Borrower if more than 120 days have elapsed after the adoption of or change in the Requirement of Law giving rise to the reduction in the rate of return on such Lender's capital. Such a certificate as to any additional amounts payable under this Section submitted by a Lender

(which certificate shall include a description of the basis for the computation), through the Administrative Agent, to the Borrower shall be conclusive absent manifest error.

(c) The agreements in this Section 2.16 shall survive the termination of this Credit Agreement and payment of the Credit Party Obligations.

Section 2.17 Indemnity.

The Borrower hereby agrees to indemnify each Lender and to hold such Lender

harmless from any funding loss or expense which such Lender may sustain or incur as a consequence of (a) default by the Borrower in payment of the principal amount of or interest on any Loan by such Lender in accordance with the terms hereof, (b) default by the Borrower in accepting a borrowing after the Borrower has given a notice in accordance with the terms hereof, (c) default by the Borrower in making any prepayment after the Borrower has given a notice in accordance with the terms hereof, and/or (d) the making by the Borrower of a prepayment of a Loan, or the conversion thereof, on a day which is not the last day of the Interest Period with respect thereto, in each case including, but not limited to, any such loss or expense arising from interest or fees payable by such Lender to lenders of funds obtained by it in order to maintain its Loans hereunder. A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. The agreements in this Section shall survive termination of this Credit Agreement and payment of the Credit Party Obligations.

Section 2.18 Taxes.

(a) All payments made by the Borrower hereunder or under any Note will be, except as provided in Section 2.18(b), made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any Governmental Authority or by any political subdivision or taxing authority thereof or therein with respect to such payments (but excluding any tax imposed on or measured by the net income or profits of a Lender pursuant to the laws of the jurisdiction in which it is organized or the jurisdiction in which the principal office or applicable lending office of such Lender is located or any subdivision thereof or therein) and all interest, penalties or similar liabilities with respect thereto (all such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges being referred to collectively as "Taxes"). If any Taxes are so levied or imposed, the Borrower agrees to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due under this Credit Agreement or under any Note, after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein or in such Note. The Borrower will furnish to the Administrative Agent as soon as practicable after the date the payment of any Taxes is due pursuant to applicable law certified copies (to the extent reasonably available and required by law) of tax receipts evidencing such payment by the Borrower. The Borrower agrees to indemnify and hold harmless each Lender, and reimburse such Lender upon its written request, for the amount of any Taxes so levied or imposed and paid by such Lender.

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(b) Each Lender that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) agrees to deliver to the Borrower and the Administrative Agent on or prior to the Closing Date, or in the case of a Lender that is an assignee or transferee of an interest under this Credit Agreement pursuant to Section 9.6(d) (unless the respective Lender was already a Lender hereunder immediately prior to such assignment or transfer), on the date of such assignment or transfer to such Lender, (i) if the Lender is a "bank" within the meaning of Section 881(c)(3)(A) of the Code, two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN or W-8ECI (or successor forms) certifying such Lender's entitlement to a complete exemption from United States withholding tax with respect to payments to be made under this Credit Agreement and under any Note, or (ii) if the Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, either Internal Revenue Service Form W-8BEN or W-8ECI as set forth in clause (i) above, or (x) a certificate substantially in the form of Schedule 2.18 (any such certificate, a "2.18 Certificate") and (y) two accurate and complete original signed copies of Internal Revenue Service Form W-8 (or successor form) certifying such Lender's entitlement to an exemption from United States withholding tax with respect to payments of interest to be made under this Credit Agreement and under any Note. In addition, each Lender agrees that it will deliver upon the Borrower's request updated versions of the foregoing, as applicable, whenever the previous certification has become obsolete or inaccurate in any material respect, together with such other forms as may be required in order to confirm or establish the entitlement of such Lender to a continued exemption from or reduction in United States withholding tax with respect to payments under this Credit Agreement and any Note. Notwithstanding anything to the contrary

contained in Section 2.18(a), but subject to the immediately succeeding sentence, (A) the Borrower shall be entitled, to the extent it is required to do so by law, to deduct or withhold Taxes imposed by the United States (or any political subdivision or taxing authority thereof or therein) from interest, fees or other amounts payable hereunder for the account of any Lender which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for U.S. Federal income tax purposes to the extent that such Lender has not provided to the Borrower U.S. Internal Revenue Service Forms that establish a complete exemption from such deduction or withholding and (B) the Borrower shall not be obligated pursuant to Section 2.18(a) hereof to gross-up payments to be made to a Lender in respect of Taxes imposed by the United States if (I) such Lender has not provided to the Borrower the Internal Revenue Service Forms required to be provided to the Borrower pursuant to this Section 2.18(b) or (II) in the case of a payment, other than interest, to a Lender described in clause (ii) above, to the extent that such Forms do not establish a complete exemption from withholding of such Taxes. Notwithstanding anything to the contrary contained in the preceding sentence or elsewhere in this Section 2.18, the Borrower agrees to pay additional amounts and to indemnify each Lender in the manner set forth in Section 2.18(a) (without regard to the identity of the jurisdiction requiring the deduction or withholding) in respect of any amounts deducted or withheld by it as described in the immediately preceding sentence as a result of any changes after the Closing Date in any applicable law, treaty, governmental rule, regulation, guideline or order, or in the interpretation thereof, relating to the deducting or withholding of Taxes.

(c) Each Lender agrees to use reasonable efforts (including reasonable efforts to change its Domestic Lending Office or LIBOR Lending Office, as the case may be) to avoid or to minimize any amounts which might otherwise be payable pursuant to this Section; provided,

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however, that such efforts shall not cause the imposition on such Lender of any additional costs or legal or regulatory burdens deemed by such Lender in its sole discretion to be material.

(d) If the Borrower pays any additional amount pursuant to this Section 2.18 with respect to a Lender, such Lender shall use reasonable efforts to obtain a refund of tax or credit against its tax liabilities on account of such payment; provided that such Lender shall have no obligation to use such reasonable efforts if either (i) it is in an excess foreign tax credit position or (ii) it believes in good faith, in its sole discretion, that claiming a refund or credit would cause adverse tax consequences to it. In the event that such Lender receives such a refund or credit, such Lender shall pay to the Borrower an amount that such Lender reasonably determines is equal to the net tax benefit obtained by such Lender as a result of such payment by the Borrower. In the event that no refund or credit is obtained with respect to the Borrower's payments to such Lender pursuant to this Section 2.18, then such Lender shall upon request provide a certification that such Lender has not received a refund or credit for such payments. Nothing contained in this Section 2.18 shall require a Lender to disclose or detail the basis of its calculation of the amount of any tax benefit or any other amount or the basis of its determination referred to in the proviso to the first sentence of this Section 2.18 to the Borrower or any other party.

(e) The agreements in this Section 2.18 shall survive the termination of this Credit Agreement and the payment of the Credit Party Obligations.

Section 2.19 Indemnification; Nature of Issuing Lender's Duties.

(a) In addition to its other obligations under Section 2.3, the Borrower hereby agrees to protect, indemnify, pay and save the Issuing Lender harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees) that the Issuing Lender may incur or be subject to as a consequence, direct or indirect, of (i) the issuance of any Letter of Credit or (ii) the failure of the Issuing Lender to honor a drawing under a Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Governmental Authority (all such acts or omissions, herein called "Government Acts").

(b) As between the Borrower and the Issuing Lender, the Borrower shall

assume all risks of the acts, omissions or misuse of any Letter of Credit by the beneficiary thereof. The Issuing Lender shall not be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, that may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of a Letter of Credit to comply fully with conditions required in order to draw upon a Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under a Letter of Credit or of the

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proceeds thereof; and (vii) for any consequences arising from causes beyond the control of the Issuing Lender, including, without limitation, any Government Acts. None of the above shall affect, impair, or prevent the vesting of the Issuing Lender's rights or powers hereunder.

(c) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by the Issuing Lender, under or in connection with any Letter of Credit or the related certificates, if taken or omitted in good faith, shall not put the Issuing Lender under any resulting liability to the Borrower. It is the intention of the parties that this Credit Agreement shall be construed and applied to protect and indemnify the Issuing Lender against any and all risks involved in the issuance of the Letters of Credit, all of which risks are hereby assumed by the Borrower, including, without limitation, any and all risks of the acts or omissions, whether rightful or wrongful, of any Government Authority. The Issuing Lender shall not, in any way, be liable for any failure by the Issuing Lender or anyone else to pay any drawing under any Letter of Credit as a result of any Government Acts or any other cause beyond the control of the Issuing Lender.

(d) Nothing in this Section 2.19 is intended to limit the reimbursement obligation of the Borrower contained in Section 2.3(d) hereof. The obligations of the Borrower under this Section 2.19 shall survive the termination of this Credit Agreement. No act or omissions of any current or prior beneficiary of a Letter of Credit shall in any way affect or impair the rights of the Issuing Lender to enforce any right, power or benefit under this Credit Agreement.

(e) Notwithstanding anything to the contrary contained in this Section 2.19, the Borrower shall have no obligation to indemnify any Issuing Lender in respect of any liability incurred by the Issuing Lender arising out of the gross negligence or willful misconduct of the Issuing Lender (including action not taken by the Issuing Lender), as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment.

Section 2.20 Replacement of Lenders.

If any Lender shall (i) become affected by any of the changes or events described in Section 2.16(b) and shall petition the Borrower for any increased cost or amounts thereunder, or (ii) any Lender shall oppose or fail to respond to any amendment, change or waiver with respect to any Credit Document which is requested by the Borrower and approved by the Super Majority Lenders, the Borrower may, upon at least five (5) Business Days' notice to the Administrative Agent, replace such Lender (the "Replaced Lender"), and designate a replacement lender (a "Replacement Lender") acceptable to the Administrative Agent in its reasonable discretion, to which such Replaced Lender shall subject solely in respect of clause (i) above to its receipt (unless a later date for the remittance thereof shall be agreed upon by the Borrower and the Replaced Lender) of all amounts owed to such Replaced Lender under Section 2.16(b) assign all of its rights, obligations, Loans and Commitments hereunder; provided, that all amounts owed to such Replaced Lender by the Borrower (except liabilities which by the terms hereof survive the payment in full of the Loans and termination of this Credit Agreement) shall be paid in full as of the date of such assignment. Upon any assignment by any Lender pursuant to this Section 2.20 becoming

effective, the Replacement Lender shall thereupon be deemed to be a "Lender" for all purposes under the Credit Documents and such Replaced Lender shall thereupon cease to be a

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"Lender" for all purposes under the Credit Documents and shall have no further rights or obligations hereunder (other than pursuant to Sections 2.14, 2.15, 2.16, 2.17, 9.5, and 9.15 while such Replaced Lender was a Lender).

Notwithstanding any Replaced Lender's failure or refusal to assign its rights, obligations, Loans and Commitments under this Section 2.20, the Replaced Lender shall cease to be a "Lender" for all purposes of this Credit Agreement and the Replacement Lender substituted therefor upon payment to the Replaced Lender by the Replacement Lender of all amounts set forth in this Section 2.20 without any further action of the Replaced Lender.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce the Lenders to enter into this Credit Agreement and to make the Extensions of Credit herein provided for, the Credit Parties hereby represent and warrant to the Administrative Agent and to each Lender that:

Section 3.1 Financial Condition.

The Borrower has heretofore delivered to the Lenders, at the Lenders' request, the following financial statements and information: (a) audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries for the fiscal years 2001, 2002 and 2003, consisting of balance sheets and the related consolidated and consolidating statements of income, stockholders' equity and cash flows for such period, (b) unaudited consolidated financial statements of the Borrower and its Consolidated Subsidiaries through the most recently available quarterly period ending prior to the Closing Date, consisting of a balance sheet and the related consolidated and consolidating statements of income, stockholders' equity and cash flows for the period ending on such date, (c) a pro forma consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of September 30, 2004, giving effect to the initial Extensions of Credit hereunder, and (d) five-year projections for the Borrower and its Subsidiaries, all in form and substance satisfactory to the Administrative Agent and certified by the chief financial officer of the Borrower that they fairly present the financial condition of the Borrower and its Subsidiaries as of the dates indicated and that (i) with respect to the audited and unaudited financial statements, the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments, and (ii) with respect to the pro forma balance sheet and the projections, were prepared in good faith based upon reasonable assumptions.

Section 3.2 No Change.

Since December 31, 2003 (and after delivery of annual audited financial statements in accordance with Section 5.1(a), from the date of the most recently delivered annual audited financial statements), there has been no change which could reasonably be expected to have a Material Adverse Effect.

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Section 3.3 Corporate Existence; Corporate Power; Compliance with Law.

(a) Each of the Credit Parties is a corporation or limited liability company duly organized and validly existing and in good standing under the laws of the state of its formation and each of the Credit Parties has the power and authority to enter into and perform its obligations under the Credit Documents to which it is a party and has the corporate power and authority to enter into and perform the obligations under each other agreement, instrument and document to be executed and delivered by it in connection with or as contemplated by each such Credit Document to which it is a party or will be a party.

(b) The execution and delivery by each of the Credit Parties of this Credit Agreement and the other applicable Credit Documents as of such date and the performance by each of the Credit Parties of its respective obligations under this Credit Agreement and the other applicable Credit Documents are within the corporate powers of each of the Credit Parties, have been duly authorized by all necessary corporate action on the part of each of the Credit Parties (including without limitation any necessary shareholder action), have been duly executed and delivered, have received all necessary governmental approval, and do not and will not (A) violate any Requirement of Law which is binding on any Credit Party or any of its Subsidiaries, (B) contravene or conflict with, or result in a breach of, any provision of the articles of incorporation, bylaws or other organizational documents of any of the Credit Parties or any of their Subsidiaries or of any agreement, indenture, instrument or other document which is binding on any of the Credit Parties or any of their Subsidiaries or (C) result in, or require, the creation or imposition of any Lien (other than pursuant to the terms of the Credit Documents) on any asset of any of the Credit Parties or any of their Subsidiaries.

(c) Each of the Credit Parties is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.4 Authorization; Enforceable Obligations.

No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or other authorization, registration, consent, approval, waiver, notice or other action by, to or of any other Person pursuant to any Requirement of Law, contract, indenture, instrument or agreement or for any other reason is required to authorize or is required in connection with (i) the execution, delivery or performance of any Credit Document, (ii) the legality, validity, binding effect or enforceability of any Credit Document, or (iii) any Extension of Credit, in each case, except those which have been obtained and are in full force and effect. This Credit Agreement and the other applicable Credit Documents to which the Credit Parties are parties constitute the legal, valid and binding obligation of such Credit Parties, as applicable, enforceable against each such Credit Party, as applicable, in accordance with their terms.

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Section 3.5 No Legal Bar; No Default.

The execution, delivery and performance of the Credit Documents, the borrowings thereunder and the use of the proceeds of the Loans will not violate any Requirement of Law or any Contractual Obligation of the Borrower or any other Credit Party (except those as to which waivers or consents have been obtained), and will not result in, or require, the creation or imposition of any Lien on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation other than the Liens arising under or contemplated in connection with the Credit Documents. No Credit Party is in default under or with respect to any of its Contractual Obligations in any respect which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

Section 3.6 No Material Litigation.

There are no material actions, suits or proceedings pending or, to our knowledge, threatened against any Credit Party in any court or before any Governmental Authority (nor shall any order, judgment or decree have been issued or proposed to be issued by any Governmental Authority to set aside, restrain, enjoin or prevent the full performance of any Credit Document or any transaction contemplated thereby) that (i) concern any Property or a Credit Party's interest therein, (ii) question the validity or enforceability of any Credit Document or any transaction described in the Credit Documents or (iii) could reasonably be expected to have a material adverse effect on (A) the business of the Borrower and its Subsidiaries taken as a whole or (B) the ability of any Credit Party to perform its obligations, when such obligations are required to be performed, under this Credit Agreement, any of the Notes or any other Credit Document.

Section 3.7 Investment Company Act.

No Credit Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Credit Party is a subject to regulation under the Public Utility Holding Company Act of 1935, as amended, the Federal Power Act, the Interstate Commerce Act, or any federal or state statute or regulation limiting its ability to incur the Credit Party Obligations.

Section 3.8 Margin Regulations.

No part of the proceeds of any Extension of Credit hereunder will be used directly or indirectly for any purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. The Borrower and its Subsidiaries taken as a group do not own "margin stock" except as identified in the financial statements referred to in Section 3.1 and the aggregate value of all "margin stock" owned by the Borrower and its Subsidiaries taken as a group does not exceed 25% of the value of their assets.

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Section 3.9 ERISA.

Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code, except to the extent that any such occurrence or failure to comply would not reasonably be expected to have a Material Adverse Effect. No termination of a Single Employer Plan has occurred resulting in any liability that has remained underfunded, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period which could reasonably be expected to have a Material Adverse Effect. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by an amount which, as determined in accordance with GAAP, could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Commonly Controlled Entity is currently subject to any liability for a complete or partial withdrawal from a Multiemployer Plan which could reasonably be expected to have a Material Adverse Effect.

Section 3.10 Environmental Matters.

(a) The facilities and properties owned, leased or operated by the Borrower and the other Credit Parties or any of their Subsidiaries (the "Properties") do not contain any Materials of Environmental Concern in amounts or concentrations which (i) constitute a material violation of, or (ii) could give rise to material liability under, any Environmental Law.

(b) The Properties and all operations of the Credit Parties and/or their Subsidiaries at the Properties are in compliance, and have in the last five years been in compliance, in all material respects with all applicable Environmental Laws, and there is no material contamination at, under or about the Properties or material violation of any Environmental Law with respect to the Properties or the business operated by the Credit Parties or any of their Subsidiaries (the "Business").

(c) No Credit Party has received any written or actual notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the Business, nor does any Credit Party have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) Materials of Environmental Concern have not been transported or disposed of from the Properties in material violation of, or in a manner or to a location which could give rise to material liability under any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in material violation of, or in a manner that could give rise to material liability under, any applicable Environmental Law.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Credit Parties, threatened, under any Environmental Law to which any Credit Party or any Subsidiary is or will be named as a party with respect to the Properties or the Business that would have or would reasonably be expected to have a Material Adverse Effect, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business that, if violated, would have or would reasonably be expected to have a Material Adverse Effect.

(f) There has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Credit Party or any Subsidiary in connection with the Properties or otherwise in connection with the Business, in material violation of or in amounts or in a manner that could give rise to material liability under Environmental Laws.

Section 3.11 Purpose of Loans.

The proceeds of the Extensions of Credit shall be used by the Borrower solely to (i) refinance certain existing indebtedness of the Borrower and its Subsidiaries, (ii) pay fees and expenses owing to the Lenders and the Administrative Agent in connection with this Credit Agreement, in amounts acceptable to the Administrative Agent and the Lenders, and (iii) provide for working capital, capital expenditures and other general corporate purposes of the Borrower and its Subsidiaries.

Section 3.12 Subsidiaries.

Set forth on Schedule 3.12 is a complete and accurate list of all Subsidiaries of the Credit Parties. Information on the attached Schedule includes the following: (i) state of incorporation; (ii) the number of shares of each class of Capital Stock or other equity interests outstanding; (iii) the number and percentage of outstanding shares of each class of stock; and (iv) the number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and similar rights. The outstanding Capital Stock and other equity interests of all such Subsidiaries is validly issued, fully paid and non-assessable and is owned, free and clear of all Liens (other than those arising under or contemplated in connection with the Credit Documents).

Section 3.13 Ownership.

Each Credit Party and its Subsidiaries has good and marketable fee simple title to all of its respective assets, or if any Property is leased by a Credit Party or a Subsidiary, it has a valid leasehold interest enforceable against the ground lessor of such Property in accordance with the terms of such lease, and none of such assets is subject to any Lien other than Permitted Liens.

Section 3.14 Indebtedness.

Except as otherwise permitted under Section 6.1, the Borrower and its Subsidiaries have no Indebtedness.

Section 3.15 Taxes.

Each of the Credit Parties and each Subsidiary thereof has filed or caused to be filed all tax reports and returns required to be filed by each of them with any Governmental Authority, except where extensions have been properly obtained and have paid or made adequate provision for the payment of all taxes, assessments, fees and other charges by any Governmental Authority which are due and payable, except such taxes, assessments, fees and other charges, if any, as are being diligently contested in good faith by appropriate proceedings and as to which the applicable Credit Party or Subsidiary thereof has established adequate reserves in conformity with GAAP on the books of such Credit Party or

Subsidiary. No Lien for any such taxes, assessments, fees or other charges has been filed, and no claims are being asserted with respect to any such taxes, assessments, fees or other charges which, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

Section 3.16 Solvency.

The fair saleable value of each Credit Party's assets, measured on a going concern basis, exceeds all probable liabilities, including those to be incurred pursuant to this Credit Agreement. None of the Credit Parties (a) has unreasonably small capital in relation to the business in which it is or proposes to be engaged or (b) has incurred, or believes that it will incur after giving effect to the transactions contemplated by this Credit Agreement, debts beyond its ability to pay such debts as they become due.

Section 3.17 Investments.

All Investments of each of the Borrower and its Subsidiaries are Permitted Investments.

Section 3.18 Location of Assets.

Set forth on Schedule 3.18(a) is a list of the Properties of the Borrower and its Subsidiaries with street address, county and state where located. Set forth on Schedule 3.18(b) is the chief executive office and principal place of business of each of the Borrower and its Subsidiaries. Schedule 3.18(a) and 3.18(b) may be updated from time to time by the Borrower to include new properties or locations by giving written notice thereof to the Administrative Agent.

Section 3.19 No Burdensome Restrictions.

None of the Borrower or any of its Subsidiaries is a party to any agreement or instrument or subject to any other obligation or any charter or corporate restriction or any provision of any applicable law, rule or regulation which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

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Section 3.20 Brokers' Fees.

None of the Borrower or any of its Subsidiaries has any obligation to any Person in respect of any finder's, broker's, investment banking or other similar fee in connection with any of the transactions contemplated under the Credit Documents other than the closing and other fees payable pursuant to this Credit Agreement.

Section 3.21 Labor Matters.

There are no collective bargaining agreements or Multiemployer Plans covering the employees of the Borrower or any of its Subsidiaries as of the Closing Date, other than as set forth in Schedule 3.21 hereto, and none of the Borrower or any of its Subsidiaries (i) has suffered any strikes, walkouts, work stoppages or other material labor difficulty within the last five years, other than as set forth in Schedule 3.21 hereto or (ii) has knowledge of any potential or pending strike, walkout or work stoppage.

Section 3.22 Accuracy and Completeness of Information.

(a) All information heretofore or contemporaneously herewith furnished by any Credit Party or any of their Subsidiaries to the Administrative Agent, the Arranger or any Lender for purposes of or in connection with this Credit Agreement and the transactions contemplated hereby is, and all information hereafter furnished by or on behalf of the Credit Parties or any of their Subsidiaries to the Administrative Agent, the Arranger or any Lender pursuant hereto or in connection herewith will be, true and accurate in every material respect on the date as of which such information is dated or certified, and such information, taken as a whole, does not and will not omit to state any material fact necessary to make such information, taken as a whole, not misleading.

(b) All registration statements, reports, proxy statements and other

documents, if any, required to be filed by Credit Parties and their Subsidiaries with the Securities and Exchange Commission pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended, have been filed, and such filings are complete and accurate and contain no untrue statements of material fact or omit to state any material facts required to be stated therein or necessary in order to make the statements therein not misleading.

Section 3.23 Material Agreements.

None of the Credit Parties or any of their Subsidiaries has breached or violated, or is in default under, any Material Agreement or has defaulted in making any payment when due with respect to money borrowed by such Credit Party or Subsidiary under any Material Agreement.

Section 3.24 Insurance.

Insurance certificates evidencing liability, casualty and business interruption insurance coverage of the Credit Parties and their Subsidiaries are set forth on Schedule 3.24 and such

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insurance coverage is on terms and in coverage amounts comparable to the industry standard applicable to the assets and operations of the Credit Parties and their Subsidiaries.

Section 3.25 Anti-Terrorism Laws.

(a) Neither the borrowing of the Loans hereunder nor the Borrower's use of the proceeds thereof will violate the Patriot Act, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or is in violation of any federal statute or Presidential Executive Order, including without limitation Executive Order 13224 66 Fed. Reg. 49079 (September 25, 2001) (Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit or Support Terrorism).

(b) None of the Borrower, Subsidiaries of the Borrower or Affiliates of the Borrower are (i) named on the United States Department of the Treasury's Specially Designated Nationals or Blocked Persons list available through <http://www.treas.gov/offices/eotffc/ofac/sdn/index.html> or as otherwise published from time to time, or (ii) (A) an agency of the government of a country, (B) an organization controlled by a country, or (C) a person resident in a country that is subject to sanctions under a program specified on <http://www.treas.gov/offices/eotffc/ofac/sanctions/index.html> or as otherwise published from time to time, as such program may be applicable to such agency, organization, or person.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1 Conditions to Closing Date and Initial Revolving Loans.

This Credit Agreement shall become effective upon, and the obligation of each Lender to make the initial Revolving Loans and the Swingline Loans on the Closing Date is subject to, the satisfaction of the following conditions precedent:

(a) Execution of Credit Documents. The Administrative Agent shall have received (i) counterparts of this Credit Agreement, (ii) for the account of each Lender, Revolving Notes, and (iii) for the account of the Swingline Lender, the Swingline Note, in each case conforming to the requirements of this Credit Agreement and executed by a duly authorized officer of each party thereto

(b) Authority Documents. The Administrative Agent shall have received the following:

(i) Articles of Incorporation. Copies of the articles of incorporation or other charter documents, as applicable, of each Credit Party certified to be true and complete as

of a recent date by the appropriate Governmental Authority of the state of its incorporation.

(ii) Resolutions. Copies of resolutions of the board of directors of each Credit Party approving and adopting the Credit Documents, the transactions contemplated therein and authorizing execution and delivery thereof, certified by an officer of such Credit Party (pursuant to a secretary's certificate in substantially the form of Schedule 4.1(b) attached hereto) as of the Closing Date to be true and correct and in force and effect as of such date.

(iii) Bylaws. A copy of the bylaws or operating agreement of each Credit Party certified by an officer of such Credit Party (pursuant to a secretary's certificate in substantially the form of Schedule 4.1(b) attached hereto) as of the Closing Date to be true and correct and in force and effect as of such date.

(iv) Good Standing. Copies of certificates of good standing, existence or its equivalent with respect to each Credit Party certified as of a recent date by the appropriate Governmental Authorities of its state of incorporation and each other state in which the failure to so qualify and be in good standing could reasonably be expected to have a Material Adverse Effect on the business or operations of the Borrower and its Subsidiaries taken as a whole.

(v) Incumbency. An incumbency certificate of each Credit Party certified by a secretary or assistant secretary to be true and correct as of the Closing Date.

(c) Legal Opinions of Counsel. The Administrative Agent shall have received an opinion or opinions of legal counsel for the Credit Parties, dated the Closing Date and addressed to the Administrative Agent and the Lenders, which opinion or opinions shall provide, among other things, that the Credit Parties are in compliance with all corporate instruments and Material Agreements on the Closing Date and shall otherwise be in form and substance acceptable to the Administrative Agent.

(d) Account Designation Letter. The Administrative Agent shall have received the executed Account Designation Letter in the form of Schedule 1.1(a) hereto.

(e) Solvency Certificate. The Administrative Agent shall have received an officer's certificate for the Credit Parties prepared by the chief financial officer of the Borrower as to the financial condition, solvency and related matters of the Borrower and of the Credit Parties taken as a whole, after giving effect to the initial borrowings under the Credit Documents, in substantially the form of Schedule 4.1(e) hereto.

(f) Officer's Certificate. The Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower as of the Closing Date stating that immediately after giving effect to this Credit Agreement, the other Credit Documents, and all the transactions contemplated herein and therein to occur on such date, (A) no Default or Event of Default exists, (B) all representations and warranties contained herein and in the other Credit

Documents are true and correct in all material respects, and (C) the Credit Parties are in compliance with each of the financial covenants set forth in Section 5.9 on a pro forma basis.

(g) Litigation. There shall not exist any pending or threatened litigation or investigation affecting or relating to the Borrower or any of its Subsidiaries, this Credit Agreement, or the other Credit Documents that in the reasonable judgment of the Administrative Agent and Lenders could materially adversely affect the Borrower and any of its Subsidiaries, taken as a whole, or

this Credit Agreement or the other Credit Documents, that has not been settled, dismissed, vacated, discharged or terminated prior to the Closing Date.

(h) Termination of Existing Indebtedness. The Existing Credit Agreement and all other existing Indebtedness for borrowed money of the Borrower and its respective Subsidiaries (other than the Indebtedness listed on Schedule 6.1(b)) shall have been repaid in full and terminated and all Liens relating thereto shall have been terminated, with the exception of: (i) certain debt and capital lease obligations not exceeding \$25,000,000 in the aggregate; (ii) the existing synthetic lease facility of the Borrower and its affiliates; (iii) the earn-out obligations under the Attention, LLC and Tel Mark Sales, Inc. acquisition agreements; (iv) those certain letters of credit issued by Omaha State Bank on behalf of the Borrower in an aggregate face amount of less than \$10,000,000; (v) certain other miscellaneous indebtedness in an aggregate amount not exceeding \$10,000,000 and (vi) other non-recourse indebtedness in an aggregate amount not to exceed \$100,000,000.

(i) Corporate Structure. The corporate capital and ownership structure of the Borrower and its Subsidiaries shall be as described in Schedule 3.12. The Administrative Agent and the Lenders shall be satisfied with management structure, legal structure, voting control, liquidity, total leverage and total capitalization of the Borrower as of the Closing Date.

(j) Consents. The Administrative Agent shall have received evidence that all governmental, shareholder and material third party consents and approvals necessary in connection with the financings and other transactions contemplated hereby have been obtained and all applicable waiting periods have expired without any action being taken by any authority that could restrain, prevent or impose any material adverse conditions on such transactions or that could seek or threaten any of such transactions.

(k) Compliance with Laws. The financings and other transactions contemplated hereby shall be in compliance with all applicable laws and regulations (including all applicable securities and banking laws, rules and regulations).

(l) Bankruptcy. There shall be no bankruptcy or insolvency proceedings with respect to the Borrower or any of its Subsidiaries.

(m) Material Adverse Effect. Since December 31, 2003, there has been no change which could reasonably be expected to have a Material Adverse Effect.

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(n) Liability and Casualty Insurance. The Administrative Agent shall have received copies of insurance policies or certificates of insurance evidencing liability, casualty and business interruption insurance of the Borrower and its Subsidiaries.

(o) Financial Statements. The Administrative Agent shall have received copies of the financial statements referred to in Section 3.1 hereof, each in form and substance satisfactory to it.

(p) Fees. The Administrative Agent and the Lenders shall have received all fees, if any, owing pursuant to the Fee Letter and Section 2.5.

(q) Amendment to Operative Agreements. The Operative Agreements shall have been amended in form and substance reasonably satisfactory to the Administrative Agent. The financial covenants (including levels and definitions), affirmative covenants and negative covenants in Operative Agreements shall be no more restrictive than the financial covenants, affirmative covenants and negative covenants set forth in Articles V and VI.

(r) Patriot Act Certificate. The Administrative Agent shall have received a certificate satisfactory thereto, for benefit of itself and the Lenders, provided by the Borrower that sets forth information required by the Patriot Act (as defined in Section 9.18) including, without limitation, the identity of the Borrower, the name and address of the Borrower and other information that will allow the Administrative Agent or any Lender, as applicable, to identify the Borrower in accordance with the Patriot Act.

(s) Additional Matters. All other documents and legal matters in

connection with the transactions contemplated by this Credit Agreement shall be reasonably satisfactory in form and substance to the Administrative Agent and its counsel.

Section 4.2 Conditions to All Extensions of Credit.

The obligation of each Lender to make any Extension of Credit hereunder is subject to the satisfaction of the following conditions precedent on the date of making such Extension of Credit:

(a) Representations and Warranties. The representations and warranties made by the Credit Parties herein, in any other Credit Documents or which are contained in any certificate furnished at any time under or in connection herewith shall be true and correct in all material respects on and as of the date of such Extension of Credit as if made on and as of such date, unless such representations and warranties specifically refer to a prior date.

(b) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Extension of Credit to be made on such date unless such Default or Event of Default shall have been waived in accordance with this Credit Agreement.

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(c) Compliance with Commitments. Immediately after giving effect to the making of any such Extension of Credit (and the application of the proceeds thereof), (i) the sum of outstanding Revolving Loans plus outstanding Swingline Loans plus LOC Obligations shall not exceed the Aggregate Revolving Committed Amount, (ii) the LOC Obligations shall not exceed the LOC Committed Amount and (iii) the Swingline Loans shall not exceed the Swingline Committed Amount.

(d) Additional Conditions to Revolving Loans. If a Revolving Loan is requested, all conditions set forth in Section 2.1 shall have been satisfied.

(e) Additional Conditions to Additional Loans. If an Additional Loan is requested, all conditions set forth in Section 2.2 shall have been satisfied.

(f) Additional Conditions to Letters of Credit. If the issuance of a Letter of Credit is requested, all conditions set forth in Section 2.3 shall have been satisfied.

(g) Additional Conditions to Swingline Loans. If a Swingline Loan is requested, all conditions set forth in Section 2.4 shall have been satisfied.

Each request for an Extension of Credit and each acceptance by the Borrower of any such Extension of Credit shall be deemed to constitute representations and warranties by the Borrower as of the date of such Extension of Credit that the applicable conditions in paragraphs (a) through (g) of this Section have been satisfied.

ARTICLE V

AFFIRMATIVE COVENANTS

The Credit Parties hereby covenant and agree that on the Closing Date, and thereafter for so long as this Credit Agreement is in effect and until the Commitments have terminated, no Note remains outstanding and unpaid and the Credit Party Obligations, together with interest, Commitment Fee and all other amounts owing to the Administrative Agent or any Lender hereunder, are paid in full, each of the Credit Parties shall, and shall cause each of its Subsidiaries (other than in the case of Sections 5.1, 5.2 or 5.7 hereof), to:

Section 5.1 Financial Statements.

Furnish to the Administrative Agent and each of the Lenders:

(a) Annual Financial Statements. As soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower, a copy of the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such fiscal year and the related consolidated and consolidating statements of income and retained earnings and of consolidated cash flows of the Borrower and its Consolidated Subsidiaries for such year

which, other than in the case of the consolidating statements, shall be audited by a firm of independent

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certified public accountants of nationally recognized standing reasonably acceptable to the Required Lenders, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification indicating that the scope of the audit was inadequate to permit such independent certified public accountants to certify such financial statements without such qualification;

(b) Quarterly Financial Statements. As soon as available and in any event within forty-five (45) days after the end of each of the first three fiscal quarters of the Borrower, a copy of the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such period and related consolidated and consolidating statements of income and retained earnings and of consolidated cash flows for the Borrower and its Consolidated Subsidiaries for such quarterly period and for the portion of the fiscal year ending with such period, in each case setting forth in comparative form consolidated figures for the corresponding period or periods of the preceding fiscal year (subject to normal recurring year-end audit adjustments); and

(c) Annual Operating Budget and Cash Flow. As soon as available, but in any event within fifteen (15) days prior to the end of each fiscal year, a copy of the detailed annual operating budget or plan including cash flow projections of the Borrower and its Subsidiaries for the next four fiscal quarter period prepared on a quarterly basis, in form and detail reasonably acceptable to the Administrative Agent and the Lenders, together with a summary of the material assumptions made in the preparation of such annual budget or plan;

all such financial statements to be complete and correct in all material respects (subject, in the case of interim statements, to normal recurring year-end audit adjustments) and to be prepared in reasonable detail and, in the case of the annual and quarterly financial statements provided in accordance with subsections (a) and (b) above, in accordance with GAAP applied consistently throughout the periods reflected therein and further accompanied by a description of, and an estimation of the effect on the financial statements on account of, a change, if any, in the application of accounting principles as provided in Section 1.3.

Section 5.2 Certificates; Other Information.

Furnish to the Administrative Agent and each of the Lenders:

(a) concurrently with the delivery of the financial statements referred to in Section 5.1(a) above, a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in Sections 5.1(a) and 5.1(b) above, a certificate of a Responsible Officer stating that, to the best of such Responsible Officer's knowledge, each of the Credit Parties during such period observed or performed in all material respects all of its covenants and other agreements, and satisfied in all material respects every condition, contained in this Credit Agreement to be observed, performed

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or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and such certificate shall include the calculations in reasonable detail required to indicate compliance with Section 5.9 as of the last day of such period;

(c) within thirty (30) days after the same are provided, make available by electronic mail or by posting to the Borrower's website copies of all reports (other than those otherwise provided pursuant to Section 5.1 and those which are

of a promotional nature) and other financial information which the Borrower sends to its stockholders;

(d) within ninety (90) days after the end of each fiscal year of the Borrower, a certificate containing information regarding the amount of all (i) Debt Issuances outstanding at the end of the prior fiscal year and (ii) Equity Issuances that were made during the prior fiscal year;

(e) promptly upon receipt thereof, a copy of any other report or "management letter" submitted by independent accountants to the Borrower or any of its Subsidiaries in connection with any annual, interim or special audit of the books of such Person; and

(f) promptly, such other documents or other information as the Administrative Agent, on behalf of any Lender, may from time to time reasonably request.

Section 5.3 Payment of Obligations.

(a) Perform all of its obligations under each contract to which it is a party, if a failure to so perform could reasonably be expected to have a Material Adverse Effect.

(b) Pay and perform all of its obligations under the Credit Documents and pay and perform (i) all taxes, assessments and other governmental charges that may be levied or assessed upon it or any Property, which if not paid or performed could reasonably be expected to have a Material Adverse Effect and (ii) all other indebtedness, obligations and liabilities in accordance with customary trade practices, which if not paid would have a Material Adverse Effect; provided that it may contest any tax, assessment or other governmental charge in good faith so long as adequate reserves are maintained with respect thereto in accordance with GAAP.

Section 5.4 Conduct of Business and Maintenance of Existence.

Preserve and maintain its corporate existence and all rights, franchises, licenses and privileges necessary to the conduct of its business, and qualify and remain qualified as a foreign corporation (or partnership, limited liability company or other such similar entity, as the case may be) and authorized to do business in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect and shall maintain all licenses, permits and registrations necessary for the conduct of its operations.

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Section 5.5 Maintenance of Property; Insurance.

(a) Keep all material property useful and necessary in its business in good working order and condition (ordinary wear and tear and obsolescence excepted); and

(b) Maintain with financially sound and reputable insurance companies insurance on all its material property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to the Administrative Agent, upon written request, full information as to the insurance carried; provided, however, that the Borrower and its Subsidiaries may maintain self insurance plans (including wholly-owned captive insurance company coverage) to the extent companies of similar size and in similar businesses do so.

Section 5.6 Inspection of Property; Books and Records; Discussions.

Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its businesses and activities; and permit, subject to the confidentiality provisions of Section 9.15, upon at least five (5) Business Days notice from the Administrative Agent (or, if a Default or Event of Default shall have occurred and be continuing, upon at least one (1) Business Days notice from the Administrative Agent), representatives of the Administrative Agent or any Lender, from time to time, to visit and inspect its properties and to inspect, audit and make extracts from its books, records and files, including without limitation management letters prepared by independent

accountants and to discuss with its principal officers, and its independent accountants, its business, assets, liabilities, financial condition, results of operations and business prospects.

Section 5.7 Notices.

Give notice in writing to the Administrative Agent (which shall promptly transmit such notice to each Lender) of:

(a) promptly, but in any event within two (2) Business Days after the Borrower knows or has reason to know thereof, the occurrence of any Default or Event of Default;

(b) promptly and in any event within five (5) Business Days after the Borrower knows or has reason to know thereof, the commencement of any (i) Material Proceeding, (ii) loss of or damage to any assets of the Borrower or any Subsidiary that likely will result in a Material Adverse Effect and (iii) litigation, investigation or proceeding involving an environmental claim or potential liability under Environmental Laws in excess of \$10,000,000;

(c) promptly and in any event within five (5) Business Days after the Borrower knows or has reason to know thereof, default by Borrower or any Subsidiary under any note, indenture, loan agreement, mortgage or other similar agreement to which the Borrower or any Subsidiary is a party or by which the Borrower or any Subsidiary is bound, which relates to borrowed money, or of any other default under any other note, indenture, loan agreement,

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mortgage or other similar agreement to which the Borrower or any Subsidiary is a party or by which the Borrower or any Subsidiary is bound if such other default may result in a Material Adverse Effect;

(d) promptly and in any event within thirty (30) days after the Borrower knows or has reason to know thereof: (i) the occurrence or expected occurrence of any material Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC (other than a Permitted Lien) or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the terminating, Reorganization or Insolvency of, any Plan; and

(e) promptly and in any event within three (3) Business Days after the Borrower knows or has reason to know thereof, any other development or event which could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto. In the case of any notice of a Default or Event of Default, the Borrower shall specify that such notice is a Default or Event of Default notice on the face thereof.

Section 5.8 Environmental Laws.

(a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws except to the extent that the same are being contested in good faith by appropriate proceedings and the pendency of such proceedings could not reasonably be

expected to have a Material Adverse Effect; and

(c) Defend, indemnify and hold harmless the Administrative Agent and the Lenders, and their respective employees, agents, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any of its Subsidiaries or the Properties, or any orders, requirements or demands of Governmental Authorities related thereto, including, without

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limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing arise out of the gross negligence or willful misconduct of the party seeking indemnification therefor. The agreements in this paragraph shall survive repayment of the Notes and all other amounts payable hereunder.

Section 5.9 Financial Covenants.

Commencing on the day immediately following the Closing Date, the Credit Parties shall comply with the following financial covenants:

(a) Consolidated Leverage Ratio. The Consolidated Leverage Ratio, as of the last day of each fiscal quarter of the Consolidated Group shall be less than or equal to 2.5 to 1.0.

(b) Consolidated Fixed Charge Coverage Ratio. The Consolidated Fixed Charge Coverage Ratio, as of the last day of each fiscal quarter of the Consolidated Group shall be greater than or equal to 1.2 to 1.0.

Notwithstanding anything herein to the contrary, the parties hereto acknowledge and agree that, for purposes of all calculations made in determining compliance for any applicable period with the financial covenants set forth in this Section 5.9, (i) after consummation of any Permitted Acquisition, (A) income statement items and other balance sheet items (whether positive or negative) attributable to the Target acquired in such transaction shall be included in such calculations to the extent relating to such applicable period, subject to adjustments acceptable to the Administrative Agent in its sole discretion, and (B) Indebtedness of a Target which is retired in connection with a Permitted Acquisition shall be excluded from such calculations and deemed to have been retired as of the first day of such applicable period and (ii) after consummation of any disposition of Property permitted by Section 6.4(a)(i), (ii) and (v), (A) income statement items and other balance sheet items (whether positive or negative) attributable to the Property disposed of shall be excluded in such calculations to the extent relating to such applicable period, subject to adjustments acceptable to the Administrative Agent in its sole discretion, and (B) Indebtedness of the Target which is retired in connection with such Asset Disposition shall be excluded from such calculations and deemed to have been retired as of the first day of such applicable period.

Section 5.10 Additional Subsidiary Guarantors.

The Credit Parties will cause each Material Domestic Subsidiary (excluding Worldwide Asset Purchasing, LLC), whether newly formed, after acquired or otherwise existing, to promptly (but in any event within fifteen (15) Business Days) become a Guarantor hereunder by way of execution of a Joinder Agreement.

Section 5.11 Compliance with Law.

To the extent failure to do so would have a Material Adverse Effect, each Credit Party will, and will cause each of its Subsidiaries to (a) observe and remain in compliance with all

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applicable Requirements of Law and maintain in full force and effect all permits, authorizations, registrations and consents from any Governmental Authority, in each case applicable to the conduct of its business and (b) keep in full force and effect all licenses, certifications or accreditations necessary for any Property to carry on its business.

Section 5.12 Further Assurances.

Within ten (10) days following the Closing Date (or such extended period of time as agreed to by the Administrative Agent), the Borrower shall deliver to the Administrative Agent (a) good standing certificates with respect to West Transaction Services, LLC, West Transaction Services II, LLC, West Telemarketing, LP, West Business Services, LP, West International Asset Management, LLC, West Asset Management, Inc., West Asset Purchasing, LLC and The Debt Depot, LLC, in each case, certified as of a recent date by the appropriate Governmental Authority of such Credit Party's state of incorporation or formation and (b) copies of the articles of incorporation or other charter documents, as applicable, of West Transaction Services, LLC, West Transaction Services II, LLC, West Telemarketing, LP, West Business Services, LP, West International Asset Management, LLC, West Asset Management, Inc., West Asset Purchasing, LLC and The Debt Depot, LLC, in each case, certified to be true and complete as of a recent date by the appropriate Governmental Authority of such Credit Party's state of incorporation or formation.

ARTICLE VI

NEGATIVE COVENANTS

The Credit Parties hereby covenant and agree that on the Closing Date, and thereafter for so long as this Credit Agreement is in effect and until the Commitments have terminated, no Note remains outstanding and unpaid and the Credit Party Obligations, together with interest, Commitment Fee and all other amounts owing to the Administrative Agent or any Lender hereunder, are paid in full that:

Section 6.1 Indebtedness.

The Borrower will not, nor will it permit any Subsidiary to, contract, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness arising or existing under this Credit Agreement and the other Credit Documents;

(b) Indebtedness of the Borrower and its Subsidiaries existing as of the Closing Date as referenced in the financial statements referenced in Section 3.1 (and set out more specifically in Schedule 6.1(b)) hereto and renewals, refinancings or extensions thereof in a principal amount not in excess of that outstanding as of the date of such renewal, refinancing or extension;

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(c) Indebtedness of the Borrower and its Subsidiaries incurred after the Closing Date consisting of Capital Leases or Indebtedness incurred to provide all or a portion of the purchase price or cost of construction of an asset provided that (i) such Indebtedness when incurred shall not exceed the purchase price or cost of construction of such asset; (ii) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing; and (iii) the total principal amount of all such Indebtedness shall not exceed \$25,000,000 at any time outstanding;

(d) Unsecured intercompany Indebtedness (i) among the Credit Parties, (ii) among Foreign Subsidiaries, (iii) owing from Domestic Subsidiaries of the Borrower that are not Guarantors to Credit Parties, which Indebtedness is solely for the purpose of purchasing third party debt obligations; provided that the aggregate principal amount of Indebtedness incurred pursuant to this clause (iii), together with the aggregate amount of Investments and loans made pursuant to clause (iv) of the definition of Permitted Investments, shall not exceed \$100,000,000 at any time outstanding, and (iv) owing from Subsidiaries of the Borrower that are not Guarantors to Credit Parties (other than Indebtedness incurred pursuant to clause (iii) above); provided that the aggregate principal amount of Indebtedness incurred pursuant to this clause (iv), together with the aggregate amount of Investments and loans made pursuant to clause (v) of the

definition of Permitted Investments, shall not exceed \$50,000,000 at any time outstanding;

(e) Secured intercompany Indebtedness among the Borrower and its Subsidiaries in a principal amount not to exceed \$50,000,000 in the aggregate at any time outstanding; provided that, to the extent a Credit Party and a Subsidiary that is not a Credit Party are parties to such intercompany Indebtedness arrangement, such Credit Party shall be the secured party;

(f) Indebtedness and obligations owing under Hedging Agreements relating to the Loans hereunder and other Hedging Agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes;

(g) Indebtedness and obligations of Credit Parties owing under documentary letters of credit for the purchase of goods or other merchandise (but not under standby, direct pay or other letters of credit except for the Letters of Credit hereunder) generally in an aggregate principal amount not to exceed \$25,000,000 at any time outstanding;

(h) Guaranty Obligations in respect of Indebtedness of a Credit Party to the extent such Indebtedness is permitted to exist or be incurred pursuant to this Section 6.1;

(i) Indebtedness of the Borrower and its Subsidiaries arising under any Synthetic Leases (other than Indebtedness under the Operative Agreements set out on Schedule 6.1(b)) that is pari passu with or subordinated to the Credit Party Obligations in a principal amount not to exceed \$40,500,000 in the aggregate at any time outstanding;

(j) Indebtedness of the Borrower and its Subsidiaries consisting of unsecured earnout obligations incurred in connection with Permitted Acquisitions in a principal amount not to exceed \$50,000,000 in the aggregate at any time outstanding;

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(k) Indebtedness (other than revolving credit facilities exceeding \$50,000,000 in the aggregate and any Synthetic Leases) of the Borrower and its Subsidiaries that is pari passu with or subordinated to the Credit Party Obligations in an aggregate principal amount not to exceed \$400,000,000 at any time outstanding;

(l) Indebtedness of the Borrower and its Subsidiaries relating to any accounts receivable securitization transaction or transactions; provided that the principal amount of such Indebtedness does not exceed \$100,000,000 in the aggregate at any time outstanding; and

(m) other Indebtedness of the Borrower and its Subsidiaries; provided that such Indebtedness is non-recourse to the Borrower or any of its Subsidiaries and the principal amount of such Indebtedness does not exceed \$150,000,000 in the aggregate at any time outstanding.

Section 6.2 Liens.

The Borrower will not, nor will it permit any Subsidiary to, contract, create, incur, assume or permit to exist any Lien with respect to any of its property or assets of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, except for Permitted Liens.

Section 6.3 Nature of Business.

The Borrower will not, nor will it permit any Subsidiary to, alter the character of its business in any material respect from that conducted as of the Closing Date.

Section 6.4 Consolidation, Merger, Sale or Purchase of Assets, etc.

The Borrower will not, nor will it permit any Subsidiary to,

(a) dissolve, liquidate or wind up its affairs, sell, transfer, lease or

otherwise dispose of its property or assets or agree to do so at a future time except the following, without duplication, shall be expressly permitted:

(i) Specified Sales;

(ii) the sale, transfer, lease or other disposition of property or assets (A) to an unrelated party not in the ordinary course of business (other than Specified Sales), where and to the extent that they are the result of a Recovery Event or (B) the sale, lease, transfer or other disposition of machinery, parts and equipment no longer used or useful in the conduct of the business of the Borrower or any of its Subsidiaries, as appropriate, in its reasonable discretion, so long as and the net proceeds therefrom are used to repair or replace damaged property or to purchase or otherwise acquire new assets or property, provided that such purchase or acquisition is committed to within 180 days of receipt of the net proceeds and such purchase or acquisition is consummated within 270 days of receipt of such proceeds;

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(iii) the sale, lease or transfer of property or assets (at fair market value) from the Borrower to any Guarantor;

(iv) the sale, lease or transfer of property or assets from a Guarantor to the Borrower or another Guarantor;

(v) the sale, lease or transfer of property or assets (at fair market value) not to exceed \$50,000,000 in the aggregate in any fiscal year; and

(vi) the sale, transfer, contribution, conveyance or other disposition of accounts receivable and associated collateral, lockbox and other collection accounts, records and/or proceeds in connection with any accounts receivable securitization, non-recourse indebtedness or any Purchase Paper Facility; or

(b) (i) purchase, lease or otherwise acquire (in a single transaction or a series of related transactions) the property or assets of any Person (other than purchases or other acquisitions of inventory, leases, materials, property and equipment in the ordinary course of business, except as otherwise limited or prohibited herein) or (ii) enter into any transaction of merger or consolidation, except for (A) Investments or acquisitions (including Permitted Acquisitions) permitted pursuant to Section 6.5, and (B) the merger or consolidation of a Credit Party or other Subsidiary with and into another Credit Party, provided that if the Borrower is a party thereto, the Borrower will be the surviving corporation.

Section 6.5 Advances, Investments and Loans.

The Borrower will not, nor will it permit any Subsidiary to, lend money or extend credit or make advances to any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any Person except for Permitted Investments or to the extent permitted by Section 6.1.

Section 6.6 Transactions with Affiliates.

The Borrower will not, nor will it permit any Subsidiary to, enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any officer, director, shareholder or Affiliate other than on terms and conditions substantially as favorable as would be obtainable in a comparable arm's-length transaction with a Person other than an officer, director, shareholder or Affiliate.

Section 6.7 Ownership of Subsidiaries; Restrictions.

The Borrower will not sell, transfer, pledge or otherwise dispose of any Capital Stock or other equity interests in any of its Subsidiaries, nor will it permit any of its Subsidiaries to issue, sell, transfer, pledge or otherwise dispose of any of their Capital Stock or other equity interests, except in connection with any Purchase Paper Facility or any other transaction or series of transactions permitted by Section 6.4. The Borrower shall not, and shall not permit any of its

Subsidiaries to, amend, modify or change its shareholders' agreements and other equity-related documents (excluding amendments to stock option plan documents and employee stock incentive documents) in any material respect without the prior written consent of the Required Lenders.

Section 6.8 Fiscal Year; Organizational Documents; Material Agreements.

The Borrower will not, nor will it permit any of its Subsidiaries to, change their fiscal year. The Borrower will not, nor will it permit any of its Subsidiary to, amend, modify or change their articles of incorporation (or corporate charter or other similar organizational document) or bylaws (or other similar document) in any material respect or in any respect adverse to the interests of the Lenders without the prior written consent of the Required Lenders. The Borrower will not, nor will it permit any of its Subsidiaries to, without the prior written consent of the Administrative Agent and the Required Lenders, amend, modify, cancel or terminate or fail to renew or extend or permit the amendment, modification, cancellation or termination by the Borrower or any of its Subsidiaries of any of the Material Agreements, except in the event that such amendments, modifications, cancellations or terminations could not reasonably be expected to have a Material Adverse Effect.

Section 6.9 Limitation on Restricted Actions.

The Borrower will not, nor will it permit any Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any such Person to (a) pay dividends or make any other distributions to any Credit Party on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness or other obligation owed to any Credit Party, (c) make loans or advances to any Credit Party, (d) sell, lease or transfer any of its properties or assets to any Credit Party, or (e) act as a Guarantor and pledge its assets pursuant to the Credit Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (a)-(d) above) for such encumbrances or restrictions existing under or by reason of (i) this Credit Agreement and the other Credit Documents, (ii) applicable law, (iii) any document or instrument governing Indebtedness incurred pursuant to Section 6.1(c), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith or (iv) any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien.

Section 6.10 Restricted Payments.

Each of the Credit Parties will not, nor will it permit any Subsidiary to, directly or indirectly, declare, order, make or set apart any sum for or pay any Restricted Payment, except (a) to make dividends payable solely in the common stock or equivalent equity interests of such Person, (b) to make dividends or other distributions payable to the Borrower or any wholly owned Subsidiary of the Borrower that is a Guarantor (directly or indirectly through Subsidiaries) and (c) to make dividends or other distributions payable to any minority equity

owner of a Subsidiary in an aggregate amount not to exceed such minority equity owner's equity interest in earnings for the current fiscal year and undistributed earnings from prior fiscal years.

Section 6.11 Prepayments of Subordinated Debt, etc.

Except in connection with a Purchase Paper Facility, the Borrower will not, nor will it permit any Subsidiary to, after the issuance thereof, amend or modify (or permit the amendment or modification of) any of the terms of any Subordinated Debt if such amendment or modification would add or change any terms in a manner adverse to the interests of the Lenders or the issuer of such

Subordinated Debt, or shorten the final maturity or average life to maturity or require any payment to be made sooner than originally scheduled or increase the interest rate applicable thereto or change any subordination provision thereof.

Section 6.12 Sale Leasebacks.

The Borrower will not, nor will it permit any Subsidiary to, directly or indirectly, become or remain liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capital Lease, of any property (whether real, personal or mixed), whether now owned or hereafter acquired in excess of \$10,000,000 in the aggregate on an annual basis, (a) which the Borrower or any Subsidiary has sold or transferred or is to sell or transfer to a Person which is not the Borrower or any Subsidiary or (b) which the Borrower or any Subsidiary intends to use for substantially the same purpose as any other property which has been sold or is to be sold or transferred by the Borrower or any Subsidiary to another Person which is not the Borrower or any Subsidiary in connection with such lease.

Section 6.13 No Further Negative Pledges.

The Borrower will not, nor will it permit any Subsidiary to, enter into, assume or become subject to any agreement prohibiting or otherwise restricting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired, or requiring the grant of any security for such obligation if security is given for some other obligation, except (a) pursuant to this Credit Agreement and the other Credit Documents, (b) pursuant to any document or instrument governing Indebtedness incurred pursuant to Section 6.1(c), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith and (c) in connection with any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien.

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ARTICLE VII

EVENTS OF DEFAULT

Section 7.1 Events of Default.

An Event of Default shall exist upon the occurrence of any of the following specified events (each an "Event of Default"):

(a) The Borrower shall fail to pay any principal on any Loan when due in accordance with the terms thereof or hereof; or the Borrower shall fail to reimburse the Issuing Lender for any LOC Obligations when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or any fee or other amount payable hereunder when due in accordance with the terms thereof or hereof and any such failure shall continue unremedied for three (3) Business Days (or any Guarantor shall fail to pay on the Guaranty in respect of any of the foregoing or in respect of any other Guaranty Obligations thereunder); or

(b) Any representation or warranty made or deemed made herein, or in any of the other Credit Documents or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Credit Agreement shall prove to have been incorrect, false or misleading in any material respect on or as of the date made or deemed made; or

(c) (i) Any Credit Party shall fail to perform, comply with or observe any term, covenant or agreement applicable to it contained in Section 5.1, Section 5.7(a), Section 5.9, Section 5.12 or Article VI hereof; or (ii) any Credit Party shall fail to comply with any other covenant, contained in this Credit Agreement or the other Credit Documents or any other agreement, document or instrument among any Credit Party, the Administrative Agent and the Lenders or executed by any Credit Party in favor of the Administrative Agent or the Lenders (other than as described in Sections 7.1(a) or 7.1(c)(i) above), and in the event such breach or failure to comply is capable of cure, is not cured within thirty (30) days of its occurrence; or

(d) The Borrower or any of its Subsidiaries shall (i) default in any

payment of principal of or interest on any Indebtedness (other than the Credit Party Obligations) in a principal amount outstanding of at least \$10,000,000 in the aggregate for the Borrower and any of its Subsidiaries beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Indebtedness was created; (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness in a principal amount outstanding of at least \$10,000,000 in the aggregate for the Borrower and its Subsidiaries or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity; or (iii) breach or default any Hedging Agreement between any Credit Party and any Hedging Agreement Provider; or

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(e) (i) The Borrower, any Subsidiary or any Excluded Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower, any Subsidiary or any Excluded Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower, any Subsidiaries or any Excluded Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower, any Subsidiary or any Excluded Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower, any Subsidiary or any Excluded Subsidiary shall generally not, or shall be unable to, or shall admit in writing their inability to, pay its debts as they become due; or

(f) One or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving in the aggregate a liability (to the extent not paid when due or covered by insurance) of \$10,000,000 or more and all such judgments or decrees shall not have been paid and satisfied, vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(g) (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan (other than a Permitted Lien) shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower, any of its Subsidiaries or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, any Multiemployer Plan or (vi) any other similar event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other

such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect; or

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(h) There shall occur a Change of Control; or

(i) At any time after the execution and delivery thereof, the Guaranty for any reason, other than the satisfaction in full of all Credit Party Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void, or any Credit Party shall contest the validity or enforceability of the Guaranty or any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by the Lenders, under any Credit Document to which it is a party; or

(j) Any other Credit Document shall fail to be in full force and effect or to give the Administrative Agent and/or the Lenders the rights, powers and privileges purported to be created thereby (except as such documents may be terminated or no longer in force and effect in accordance with the terms thereof, other than those indemnities and provisions which by their terms shall survive).

Section 7.2 Acceleration; Remedies.

Upon the occurrence of an Event of Default, then, and in any such event, (a) if such event is an Event of Default specified in Section 7.1(e) above, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon), and all other amounts under the Credit Documents (including without limitation the maximum amount of all contingent liabilities under Letters of Credit) shall immediately become due and payable, and (b) if such event is any other Event of Default, any or all of the following actions may be taken: (i) with the written consent of the Required Lenders, the Administrative Agent may, or upon the written request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; (ii) the Administrative Agent may, or upon the written request of the Required Lenders, the Administrative Agent shall, by notice of default to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Credit Agreement and the Notes to be due and payable forthwith and direct the Borrower to pay to the Administrative Agent cash collateral as security for the LOC Obligations for subsequent drawings under then outstanding Letters of Credit in an amount equal to the maximum amount of which may be drawn under Letters of Credit then outstanding, whereupon the same shall immediately become due and payable; and/or (iii) with the written consent of the Required Lenders, the Administrative Agent may, or upon the written request of the Required Lenders, the Administrative Agent shall, exercise such other rights and remedies as provided under the Credit Documents and under applicable law.

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ARTICLE VIII

THE AGENT

Section 8.1 Appointment.

Each Lender hereby irrevocably designates and appoints Wachovia as the Administrative Agent of such Lender under this Credit Agreement, and each such Lender irrevocably authorizes Wachovia as the Administrative Agent for such Lender, to take such action on its behalf under the provisions of this Credit Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Credit Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Credit Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions,

responsibilities, duties, obligations or liabilities shall be read into this Credit Agreement or otherwise exist against the Administrative Agent.

Section 8.2 Delegation of Duties.

The Administrative Agent may execute any of its duties under this Credit Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care. Without limiting the foregoing, the Administrative Agent may appoint one of its affiliates as its agent to perform the functions of the Administrative Agent hereunder relating to the advancing of funds to the Borrower and distribution of funds to the Lenders and to perform such other related functions of the Administrative Agent hereunder as are reasonably incidental to such functions.

Section 8.3 Exculpatory Provisions.

Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Credit Agreement (except for its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or any officer thereof contained in this Credit Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Credit Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any of the Credit Documents or for any failure of the Borrower to perform their obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance by the Borrower of any of the agreements contained in, or conditions of, this Credit Agreement, or to inspect the properties, books or records of the Borrower.

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Section 8.4 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless (a) a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent and (b) the Administrative Agent shall have received the written agreement of such assignee to be bound hereby as fully and to the same extent as if such assignee were an original Lender party hereto, in each case in form satisfactory to the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Credit Agreement unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under any of the Credit Documents in accordance with a request of the Required Lenders or all of the Lenders, as may be required under this Credit Agreement, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Notes.

Section 8.5 Notice of Default.

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Credit Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the

Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, however, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders except to the extent that this Credit Agreement expressly requires that such action be taken, or not taken, only with the consent or upon the authorization of the Required Lenders, or all of the Lenders, as the case may be.

Section 8.6 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representation or warranty to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or

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warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and made its own decision to make its Loans hereunder and enter into this Credit Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Credit Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

Section 8.7 Indemnification.

The Lenders agree to indemnify the Administrative Agent in its capacity hereunder (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Commitment Percentages in effect on the date on which indemnification is sought under this Section, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Notes) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of any Credit Document or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting from the Administrative Agent's gross negligence or willful misconduct, as determined by a court of competent jurisdiction. The agreements in this Section 8.7 shall survive the termination of this Credit Agreement and payment of the Notes and all other amounts payable hereunder.

Section 8.8 Administrative Agent in Its Individual Capacity.

The Administrative Agent and its affiliates may, to the extent permitted under this Credit Agreement, make loans to, accept deposits from and generally engage in any kind of business with the Borrower as though the Administrative Agent were not the Administrative Agent hereunder. With respect to its Loans

made or renewed by it and any Note issued to it, the Administrative Agent shall have the same rights and powers under this Credit Agreement as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

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Section 8.9 Successor Administrative Agent.

The Administrative Agent may resign as Administrative Agent upon 30 days' prior notice to the Borrower and the Lenders. If the Administrative Agent shall resign as Administrative Agent under this Credit Agreement and the Notes, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall be approved by the Borrower, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Credit Agreement or any holders of the Notes. After any retiring Agent's resignation as Administrative Agent, the provisions of this Section 8.9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Credit Agreement.

Section 8.10 Other Agents; Arrangers and Managers.

None of the Lenders or other Persons identified on the facing page or signature pages of this Credit Agreement as a "syndication agent," "co-documentation agent," "co-agent," "book manager," "lead manager," "arranger," "lead arranger" or "co-arranger" shall have any right, power, obligation, liability, responsibility or duty under this Credit Agreement other than, in the case of such Lenders, those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Credit Agreement or in taking or not taking action hereunder.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Amendments and Waivers.

Neither this Credit Agreement nor any of the other Credit Documents, nor any terms hereof or thereof may be amended, supplemented, waived or modified except in accordance with the provisions of this Section 9.1. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into with the Borrower written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Credit Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Borrower hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders may specify in such instrument, any of the requirements of this Credit Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, waiver, supplement, modification or release shall:

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(i) reduce the amount or extend the scheduled date of maturity of any Loan or Note or any installment thereon, or reduce the stated rate of any interest or fee payable hereunder (other than interest at the increased post-default rate) or extend the scheduled date of any payment thereof (it being understood and agreed that any extension or waiver of a mandatory prepayment required pursuant to Section 2.7(b)(ii)-(v) shall require the

consent of the Required Lenders only) or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly affected thereby, or

(ii) amend, modify or waive any provision of this Section 9.1 or reduce the percentage specified in the definition of Required Lenders, without the written consent of all the Lenders, or

(iii) amend, modify or waive any provision of Article VIII without the written consent of the then Administrative Agent, or

(iv) release all or substantially all of the Guarantors [OR ANY MATERIAL GUARANTOR] from their obligations under the Guaranty, without the written consent of all of the Lenders and Hedging Agreement Providers, or

(v) permit the Borrower to assign or transfer any of its rights or obligations under this Credit Agreement or other Credit Documents; or

(vi) amend, modify or waive any provision of the Credit Documents requiring consent, approval or request of the Required Lenders or all Lenders, without the written consent of all of the Required Lenders or Lenders as appropriate; or

(vii) amend, modify or waive any provision of the Credit Documents affecting the rights or duties of the Administrative Agent, the Issuing Lender or the Swingline Lender under any Credit Document without the written consent of the Administrative Agent, the Issuing Lender and/or the Swingline Lender, as applicable, in addition to the Lenders required hereinabove to take such action; or

(viii) amend or modify the definition of Credit Party Obligations to delete or exclude any obligation or liability described therein without the written consent of each Lender and each Hedging Agreement Provider directly affected thereby; or

(ix) amend, modify or waive the order in which Credit Party Obligations are paid in Section 2.12(b) without the written consent of each Lender and each Hedging Agreement Provider directly affected thereby.

Any such waiver, amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Borrower, the other Credit Parties, the Lenders, the Administrative Agent and all future holders of the Notes. In the case of any waiver, the Borrower, the other Credit Parties, the Lenders and the Administrative Agent shall be restored to

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their former position and rights hereunder and under the outstanding Loans and Notes and other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Notwithstanding any of the foregoing to the contrary, the consent of the Borrower shall not be required for any amendment, modification or waiver of the provisions of Article VIII (other than the provisions of Section 8.9). In addition, the Borrower and the Lenders hereby authorize the Administrative Agent to modify this Credit Agreement by unilaterally amending or supplementing Schedule 2.1(a) from time to time in the manner requested by the Borrower, the Administrative Agent or any Lender in order to reflect any assignments or transfers of the Loans as provided for hereunder; provided, however, that the Administrative Agent shall promptly deliver a copy of any such modification to the Borrower and each Lender.

Notwithstanding the fact that the consent of all the Lenders is required in certain circumstances as set forth above, (x) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein and (y) the Required Lenders may consent to allow a Credit Party to use cash collateral in the context of a bankruptcy or insolvency proceeding.

Section 9.2 Notices.

Except as otherwise provided in Article II, all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) when delivered by hand, (b) when transmitted via telecopy (or other facsimile device) to the number set out herein, (c) the day following the day on which the same has been delivered prepaid (or pursuant to an invoice arrangement) to a reputable national overnight air courier service, or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, addressed as follows in the case of the Borrower, the other Credit Parties and the Administrative Agent, and as set forth on Schedule 9.2 in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Borrower
and the other
Credit Parties:

West Corporation
11808 Miracle Hills Drive
Omaha, Nebraska 68154
Attention: Mr. Paul Mendlik
Chief Financial Officer
Telecopier: (902) 963-1619
Telephone: (902) 963-1200

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The Administrative Agent: Wachovia Bank, National Association,
as Administrative Agent
Charlotte Plaza
201 South College Street, CP-8
Charlotte, North Carolina 28288-0680
Attention: Doug Burnett
Syndication Agency Services
Telecopier: (704) 383-0288
Telephone: (704) 374-2698

with a copy to:

Wachovia Bank, National Association
One Wachovia Center, DC-5
Charlotte, North Carolina 28288-0737
Attention: Mike Romanzo
Telecopier: (704) 383-7611
Telephone: (704) 383-5267

Section 9.3 No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 9.4 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Credit Agreement and the Notes and the making of the Loans; provided that all such representations and warranties shall terminate on the date upon which the Commitments have been terminated and all amounts owing hereunder and under any Notes have been paid in full.

Section 9.5 Payment of Expenses and Taxes.

The Borrower agrees (a) subject to the terms of the Fee Letter, to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs

and expenses incurred in connection with the development, preparation, negotiation, printing and execution of, and any amendment, supplement or modification to, this Credit Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, together with the reasonable fees and disbursements of counsel to the Administrative Agent, (b) to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in

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connection with the enforcement or preservation of any rights under this Credit Agreement, the Notes and any such other documents, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent and to the Lenders (including reasonable allocated costs of in-house legal counsel), (c) on demand, to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, the Credit Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent and their Affiliates harmless from and against, any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of the Credit Documents and any such other documents and the use, or proposed use, of proceeds of the Loans (all of the foregoing, collectively, the "indemnified liabilities"); provided, however, that the Borrower shall not have any obligation hereunder to an indemnified party with respect to indemnified liabilities of such indemnified party arising from the gross negligence or willful misconduct of such indemnified party, as determined by a court of competent jurisdiction pursuant to a final non-appealable judgment. The agreements in this Section 9.5 shall survive repayment of the Loans and the Credit Party Obligations.

Section 9.6 Successors and Assigns; Participations; Purchasing Lenders.

(a) This Credit Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Administrative Agent, all future holders of the Notes and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Credit Agreement or the other Credit Documents without the prior written consent of each Lender.

(b) Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment of such Lender, or any other interest of such Lender hereunder. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under this Credit Agreement to the other parties to this Credit Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Note for all purposes under this Credit Agreement, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Credit Agreement. No Lender shall transfer or grant any participation under which the Participant shall have rights to approve any amendment to or waiver of this Credit Agreement or any other Credit Document except to the extent such amendment or waiver would (i) extend the scheduled maturity of any Loan or Note or any installment thereon (it being understood and agreed that any extension or waiver of a mandatory prepayment required pursuant to Section 2.7(b)(ii)-(v) shall require the consent of the Required Lenders only) in which such Participant is participating, or reduce the stated rate or

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extend the time of payment of interest or fees thereon (except in connection with a waiver of interest at the increased post-default rate) or reduce the principal amount thereof, or increase the amount of the Participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without consent of any participant if the Participant's participation is not increased as a result thereof), (ii) release all or substantially all of the Guarantors from their obligations under the Guaranty, or (iii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Credit Agreement. In the case of any such participation, the Participant shall not have any rights under this Credit Agreement or any of the other Credit Documents (the Participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the Participant relating thereto) and all amounts payable by the Borrower hereunder shall be determined as if such Lender had not sold such participation; provided that each Participant shall be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.5 with respect to its participation in the Commitments and the Loans outstanding from time to time; provided further, that no Participant shall be entitled to receive any greater amount pursuant to such Sections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time, sell or assign to any Lender with total capital in excess of \$250,000,000 or any Affiliate or Related Fund thereof and with the written consent of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower (in each case, which consent shall not be unreasonably withheld), to one or more additional banks or financial institutions or entities ("Purchasing Lenders"), all or any part of its rights and obligations under this Credit Agreement and the Notes in minimum amounts of \$5,000,000 with respect to its Revolving Commitment or its Revolving Loans (or, if less, the entire amount of such Lender's obligations), pursuant to a Commitment Transfer Supplement, executed by such Purchasing Lender and such transferor Lender (and, in the case of a Purchasing Lender that is not then a Lender or an Affiliate or Related Fund thereof, the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower), and delivered to the Administrative Agent for its acceptance and recording in the Register; provided, however, that any sale or assignment to an existing Lender, or Affiliate or Related Fund thereof, shall not require the consent of the Administrative Agent or the Borrower nor shall any such sale or assignment be subject to the minimum assignment amounts specified herein. Upon such execution, delivery, acceptance and recording, from and after the Transfer Effective Date specified in such Commitment Transfer Supplement, (x) the Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender hereunder with a Commitment as set forth therein, and (y) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Credit Agreement (and, in the case of a Commitment Transfer Supplement covering all or the remaining portion of a transferor Lender's rights and obligations under this Credit Agreement, such transferor Lender shall cease to be a party hereto). Such Commitment Transfer Supplement shall be deemed to amend this Credit Agreement to the extent, and only to the extent, necessary to reflect the addition of such

Purchasing Lender and the resulting adjustment of Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Credit Agreement and the Notes. On or prior to the Transfer Effective Date specified in such Commitment Transfer Supplement, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the Notes delivered to the Administrative Agent pursuant to such Commitment Transfer Supplement new Notes to the order of such Purchasing Lender in an amount equal to the Commitment assumed by it pursuant to such Commitment Transfer Supplement and, unless the transferor Lender has not retained a Commitment hereunder, new Notes to the order of the transferor Lender in an amount equal to the Commitment retained by it hereunder. Such new Notes shall be dated the Closing Date and shall otherwise

be in the form of the Notes replaced thereby. The Notes surrendered by the transferor Lender shall be returned by the Administrative Agent to the Borrower marked "canceled".

(d) The Administrative Agent shall maintain at its address referred to in Section 9.2 a copy of each Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Credit Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly executed Commitment Transfer Supplement, together with payment to the Administrative Agent by the transferor Lender or the Purchasing Lender, as agreed between them, of a registration and processing fee of \$3,500 for each Purchasing Lender listed in such Commitment Transfer Supplement and the Notes subject to such Commitment Transfer Supplement, the Administrative Agent shall (i) accept such Commitment Transfer Supplement, (ii) record the information contained therein in the Register and (iii) give prompt notice of such acceptance and recordation to the Lenders and the Borrower.

(f) The Borrower authorizes each Lender to disclose to any Participant or Purchasing Lender (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates which has been delivered to such Lender by or on behalf of the Borrower pursuant to this Credit Agreement or which has been delivered to such Lender by or on behalf of the Borrower in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Credit Agreement, in each case subject to Section 9.15.

(g) At the time of each assignment pursuant to this Section 9.6 to a Person which is not already a Lender hereunder and which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for Federal income tax purposes, the respective assignee Lender shall provide to the Borrower and the Administrative Agent the appropriate Internal Revenue Service Forms (and, if applicable, a 2.18 Certificate) described in Section 2.18.

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(h) Nothing herein shall prohibit any Lender from pledging or assigning any of its rights under this Credit Agreement (including, without limitation, any right to payment of principal and interest under any Note) to any Federal Reserve Bank in accordance with applicable laws.

Section 9.7 Adjustments; Set-off.

(a) Each Lender agrees that if any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7.1(e), or otherwise) in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. The Borrower agrees that each Lender so purchasing a portion of another Lender's Loans may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(b) In addition to any rights and remedies of the Lenders provided by law (including, without limitation, other rights of set-off), each Lender shall have the right, without prior notice to the applicable Credit Party, any such notice

being expressly waived by the applicable Credit Party to the extent permitted by applicable law, upon the occurrence of any Event of Default, to setoff and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of any Credit Party, or any part thereof in such amounts as such Lender may elect, against and on account of the obligations and liabilities of such Credit Party to such Lender hereunder and claims of every nature and description of such Lender against such Credit Party, in any currency, whether arising hereunder, under the Notes or under any documents contemplated by or referred to herein or therein, as such Lender may elect, whether or not such Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The aforesaid right of set-off may be exercised by such Lender against the applicable Credit Party or against any trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver or execution, judgment or attachment creditor of such Credit Party, or against anyone else claiming through or against such Credit Party or any such trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by such Lender prior to the occurrence of any Event of Default. Each Lender agrees promptly to notify the applicable Credit Party and the Administrative Agent

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after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

Section 9.8 Table of Contents and Section Headings.

The table of contents and the Section and subsection headings herein are intended for convenience only and shall be ignored in construing this Credit Agreement.

Section 9.9 Counterparts.

This Credit Agreement may be executed by one or more of the parties to this Credit Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Credit Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

Section 9.10 Effectiveness.

This Credit Agreement shall become effective on the date on which all of the parties have signed a copy hereof (whether the same or different copies) and shall have delivered the same to the Administrative Agent pursuant to Section 9.2 or, in the case of the Lenders, shall have given to the Administrative Agent written, telecopied or telex notice (actually received) at such office that the same has been signed and mailed to it.

Section 9.11 Severability.

Any provision of this Credit Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.12 Integration.

This Credit Agreement and the other Credit Documents represent the agreement of the Borrower, the other Credit Parties, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Borrower, the other Credit Parties, or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or therein.

Section 9.13 Governing Law.

This Credit Agreement and the Notes and the rights and obligations of the parties under this Credit Agreement and the Notes shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

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Section 9.14 Consent to Jurisdiction and Service of Process.

All judicial proceedings brought against the Borrower and/or any other Credit Party with respect to this Credit Agreement, any Note or any of the other Credit Documents may be brought in any state or federal court of competent jurisdiction in the State of New York, and, by execution and delivery of this Credit Agreement, the Borrower and each of the other Credit Parties accepts, for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any final judgment rendered thereby in connection with this Credit Agreement from which no appeal has been taken or is available. The Borrower and each of the other Credit Parties irrevocably agree that all service of process in any such proceedings in any such court may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 9.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto, such service being hereby acknowledged by the Borrower and the other Credit Parties to be effective and binding service in every respect. The Borrower, the other Credit Parties, the Administrative Agent and the Lenders irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens which it may now or hereafter have to the bringing of any such action or proceeding in any such jurisdiction. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of any Lender to bring proceedings against the Borrower or the other Credit Parties in the court of any other jurisdiction.

Section 9.15 Confidentiality.

The Administrative Agent and each of the Lenders agrees that it will use its best efforts not to disclose without the prior consent of the Borrower (other than to its employees, affiliates, auditors or counsel or to another Lender) any information (the "Information") with respect to the Borrower and its Subsidiaries which is furnished pursuant to this Credit Agreement, any other Credit Document or any documents contemplated by or referred to herein or therein and which is designated by the Borrower to the Lenders in writing as confidential or as to which it is otherwise reasonably clear such information is not public, except that any Lender may disclose any such Information (a) as has become generally available to the public other than by a breach of this Section 9.15, (b) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Lender or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or the Office of the Comptroller of the Currency or the National Association of Insurance Commissioners or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in response to any summons or subpoena or any law, order, regulation or ruling applicable to such Lender, (d) to any prospective Participant or assignee in connection with any contemplated transfer pursuant to Section 9.6, provided that such prospective transferee shall have been made aware of this Section 9.15 and shall have agreed in a writing reasonably satisfactory to the Borrower to be bound by its provisions as if it were a party to this Credit Agreement, (e) to any actual or prospective counterparty (or its advisors) to any Hedging Agreement relating to a Credit Party and its obligations; provided that such prospective transferee shall have agreed to be bound by the

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confidentiality provisions set forth in this Section, (f) to Gold Sheets and other similar bank trade publications as appears in this Credit Agreement or as is otherwise publicly available; such information to consist of deal terms and

other information regarding the credit facilities evidenced by this Credit Agreement customarily found in such publications, and (g) in connection with any suit, action or proceeding for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies or interests under or in connection with the Credit Documents or any Hedging Agreement.

Section 9.16 Acknowledgments.

The Borrower and the other Credit Parties each hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of each Credit Document;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrower or any other Credit Party arising out of or in connection with this Credit Agreement and the relationship between the Administrative Agent and the Lenders, on one hand, and the Borrower and the other Credit Parties, on the other hand, in connection herewith is solely that of debtor and creditor; and

(c) no joint venture exists among the Lenders or among the Borrower or the other Credit Parties and the Lenders.

Section 9.17 Waivers of Jury Trial.

THE BORROWER, THE OTHER CREDIT PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS CREDIT AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

Section 9.18 Patriot Act Notice.

Each Lender and the Administrative Agent (for itself and not on behalf of any other party) hereby notifies the Borrower that, pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act.

ARTICLE X

GUARANTY

Section 10.1 The Guaranty.

In order to induce the Lenders to enter into this Credit Agreement and any Hedging Agreement Provider to enter into any Hedging Agreement and to extend credit hereunder and thereunder and in recognition of the direct benefits to be received by the Guarantors from the Extensions of Credit hereunder and any Hedging Agreement, each of the Guarantors hereby agrees with the Administrative Agent and the Lenders as follows: each of the Guarantors hereby unconditionally and irrevocably jointly and severally guarantees as primary obligor and not merely as surety the full and prompt payment when due, whether upon maturity, by acceleration or otherwise, of any and all indebtedness of the Borrower owed to the Administrative Agent, the Lenders and the Hedging Agreement Providers. If any or all of the indebtedness becomes due and payable hereunder or under any Hedging Agreement with a Hedging Agreement Provider, each Guarantor unconditionally promises to pay such indebtedness to the Administrative Agent, the Lenders, the Hedging Agreement Providers, or their respective order, or demand, together with any and all reasonable expenses which may be incurred by the Administrative Agent, the Lenders or the Hedging Agreement Providers in collecting any of the Credit Party Obligations. The word "indebtedness" is used in this Article X in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of the Borrower and the Guarantors, including specifically all Credit Party Obligations, arising in connection with this Credit Agreement, the other Credit Documents or Hedging Agreement with a Hedging Agreement Provider, in each case, heretofore, now, or hereafter made,

incurred or created, whether voluntarily or involuntarily, absolute or contingent, liquidated or unliquidated, determined or undetermined, whether or not such indebtedness is from time to time reduced, or extinguished and thereafter increased or incurred, whether the Borrower and the Guarantors may be liable individually or jointly with others, whether or not recovery upon such indebtedness may be or hereafter become barred by any statute of limitations, and whether or not such indebtedness may be or hereafter become otherwise unenforceable.

Notwithstanding any provision to the contrary contained herein or in any other of the Credit Documents, to the extent the obligations of a Guarantor shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable law relating to fraudulent conveyances or transfers) then the obligations of each such Guarantor hereunder shall be limited to the maximum amount that is permissible under applicable law (including, without limitation, the Bankruptcy Code or its non-U.S. equivalent).

Section 10.2 Bankruptcy.

Additionally, each of the Guarantors unconditionally and irrevocably guarantees jointly and severally the payment of any and all Credit Party Obligations of the Borrower to the Lenders and any Hedging Agreement Provider whether or not due or payable by the Borrower upon the occurrence of any of the events specified in Section 7.1(e) as applicable to the Credit Parties, and unconditionally promises to pay such Credit Party Obligations to the Administrative Agent for

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the account of the Lenders and to any such Hedging Agreement Provider, or order, on demand, in lawful money of the United States. Each of the Guarantors further agrees that to the extent that the Borrower or a Guarantor shall make a payment or a transfer of an interest in any property to the Administrative Agent, any Lender or any Hedging Agreement Provider, which payment or transfer or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, or otherwise is avoided, and/or required to be repaid to the Borrower or a Guarantor, the estate of the Borrower or a Guarantor, a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or other applicable law or equitable cause, then to the extent of such avoidance or repayment, the obligation or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment had not been made.

Section 10.3 Nature of Liability.

The liability of each Guarantor hereunder is exclusive and independent of any security for or other guaranty of the Credit Party Obligations of the Borrower whether executed by any such Guarantor, any other guarantor or by any other party, and no Guarantor's liability hereunder shall be affected or impaired by (a) any direction as to application of payment by the Borrower or by any other party, or (b) any other continuing or other guaranty, undertaking or maximum liability of a guarantor or of any other party as to the Credit Party Obligations of the Borrower, or (c) any payment on or in reduction of any such other guaranty or undertaking, or (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower, or (e) any payment made to the Administrative Agent, the Lenders or any Hedging Agreement Provider on the Credit Party Obligations that the Administrative Agent, such Lenders or such Hedging Agreement Provider repay the Borrower pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each of the Guarantors waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding.

Section 10.4 Independent Obligation.

The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor or the Borrower and whether or not any other Guarantor or the Borrower is joined in any such action or actions.

Section 10.5 Authorization.

Each of the Guarantors authorizes the Administrative Agent, each Lender and each Hedging Agreement Provider without notice or demand (except as shall be required by applicable law and cannot be waived), and without affecting or impairing its liability hereunder, from time to time to (a) renew, compromise, extend, increase, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Credit Party Obligations or any part thereof in accordance with this Credit Agreement and any Hedging Agreement, as applicable, including any increase or decrease of the rate of interest thereon, (b) take and hold security from any Guarantor or any other party for the payment of this Guaranty or the Credit Party

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Obligations and exchange, enforce waive and release any such security, (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent and the Lenders in their discretion may determine and (d) release or substitute any one or more endorsers, Guarantors, the Borrower or other obligors.

Section 10.6 Reliance.

It is not necessary for the Administrative Agent, the Lenders or any Hedging Agreement Providers to inquire into the capacity or powers of the Borrower or the officers, directors, members, partners or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

Section 10.7 Waiver.

(a) Each of the Guarantors waives any right (except as shall be required by applicable law and cannot be waived) to require the Administrative Agent, any Lender or any Hedging Agreement Provider to (i) proceed against the Borrower, any other Guarantor or any other party, (ii) proceed against or exhaust any security held from the Borrower, any other Guarantor or any other party, or (iii) pursue any other remedy in the Administrative Agent's, any Lender's or any Hedging Agreement Provider's power whatsoever. Each of the Guarantors waives any defense based on or arising out of any defense of the Borrower, any other Guarantor or any other party other than payment in full of the Credit Party Obligations, including without limitation any defense based on or arising out of the disability of the Borrower, any other Guarantor or any other party, or the unenforceability of the Credit Party Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower other than payment in full of the Credit Party Obligations. The Administrative Agent or any of the Lenders may, at their election, foreclose on any security held by the Administrative Agent or a Lender by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Administrative Agent and any Lender may have against the Borrower or any other party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Credit Party Obligations have been paid in full. Each of the Guarantors, to the extent permitted by law, waives any defense arising out of any such election by the Administrative Agent and each of the Lenders, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of the Guarantors against the Borrower or any other party or any security.

(b) Each of the Guarantors waives all presentments, demands for performance, protests and notices, including without limitation notices of nonperformance, notice of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional Credit Party Obligations. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Credit Party Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that neither the Administrative Agent nor any Lender shall have any duty to advise such Guarantor of information known to it regarding such circumstances or risks.

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(c) Each of the Guarantors hereby agrees it will not exercise any rights of subrogation which it may at any time otherwise have as a result of this Guaranty (whether contractual, under Section 509 of the U.S. Bankruptcy Code, or otherwise) to the claims of the Lenders or the Hedging Agreement Provider against the Borrower or any other guarantor of the Credit Party Obligations of the Borrower owing to the Lenders or such Hedging Agreement Provider (collectively, the "Other Parties") and all contractual, statutory or common law rights of reimbursement, contribution or indemnity from any Other Party which it may at any time otherwise have as a result of this Guaranty until such time as the Credit Party Obligations shall have been paid in full, no Credit Document or Hedging Agreement with a Hedging Agreement Provider remains in effect and the Commitments have been terminated. Each of the Guarantors hereby further agrees not to exercise any right to enforce any other remedy which the Administrative Agent, the Lenders or any Hedging Agreement Provider now have or may hereafter have against any Other Party, any endorser or any other guarantor of all or any part of the Credit Party Obligations of the Borrower and any benefit of, and any right to participate in, any security or collateral given to or for the benefit of the Lenders and/or the Hedging Agreement Providers to secure payment of the Credit Party Obligations of the Borrower until such time as the Credit Party Obligations shall have been paid in full, no Credit Document or Hedging Agreement with a Hedging Agreement Provider remains in effect and the Commitments have been terminated.

Section 10.8 Limitation on Enforcement.

The Lenders and the Hedging Agreement Providers agree that this Guaranty may be enforced only by the action of the Administrative Agent acting upon the instructions of the Required Lenders or any such Hedging Agreement Provider (only with respect to obligations under the applicable Hedging Agreement entered into with such Hedging Agreement Provider) and that no Lender or Hedging Agreement Provider shall have any right individually to seek to enforce or to enforce this Guaranty, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent for the benefit of the Lenders under the terms of this Credit Agreement and for the benefit of any Hedging Agreement Provider under any Hedging Agreement provided by such Hedging Agreement Provider. The Lenders and the Hedging Agreement Providers further agree that this Guaranty may not be enforced against any director, officer, employee or stockholder of the Guarantors.

Section 10.9 Confirmation of Payment.

The Administrative Agent and the Lenders will, upon request after payment of the Credit Party Obligations under the Credit Documents which are the subject of this Guaranty and termination of the Commitments relating thereto, confirm to the Borrower, the Guarantors or any other Person that the Credit Party Obligations under the Credit Documents have been paid in full and the Commitments relating thereto terminated, subject to the provisions of Section 10.2.

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed and delivered by its proper and duly authorized officers as of the day and year first above written.

BORROWER: WEST CORPORATION,
a Delaware corporation

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

GUARANTORS:

WEST TELEMARKETING CORPORATION II,
a Delaware corporation

WEST INTERACTIVE CORPORATION,
a Delaware corporation

WEST FACILITIES CORPORATION,
a Delaware corporation

NORTHERN CONTACT, INC.,
a Delaware corporation

INTERCALL, INC.,
a Delaware corporation

INTERCALL TELECOM VENTURES, LLC,
a Delaware limited liability company

CONFERENCECALL.COM, INC.,
a Delaware corporation

WEST RECEIVABLE SERVICES, INC.,
a Delaware corporation

NATIONAL ASSET MANAGEMENT ENTERPRISES,
INC., a Georgia corporation

WEST ASSET MANAGEMENT, INC.,
a Delaware corporation

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

ATTENTION, LLC,
a Georgia limited liability company

WORLDWIDE ASSET MANAGEMENT, LLC,
a Georgia limited liability company

WEST INTERNATIONAL ASSET MANAGEMENT,
LLC, a Nevada limited liability company

BUYDEBTCO, LLC,
a Nevada limited liability company

THE DEBT DEPOT, LLC,
a Delaware limited liability company

ASSET DIRECT MORTGAGE, LLC,
a Delaware limited liability company

WEST TELEMARKETING, LP,
a Delaware limited partnership
By: West Transaction Services, LLC,
its General Partner

WEST TRANSACTION SERVICES, LLC,
a Delaware limited liability company

WEST TRANSACTION SERVICES II, LLC,
a Delaware limited liability company

WEST BUSINESS SERVICES, LP,
a Delaware limited partnership
By: West Transaction Services, LLC,
its General Partner

WEST ASSET PURCHASING, LLC,
a Nevada limited liability company

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Manager

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

WEST DIRECT, INC.,
a Delaware corporation

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Treasurer

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

AGENT AND LENDERS:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Issuing Lender,
Swingline Lender and as a Lender

By: /s/ Michael Romanzo

Name: Michael Romanzo
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

WELLS FARGO BANK NATIONAL ASSOCIATION

By: /s/ Daniel A. Toll

Name: Daniel A. Toll
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

BANK OF AMERICA, N.A.

By: /s/ Steven K. Kessler

Name: Steven K. Kessler
Title: Senior Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

BNP PARIBAS

By: /s/ Curtis Price

Name: Curtis Price
Title: Managing Director

By: /s/ Gaye C. Plunkett

Name: Gaye Plunkett
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

U.S. BANK, N.A.

By: /s/ Karen Nelsen

Name: Karen Nelsen
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

LASALLE BANK NATIONAL ASSOCIATION

By: /s/ David J. Gardner

Name: David J. Gardner
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

THE BANK OF NOVA SCOTIA

By: /s/ Mark Sparrow

Name: Mark Sparrow
Title: Director

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

FIRST NATIONAL BANK OF OMAHA

By: /s/ Mark A. Baratta

Name: Mark A. Baratta
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

KEY BANK NATIONAL ASSOCIATION

By: /s/ Thomas A. Crandell

Name: Thomas A. Crandell
Title: Senior Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Albert W. Kelley

Name: Albert W. Kelly
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

UNITED OVERSEAS BANK LIMITED,
NEW YORK AGENCY

By: /s/ Kwong Yew Wong

Name: Kwong Yew Wong
Title: Agent & General Manager

By: /s/ Philip Cheong

Name: Philip Cheong
Title: VP & Deputy General Manager

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

COMERICA BANK

By: /s/ Timothy O'Rourke

Name: Timothy O'Rourke
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

THE NORTHERN TRUST COMPANY

By: /s/ William R. Kopp

Name: William R. Kopp
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

COMMERCIAL FEDERAL BANK

By: /s/ William Honke

Name: William Honke
Title: Vice President

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

MALAYAN BANKING BERHAD

By: /s/ Wan Fadzmi Othman

Name: Wan Fadzmi Othman
Title: General Manager

[signature pages continue]

WEST CORPORATION
AMENDED AND RESTATED CREDIT AGREEMENT

E. SUN COMMERCIAL BANK, LTD.,
LOS ANGELES BRANCH

By: /s/ Benjamin Lin

Name: Benjamin Lin
Title: EVP & General Manager

[signature pages end]

(WEST (R) LOGO)

TO: JAMES F. RICHARDS
FROM: NANCEE BERGER
DATE: FEBRUARY 11, 2005
RE: 2005 COMPENSATION PLAN - EXHIBIT A

The compensation plan for 2005 while you are employed as President of West Asset Management, Inc. is below:

1. Your base salary will be \$300,000.00.

You are eligible to receive up to a \$300,000 annual performance bonus for meeting your plan objective in Net Operating Income before corporate allocations. The percent of plan achieved will apply to this bonus calculation, but will not exceed a total of \$400,000 for the year. Up to \$56,250 of this bonus will be available to be paid quarterly and true-up annually.

In addition, if West Corporation achieves its publicly stated 2005 Net Income range provided in December 2004, you will be eligible to receive an additional one-time bonus of \$50,000. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.

You will be paid the amount due for any quarterly bonuses within thirty (30) days after the quarter ends, except for the 4th Quarter and annual true-up amounts which will be paid no later than February 28, 2006.

2. All objectives are based upon West Asset Management, Inc. and West Corporation's operations and will not include profit and income derived from mergers, acquisitions, joint ventures, stock buybacks or other non-operating income unless specifically and individually approved by West Corporation's Compensation Committee.
3. At the discretion of executive management, you may also receive an additional bonus based on your individual performance. This bonus is not to be combined or netted together with any other bonus set forth in this agreement.

/s/ James F. Richards

Employee - James F. Richards

THIRD AMENDMENT
TO CERTAIN OPERATIVE AGREEMENTS

THIS THIRD AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS, dated as of August 9, 2004 (this "Third Amendment"), is entered into by and among WEST FACILITIES CORPORATION, a Delaware corporation (the "Lessee"), WEST CORPORATION, a Delaware corporation ("West Corp."), and the various entities which are parties to the Participation Agreement (hereinafter defined) from time to time as guarantors (individually, a "Guarantor" and collectively, the "Guarantors"), WACHOVIA DEVELOPMENT CORPORATION, a North Carolina corporation (the "Borrower" or the "Lessor"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as lenders (subject to the definition of Lenders in Appendix A to the Participation Agreement, individually, a "Lender" and collectively, the "Lenders"); and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as the agent for the Primary Financing Parties and respecting the Security Documents, as the agent for the Secured Parties (in such capacity, the "Agent"). Capitalized terms used but not otherwise defined in this Third Amendment shall have the meanings set forth in Appendix A to the Participation Agreement, and the rules of usage set forth in Appendix A to the Participation Agreement shall apply herein.

WITNESSETH

WHEREAS, the parties to this Amendment are parties to that certain Participation Agreement dated as of May 9, 2003, as amended by the First Amendment to Certain Operative Agreements and Waiver dated as of October 31, 2003 and as further amended by the Second Amendment to Certain Operative Agreements dated as of January 22, 2004 (as amended, modified, supplemented or restated from time to time, the "Participation Agreement");

WHEREAS, the parties to this Third Amendment have agreed to the amendments set forth herein, subject to the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1
AMENDMENTS

1.1 Amendments to the Lease. Sections 20.1 and 20.2 of the Lease are hereby deleted in their entirety and replaced by the following:

20.1 PURCHASE OPTION OR SALE OPTION-GENERAL PROVISIONS.

Not less than three hundred sixty (360) days and no more than seven hundred twenty (720) days prior to the Expiration Date or,

respecting the Purchase Option only, not less than sixty (60) days and no more than three hundred sixty (360) days prior to any Payment Date (such Expiration Date or, respecting the Purchase Option only, any such Payment Date being hereinafter referred to as the "Election Date"), Lessee may give Lessor irrevocable written notice (the "Election Notice") that Lessee is electing to exercise either (a) (i) with respect to an Election Notice given in connection with any Payment Date prior to the Expiration Date, the option to purchase one or more Properties on the applicable Payment Date or (ii) with respect to an Election Notice given in connection with the Expiration Date only, the option to purchase all, but not less than all, the Properties on the Expiration Date (the options described in the foregoing subsections (a) (i) and (a) (ii) may be referred to herein as the "Purchase Option") or (b) with respect to an Election Notice given in connection with the Expiration Date only, the option to remarket all, but not less than all, the Properties to a Person other than Lessee or any Affiliate of Lessee and cause a sale of such Properties to occur on the Expiration Date pursuant to the terms of Section 22.1 (the "Sale Option"). If Lessee does not give an Election Notice indicating the Purchase Option or the Sale Option at least

three hundred sixty (360) days and not more than seven hundred twenty (720) days prior to the Expiration Date, then Lessee shall be deemed to have elected for the Purchase Option to apply on the Expiration Date. If Lessee shall elect (or be deemed to have elected) to exercise the Purchase Option, then Lessee shall pay to Lessor on the date on which such purchase is scheduled to occur an amount equal to the Termination Value for (x) each applicable Property in connection with the election of the Purchase Option for any Payment Date prior to the Expiration Date and (y) all, but not less than all, the Properties in connection with the election of the Purchase Option for the Expiration Date (which the parties do not intend to be a "bargain" purchase price, in the case of the foregoing subsections (x) or (y)) and, upon receipt of such amounts and satisfaction of such obligations, Lessor shall transfer to Lessee all of Lessor's right, title and interest in and to all, but not less than all, the Properties in accordance with Section 20.2.

20.2 LESSEE PURCHASE OPTION.

Provided, that the Election Notice has been appropriately given specifying the Purchase Option, Lessee shall purchase each applicable Property on the applicable Election Date at a price equal to the Termination Value for each such Property (which the parties do not intend to be a "bargain" purchase price).

Subject to Section 19.2, in connection with any termination of this Lease with respect to any Property pursuant to the terms of Section 16.2, or in connection with Lessee's exercise of its Purchase Option, upon the date on which this Lease is to terminate with respect to a Property or all of

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the Properties, and upon tender by Lessee of the amounts set forth in Section 16.2(b) or this Section 20.2, as applicable, Lessor shall execute, acknowledge (where required) and deliver to Lessee, at Lessee's cost and expense, each of the following: (a) a termination or assignment (as requested by the Lessee) of each applicable Ground Lease or special or limited warranty Deeds conveying each applicable Property (to the extent it is real property not subject to a Ground Lease) to Lessee free and clear of the Lien of this Lease, the Lien of the Credit Documents and any Lessor Liens; (b) a Bill of Sale conveying each applicable Property (to the extent it is personal property) to Lessee free and clear of the Lien of this Lease, the Lien of the Credit Documents and any Lessor Liens; (c) any real estate tax affidavit or other document required by law to be executed and filed in order to record the applicable Deed and/or the applicable Ground Lease termination or assignment, as applicable; and (d) FIRPTA affidavits. All of the foregoing documentation must be in form and substance reasonably satisfactory to Lessor. Each applicable Property shall be conveyed to Lessee "AS-IS, WHERE-IS" and in then present physical condition.

If any Property is the subject of remediation efforts respecting Hazardous Substances at the applicable Election Date which could materially and adversely impact the Fair Market Sales Value of such Property (with materiality determined in Lessor's discretion), then Lessee shall be obligated to purchase each such Property pursuant to Section 20.2.

On the applicable Election Date on which Lessee has elected to exercise its Purchase Option, Lessee shall pay (or cause to be paid) to Lessor, the Agent and all other parties, as appropriate, the sum of all costs and expenses incurred by any such party in connection with the election by Lessee to exercise its Purchase Option and all Rent and all other amounts then due and payable or accrued under this Lease and/or any other Operative Agreement.

2.1 Closing Conditions.

This Third Amendment shall become effective as of the date hereof upon satisfaction of the following conditions (in form and substance reasonably acceptable to the Agent):

(a) Executed Amendment. Receipt by the Agent of a copy of this Third Amendment duly executed by the Borrower, the Agent, the Majority Secured Parties and the Credit Parties.

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(b) Resolutions. Receipt by the Agent of copies of resolutions of the Board of Directors of each of the Credit Parties approving and adopting this Third Amendment, the transactions contemplated herein and authorizing execution and delivery hereof, certified by a secretary or assistant secretary of such Credit Party to be true and correct and in force and effect as of the date hereof.

(c) Incumbency Certificate. Receipt by the Agent of an incumbency certificate with respect to each of the Credit Parties.

(d) Legal Opinions of Counsel. The Agent shall have received opinions of legal counsel for the Credit Parties, dated as of the date hereof and addressed to the Agent and the Primary Financing Parties, which opinions shall provide, among other things, that the execution and delivery of this Third Amendment by the Credit Parties and the consummation of the transactions contemplated hereby will not violate the corporate instruments and material agreements of the Credit Parties, and shall otherwise be in form and substance acceptable to the Agent and the Primary Financing Parties.

(e) Material Adverse Event. Since the Closing Date, there shall have been no change or occurrence which could reasonably be expected to have a Material Adverse Effect.

(f) Litigation. There shall not exist any pending or threatened litigation or investigation affecting or relating to the Parent or any of its Subsidiaries, the Participation Agreement or the other Operative Agreements that in the reasonable judgment of the Agent and Primary Financing Parties could materially adversely affect the Parent and its Subsidiaries, taken as a whole, or the Participation Agreement or the other Operative Agreements, that has not been settled, dismissed, vacated, discharged or terminated prior to the date hereof.

(g) Officer's Certificate. The Agent shall have received a certificate executed by a responsible officer of the Parent as of the date hereof stating that immediately after giving effect to this Third Amendment and all the transactions contemplated to occur on the date hereof, (A) no Default or Event of Default exists, (B) all representations and warranties contained in this Third Amendment and in the Participation Agreement and the other Operative Agreements (except those which expressly relate to an earlier date) are true and correct, and (C) the Credit Parties are in compliance with each of the financial covenants set forth in Section 8A.9 to the Participation Agreement on a pro forma basis.

(h) Consents. The Agent shall have received evidence that all governmental, shareholder and material third party consents and approvals necessary in connection with this Third Amendment and other transactions contemplated hereby have been obtained and all applicable waiting periods have expired without any action being taken by any authority that could restrain, prevent or impose any material adverse conditions on such transactions or that could seek or threaten any of such transactions.

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(i) Fees. Receipt by the Agent of all reasonable fees and expenses of the Agent in connection with the preparation, execution and delivery of

this Third Amendment, including, without limitation, the reasonable fees and expenses of Moore & Van Allen PLLC.

SECTION 3
MISCELLANEOUS

3.1 Amended Terms. The terms "Lease" and "Lease Agreement" as used in each of the Operative Agreements shall hereafter mean the Lease Agreement as amended by this Third Amendment. Except as specifically amended or modified hereby or otherwise agreed, the Lease Agreement is hereby ratified and confirmed and shall remain in full force and effect according to its terms.

3.2 Representations and Warranties of the Credit Parties. Each of the Credit Parties represents and warrants to the Financing Parties as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Third Amendment.

(b) This Third Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance by such Person of this Third Amendment.

(d) The representations and warranties of such Person set forth in Sections 6.2 and 6.3 of the Participation Agreement and Section 2 of the Guaranty, as the case may be, are, subject to the limitations set forth therein, true and correct in all material respects as of the date hereof (except for those which expressly relate to an earlier date).

3.3 Reaffirmation of Credit Party Obligations. Each Credit Party hereby ratifies the Operative Agreements (as amended by this Third Amendment) and acknowledges and reaffirms (a) that it is bound by all terms of the Operative Agreements (as amended by this Third Amendment) applicable to it and (b) that it is responsible for the observance and full performance of its respective obligations pursuant to the Operative Agreements.

3.4 Operative Agreements. This Third Amendment shall constitute an Operative Agreement under the terms of the Participation Agreement.

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3.5 Expenses. The Parent agrees to pay all reasonable costs and expenses of the Agent in connection with the preparation, execution and delivery of this Third Amendment, including, without limitation, the reasonable fees and expenses of Moore & Van Allen, PLLC, and all previously incurred fees and expenses which remain outstanding on the date hereof.

3.6 Entirety. This Third Amendment and the other Operative Agreements embody the entire agreement between the parties hereto and supersede all prior agreements and understandings, oral or written, if any, relating to the subject matter hereof.

3.7 Counterparts/Telecopy. This Third Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts of this Third Amendment by telecopy shall be effective as an original and shall constitute a representation that an original shall be delivered.

3.8 Governing Law. This Third Amendment and the rights and obligations of the parties under this Third Amendment shall be governed by, and construed and interpreted in accordance with, the law of the State of North Carolina.

3.9 Consent to Jurisdiction; Service of Process; Waiver of Jury Trial; Venue. The jurisdiction, services of process, waiver of jury trial and venue provisions set forth in Section 12.7 of the Participation Agreement are hereby incorporated by reference, mutatis mutandis.

3.10 Further Assurances. The Credit Parties agree to promptly take such action, upon the request of the Agent, as is reasonably necessary to carry out the intent of this Third Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Third Amendment to be duly executed under seal and delivered as of the date and year first above written.

WEST FACILITIES CORPORATION, as the Lessee

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

WEST CORPORATION, as the Parent and as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

WEST TELEMARKETING CORPORATION, as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

WEST TELEMARKETING CORPORATION II, as a Guarantor

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

WEST TELEMARKETING CORPORATION OUTBOUND, as a Guarantor

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

DAKOTAH DIRECT II, L.L.C., as a
Guarantor

By: West Telemarketing Corporation
Outbound, as Member

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

WEST INTERACTIVE CORPORATION,
as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

WEST DIRECT, INC., as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Treasurer

ATTENTION, LLC, as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Manager

TEL MARK SALES, INC., as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

NORTHERN CONTACT, INC., as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

INTERCALL, INC., as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

INTERCALL TELECOM VENTURES, LLC,

as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

CONFERENCECALL.COM., INC.,
as a Guarantor

By: /s/ Paul Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

WACHOVIA DEVELOPMENT CORPORATION,
as the Borrower and as the Lessor

By: /s/ Evander S. Jones, Jr.

Name: EVANDER S. JONES, JR.
Title: VICE PRESIDENT

(signature pages continue)

WACHOVIA BANK, NATIONAL ASSOCIATION,
as the Agent

By: /s/ Michael Romanzo

Name: Michael Romanzo
Title: Vice President

(signature pages continue)

WACHOVIA CAPITAL INVESTMENTS, INC.,
as a Lender

By: /s/ Evander S. Jones, Jr.

Name: EVANDER S. JONES, JR.
Title: VICE PRESIDENT

(signature pages continue)

COMMERCEBANK, N.A., as a Lender

By: /s/ Lourdes Jordan

Name: Lourdes Jordan 2-LJ-149
Title: VP

(signature pages end)

FOURTH AMENDMENT
TO CERTAIN OPERATIVE AGREEMENTS

THIS FOURTH AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS, dated as of November 15, 2004 (this "Fourth Amendment"), is entered into by and among WEST FACILITIES CORPORATION, a Delaware corporation (the "Lessee"), WEST CORPORATION, a Delaware corporation ("West Corp."), and the various entities which are parties to the Participation Agreement (hereinafter defined) from time to time as guarantors (individually, a "Guarantor" and collectively, the "Guarantors"), WACHOVIA DEVELOPMENT CORPORATION, a North Carolina corporation (the "Borrower" or the "Lessor"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as lenders (subject to the definition of Lenders in Appendix A to the Participation Agreement, individually, a "Lender" and collectively, the "Lenders"); and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as the agent for the Primary Financing Parties and respecting the Security Documents, as the agent for the Secured Parties (in such capacity, the "Agent"). Capitalized terms used but not otherwise defined in this Fourth Amendment shall have the meanings set forth in Appendix A to the Participation Agreement, and the rules of usage set forth in Appendix A to the Participation Agreement shall apply herein.

WITNESSETH

WHEREAS, the parties to this Amendment are parties to that certain Participation Agreement dated as of May 9, 2003, as amended by the First Amendment to Certain Operative Agreements and Waiver dated as of October 31, 2003 and as further amended by the Second Amendment to Certain Operative Agreements dated as of January 22, 2004 (as amended, modified, supplemented or restated from time to time, the "Participation Agreement").

WHEREAS, the Lessee and the Lessor are parties to that certain Amended and Restated Lease Agreement dated as of May 9, 2003, as amended by the Third Amendment to Certain Operative Agreements dated as of August 9, 2004 (as amended, modified, supplemented or restated from time to time, the "Lease" or "Lease Agreement").

WHEREAS, the parties to this Fourth Amendment have agreed to the amendments set forth herein, subject to the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1
AMENDMENTS

1.1 Amendment to Section 5.6 of the Participation Agreement. Section 5.6 of the Participation Agreement is hereby deleted in its entirety and replaced by the following:

5.6 SPECIAL PROVISION REGARDING CREDIT PARTIES.

It is the express intent of each of the parties hereto that the group of Credit Parties under the Operative Agreements and the group consisting of the borrower and guarantors under the Guarantor Credit Agreement contain the same members in each group while the facilities contemplated by the Operative Agreements and the GCA Credit Documents are outstanding. As a result, certain Subsidiaries of the Credit Parties will join the Operative Agreements from time to time in accordance with Section 8A.10 and pursuant to this Section 5.6 certain of the Credit Parties (other than the Parent and the Lessee) may be released from the Operative Agreements pursuant to the terms and conditions set forth in this Section 5.6. Provided no Lease Default, Lease Event of Default or Guaranty Event of Default has occurred and is continuing, if (a) the Guarantor Credit Agreement is terminated and not replaced by any other facility and so long as none of the Parent, the Lessee or any other Subsidiary, direct or indirect, of the Parent has outstanding any Indebtedness or any facility with commitments to provide Indebtedness in excess of one hundred fifty million dollars (\$150,000,000) (other than the amounts outstanding pursuant to the Operative Agreements and subordinated Indebtedness, which shall be expressly subordinated, to

the satisfaction of the Primary Financing Parties, to the transactions and payment of the Credit Party obligations contemplated by the Operative Agreements) or (b) the GCA Lenders release any GCA Credit Party other than the Parent or the Lessee from all of the GCA Credit Party Obligations, all of such GCA Credit Party's obligations owing to the GCA Lenders in the GCA Credit Documents, all GCA Liens on any property or interest of any GCA Credit Party in favor or for the benefit of the GCA Lenders and the Guarantor Credit Agreement have not been terminated, restated or replaced, then, with respect to (a) above, upon written request of the Parent and the Lessee or with respect to (b) above, upon the later of (y) the effectiveness of such release under the Guarantor Credit Agreement and (z) delivery to the Agent, for the benefit of the Primary Financing Parties, of the same consideration and benefit including without limitation, amendments or modifications to the GCA Credit Documents or otherwise (including without limitation restatement or replacement facilities) which are favorable to the GCA Lenders, fees, increased pricing or other amounts paid to the GCA Lenders or collateral pledged to or for the benefit of the GCA Lenders; then such Credit Parties (in all cases other than the Parent and the Lessee) shall be deemed released from the Guaranteed Obligations under the Operative Agreements and the Financing Parties shall upon written request of the Parent and the Lessee provide written confirmation of such release in form and substance acceptable to such Financing Parties. Immediately upon such release, such released Credit Party shall no longer be a Credit Party to the Operative Agreements and all provisions related to the Credit Parties shall, from and after the

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effectiveness of such release, no longer include such released party. In the case of (a), above, in addition to the release of the applicable Credit Parties, the covenants in Section 8B shall no longer apply (provided, terms defined therein or sections referenced in other provisions shall continue) to any Credit Party after such time, provided, the Parent, the Lessee and their Subsidiaries do not have any Indebtedness in excess of one hundred fifty million dollars (\$150,000,000) (other than the amounts outstanding pursuant to the Operative Agreements and subordinated Indebtedness, which shall be expressly subordinated, to the satisfaction of the Primary Financing Parties, to the transactions and payment of the Credit Party obligations contemplated by the Operative Agreements) outstanding at any time during the Term. In the event the Parent, the Lessee or any of their Subsidiaries has any Indebtedness in excess of one hundred fifty million dollars (\$150,000,000) (other than the amounts outstanding pursuant to the Operative Agreements and subordinated Indebtedness, which shall be expressly subordinated, to the satisfaction of the Primary Financing Parties, to the transactions and payment of the Credit Party obligations contemplated by the Operative Agreements) outstanding during the Term, then Section 8B of the Participation Agreement shall automatically be reinstated and such provisions shall have full force and effect from such date through the Expiration Date and the Parent and the Lessee shall promptly, but in any event within thirty (30) days of incurring such Indebtedness, cause each of the parties which were previously Credit Parties (or their successors) to join the Operative Agreements as Guarantors and provide an executed Joinder Agreement from each such party and other documentation as reasonably requested by any Primary Financing Party (including without limitation documents executed by each Credit Party satisfactory to the Primary Financing Parties evidencing the reinstatement of Section 8B of the Participation Agreement, provided, such Section 8B shall be automatically reinstated regardless of whether such documents are executed). Notwithstanding the foregoing, no Property, Collateral, Security Document, other Operative Agreement or any other Credit Party (except, with respect to other Credit Parties, as expressly provided herein) shall be released hereby and such released Credit Parties shall not be released from: (aa) any obligations which were due and owing prior to the effectiveness of such release, (bb) any of the indemnity provisions of the Operative Agreements, including without limitation Section 11 of the Participation Agreement or (cc) any other provision of any Operative Agreement which by its terms continues after the release of a Credit Party or after the termination of the Operative Agreements.

1.2 Amendment to Section 5.7 of the Participation Agreement. Section 5.7 of the Participation Agreement is hereby deleted in its entirety and replaced by the following:

5.7 SPECIAL PROVISION REGARDING REPLACEMENT OF LENDERS.

In the event a Lender does not consent to (or is deemed to have rejected) a Renewal Term proposed by Lessee in accordance with Section 2.2 of the Lease, opposes or fails to respond to any amendment, change or waiver with respect to any Operative Agreements, which is requested by the Lessee and approved by the Super Majority Financing Parties, or becomes affected by any changes or events described in Sections 11.3(a) or (b) and petitions the Lessee for any increased costs or amounts

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thereunder (which increased costs or amounts are paid by the Lessee), the Lessee shall have the right to replace such a Lender as a party to this Agreement and the other relevant Operative Agreements, the Lessee may, upon notice to such Lender and the Agent, replace such Lender by causing such Lender to assign its Lender Commitment, if any, and its Loan (with the assignment fee to be paid by the Lessee in such instance) pursuant to Section 10 hereof and Sections 9.7 and 9.8 of the Credit Agreement and the other applicable terms and conditions in the Operative Agreements to one or more other Lenders or eligible assignees procured by the Lessee. To the extent not paid by the replacement Lender, the Lessee shall (a) pay in full all principal, interest, fees and other amounts owing to such Lender through the date of replacement, (b) provide appropriate assurances and indemnities as each replaced Lender may reasonably require with respect to the Operative Agreements, and (c) release such Lender from its obligations under the Operative Agreements, other than pursuant to Section 12.13. Any Lender being replaced and the replacement Lenders shall execute and deliver an Assignment and Acceptance in the form of Exhibit B to the Credit Agreement and take actions to comply with Section 10 hereof and Sections 9.7 and 9.8 of the Credit Agreement and the other applicable terms and conditions in the Operative Agreements.

1.3 Addition of Section 8.14 to the Participation Agreement. The Participation Agreement is hereby amended by adding Section 8.14 thereto as follows:

8.14. COORDINATED VOTING MECHANICS REGARDING GCA CREDIT DOCUMENTS AND OPERATIVE AGREEMENTS.

To the extent any party to this Agreement (or any Affiliate of any such party) (a) approves in writing a waiver, amendment or other modification to a provision set forth in a GCA Credit Document that is substantively identical to a provision set forth in an Operative Agreement, then the applicable party to this Agreement shall automatically be deemed to have voted in favor of the requested waiver, amendment or other modification regarding such corresponding provision in such Operative Agreement without the need for the applicable party to this Agreement to execute a separate written instrument to such effect and (b) disapproves in writing a waiver, amendment or other modification to a provision set forth in a GCA Credit Document that is substantively identical to a provision set forth in an Operative Agreement, then the applicable party to this Agreement shall automatically be deemed to have voted against the requested waiver, amendment or other modification regarding such corresponding provision in such Operative Agreement without the need for the applicable party to this Agreement to execute a separate written instrument to such effect.

1.4 Amendment to Sections 8A and 8B to the Participation Agreement. Sections 8A and 8B of the Participation Agreement are hereby deleted in their entirety and replaced by the following:

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SECTION 8A. AFFIRMATIVE COVENANTS OF THE CREDIT PARTIES

The Credit Parties hereby covenant and agree that on the Initial Closing Date, and thereafter for so long as any Operative Agreement is in

effect and until the Commitments have terminated, the Loans and the Lessor Advances are paid in full, all amounts accrued or due and owing from any Credit Party pursuant to any Operative Agreement have been paid in full and the Liens evidenced by the Security Documents have been released, each Credit Party shall, and shall cause each of the GCA Subsidiaries (other than in the case of Sections 8A.1, 8A.2 or 8A.7 hereof), to:

8A.1. FINANCIAL STATEMENTS.

Furnish to the Agent and each of the Primary Financing Parties:

(a) As soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Parent, a copy of the consolidated balance sheet of the Parent and its Consolidated Subsidiaries as at the end of such fiscal year and the related consolidated and consolidating statements of income and retained earnings and of consolidated cash flows of the Parent and its Consolidated Subsidiaries for such year which, other than in the case of the consolidating statements, shall be audited by a firm of independent certified public accountants of nationally recognized standing reasonably acceptable to the Primary Financing Parties, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification indicating that the scope of the audit was inadequate to permit such independent certified public accountants to certify such financial statements without such qualification;

(b) As soon as available and in any event within forty-five (45) days after the end of each of the first three fiscal quarters of the Parent, a copy of the unaudited consolidated balance sheet of the Parent and its Consolidated Subsidiaries as at the end of such period and related consolidated and consolidating statements of income and retained earnings and of consolidated cash flows for the Parent and its Consolidated Subsidiaries for such quarterly period and for the portion of the fiscal year ending with such period, in each case setting forth in comparative form consolidated figures for the corresponding period or periods of the preceding fiscal year (subject to normal recurring year-end audit adjustments); and

(c) As soon as available, but in any event within fifteen (15) days prior to the end of each fiscal year, a copy of the detailed annual operating budget or plan including cash flow projections of the Parent and its GCA Subsidiaries for the next four fiscal quarter period prepared on a quarterly basis, in form and detail reasonably acceptable to the Agent and the Primary Financing Parties, together with a summary of the material assumptions made in the preparation of such annual budget or plan;

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all such financial statements to be complete and correct in all material respects (subject, in the case of interim statements, to normal recurring year-end audit adjustments) and to be prepared in reasonable detail and, in the case of the annual and quarterly financial statements provided in accordance with subsections (a) and (b) above, in accordance with GAAP applied consistently throughout the periods reflected therein and further accompanied by a description of, and an estimation of the effect on the financial statements on account of, a change, if any, in the application of accounting principles as provided in Section (n) of the rules of usage in Appendix A hereto.

8A.2. CERTIFICATES; OTHER INFORMATION.

Furnish to the Agent and each of the Primary Financing Parties:

(a) concurrently with the delivery of the financial statements referred to in Section 8A.1 above, a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in Sections 8A.1(a) and 8A.1(b) above, a certificate of a Responsible Officer stating that, to the best of such Responsible Officer's knowledge, each of the GCA Credit Parties during such period observed or performed in all material respects all of its covenants and other agreements, and satisfied in all material respects every condition, contained in the Operative Agreements to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and such certificate shall include the calculations in reasonable detail required to indicate compliance with Section 8A.9 as of the last day of such period;

(c) within thirty (30) days after the same are provided, make available by electronic mail or by posting to the Parent's website copies of all reports (other than those otherwise provided pursuant to Section 8A.1 and those which are of a promotional nature) and other financial information which the Parent sends to its stockholders;

(d) within ninety (90) days after the end of each fiscal year of the Parent, a certificate containing information regarding the amount of all (i) Debt Issuances outstanding at the end of the prior fiscal year and (ii) Equity Issuances that were made during the prior fiscal year;

(e) promptly upon receipt thereof, a copy of any other report or "management letter" submitted by independent accountants to the Parent or any of

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its GCA Subsidiaries in connection with any annual, interim or special audit of the books of such Person; and

(f) promptly, such other documents or other information as the Agent, on behalf of any Primary Financing Party, may from time to time reasonably request.

8A.3. PAYMENT OF OBLIGATIONS.

(a) Perform all of its obligations under each contract to which it is a party, if a failure to so perform could reasonably be expected to have a GCA Material Adverse Effect.

(b) Pay and perform all of its obligations under the Operative Agreements and pay and perform (i) all taxes, assessments and other governmental charges that may be levied or assessed upon it or any GCA Property, which if not paid or performed could reasonably be expected to have a GCA Material Adverse Effect and (ii) all other indebtedness, obligations and liabilities in accordance with customary trade practices, which if not paid would have a GCA Material Adverse Effect; provided that it may contest any tax, assessment or other governmental charge in good faith so long as adequate reserves are maintained with respect thereto in accordance with GAAP.

8A.4. CONDUCT OF BUSINESS AND MAINTENANCE OF EXISTENCE.

Preserve and maintain its corporate existence and all rights, franchises, licenses and privileges necessary to the conduct of its business, and qualify and remain qualified as a foreign corporation (or partnership, limited liability company or other such similar entity, as the case may be) and authorized to do business in each jurisdiction in which the failure to so qualify could reasonably be expected to have a GCA Material Adverse Effect and shall maintain all licenses, permits and registrations necessary for the conduct of its operations.

8A.5. MAINTENANCE OF GCA PROPERTY; INSURANCE.

(a) Keep all material property useful and necessary in its business in good working order and condition (ordinary wear and tear and obsolescence excepted); and

(b) Maintain with financially sound and reputable insurance companies insurance on all its material property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to the Agent, upon written request, full information as to the insurance carried; provided, however, that the Parent and the GCA Subsidiaries may maintain self insurance

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plans (including wholly-owned captive insurance company coverage) to the extent companies of similar size and in similar businesses do so.

8A.6. INSPECTION OF PROPERTY; BOOKS AND RECORDS; DISCUSSIONS.

Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its businesses and activities; and permit, subject to the confidentiality provisions of Section 12.13, upon at least five (5) Business Days notice from the Agent (or, if a Default or Event of Default shall have occurred and be continuing, upon at least one (1) Business Days notice from the Agent), representatives of the Agent or any Primary Financing Party, from time to time, to visit and inspect its properties and to inspect, audit and make extracts from its books, records and files, including without limitation management letters prepared by independent accountants and to discuss with its principal officers, and its independent accountants, its business, assets, liabilities, financial condition, results of operations and business prospects.

8A.7. NOTICES.

Give notice in writing to the Agent (which shall promptly transmit such notice to each Primary Financing Party) of:

(a) promptly, but in any event within two (2) Business Days after the Parent knows or has reason to know thereof, the occurrence of any Default or Event of Default;

(b) promptly and in any event within five (5) Business Days after the Parent knows or has reason to know thereof, the commencement of any (i) Material Proceeding, (ii) loss of or damage to any assets of the Parent or any GCA Subsidiary that likely will result in a GCA Material Adverse Effect and (iii) in addition other notice provisions in the Operative Agreements regarding environmental matters, litigation, investigation or proceeding involving an environmental claim or potential liability under Environmental Laws in excess of \$10,000,000;

(c) promptly and in any event within five (5) Business Days after the Parent knows or has reason to know thereof, default by Parent or any GCA Subsidiary under any note, indenture, loan agreement, mortgage or other similar agreement to which the Parent or any GCA Subsidiary is a party or by which the Parent or any GCA Subsidiary is bound, which relates to borrowed money, or of any other default under any other note, indenture, loan agreement, mortgage or other similar agreement to which the Parent or any GCA Subsidiary is a party or by which the Parent or any GCA Subsidiary is bound if such other default may result in a GCA Material Adverse Effect;

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(d) promptly and in any event within thirty (30) days after the Parent knows or has reason to know thereof: (i) the occurrence or expected occurrence of any material Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any GCA Lien in favor of the PBGC (other than a GCA Permitted Lien) or a Plan or any withdrawal from, or the termination,

Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Parent or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the terminating, Reorganization or Insolvency of, any Plan; and

(e) promptly and in any event within three (3) Business Days after the Parent knows or has reason to know thereof, any other development or event which could reasonably be expected to have a GCA Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Parent proposes to take with respect thereto. In the case of any notice of a Default or Event of Default, the Parent shall specify that such notice is a Default or Event of Default notice on the face thereof.

8A.8. ENVIRONMENTAL LAWS.

(a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws except to the extent that failure to do so could not reasonably be expected to have a GCA Material Adverse Effect;

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws except to the extent that the same are being contested in good faith by appropriate proceedings and the pendency of such proceedings could not reasonably be expected to have a GCA Material Adverse Effect; and

(c) Defend, indemnify and hold harmless the Agent and the Primary Financing Parties, and their respective employees, agents, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under, any Environmental Law

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applicable to the operations of the Parent, any of the GCA Subsidiaries or the GCA Properties, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing arise out of the gross negligence or willful misconduct of the party seeking indemnification therefor. The agreements in this paragraph shall survive repayment of the Notes, Lessor Advances and all other amounts payable under the Operative Agreements.

8A.9. FINANCIAL COVENANTS.

Commencing on the day immediately following the Closing Date, the Credit Parties shall comply with the following financial covenants:

(a) The Consolidated Leverage Ratio, as of the last day of each fiscal quarter of the Consolidated Group shall be less than or equal to 2.5 to 1.0.

(b) The Consolidated Fixed Charge Coverage Ratio, as of the last day of each fiscal quarter of the Consolidated Group shall be greater than or equal to 1.2 to 1.0.

Notwithstanding anything herein to the contrary, the parties hereto acknowledge and agree that, for purposes of all calculations made in determining compliance for any applicable period with the financial covenants set forth in this Section 8A.9, (i) after consummation of any Permitted Acquisition, (A) income statement items and other balance sheet items (whether positive or negative) attributable to the Target acquired in such transaction shall be included in such calculations to the extent relating to such applicable period, subject to adjustments acceptable to the Agent in its sole discretion, and (B) Indebtedness of a Target which is retired in connection with a Permitted Acquisition shall be excluded from such calculations and deemed to have been retired as of the first day of such applicable period and (ii) after consummation of any disposition of GCA Property permitted by Section 8B.4(a)(i), (ii) and (v), (A) income statement items and other balance sheet items (whether positive or negative) attributable to the GCA Property disposed of shall be excluded in such calculations to the extent relating to such applicable period, subject to adjustments acceptable to the Agent in its sole discretion, and (B) Indebtedness of the Target which is retired in connection with such Asset Disposition shall be excluded from such calculations and deemed to have been retired as of the first day of such applicable period.

8A.10. ADDITIONAL SUBSIDIARY GUARANTORS.

The Credit Parties will cause each Material Domestic GCA Subsidiary (excluding Worldwide Asset Purchasing, LLC), whether newly formed, after acquired or otherwise existing, to promptly (but in any event within fifteen (15) Business Days) become a Guarantor hereunder by way of execution of a Joinder Agreement.

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8A.11. COMPLIANCE WITH LAW.

To the extent failure to do so would have a GCA Material Adverse Effect, each Credit Party will, and will cause each of its GCA Subsidiaries to (a) observe and remain in compliance with all applicable Requirements of Law and maintain in full force and effect all permits, authorizations, registrations and consents from any Governmental Authority, in each case applicable to the conduct of its business, and (b) keep in full force and effect all licenses, certifications or accreditations necessary for any GCA Property to carry on its business.

SECTION 8B. NEGATIVE COVENANTS OF THE CREDIT PARTIES

The Credit Parties hereby covenant and agree that on the Closing Date, and thereafter for so long as any Operative Agreement is in effect and until the Commitments have terminated, the Loans and the Lessor Advances are paid in full, all amounts accrued or due and owing from any Credit Party pursuant to any Operative Agreements have been paid in full and the Liens evidenced by the Security Documents have been released, that:

SECTION 8B.1 INDEBTEDNESS.

The Parent will not, nor will it permit any GCA Subsidiary to, contract, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness arising or existing under the Guarantor Credit Agreement and the other GCA Credit Documents;

(b) Indebtedness of the Parent and the GCA Subsidiaries existing as of the Closing Date as referenced in the financial statements referenced in Section 6.3(a) (and set out more specifically in Schedule 6) hereto and renewals, refinancings or extensions thereof in a principal amount not in excess of that outstanding as of the date of such renewal, refinancing or extension;

(c) Indebtedness of the Parent and the GCA Subsidiaries incurred after the Closing Date consisting of Capital Leases or Indebtedness incurred to provide all or a portion of the purchase price or cost of construction of an asset provided that (i) such Indebtedness when

incurred shall not exceed the purchase price or cost of construction of such asset; (ii) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing; and (iii) the total principal amount of all such Indebtedness shall not exceed \$25,000,000 at any time outstanding;

(d) Unsecured intercompany Indebtedness (i) among the GCA Credit Parties, (ii) among Foreign GCA Subsidiaries, (iii) owing from Domestic GCA Subsidiaries of the Parent that are not guarantors under the Guarantor Credit Agreement to Credit Parties, which Indebtedness is solely for the purpose of

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purchasing third party debt obligations; provided that the aggregate principal amount of Indebtedness incurred pursuant to this clause (iii), together with the aggregate amount of Investments and loans made pursuant to clause (iv) of the definition of Permitted Investments, shall not exceed \$100,000,000 at any time outstanding, and (iv) owing from GCA Subsidiaries of the Parent that are not guarantors under the Guarantor Credit Agreement to Credit Parties (other than Indebtedness incurred pursuant to clause (iii) above); provided that the aggregate principal amount of Indebtedness incurred pursuant to this clause (iv), together with the aggregate amount of Investments and loans made pursuant to clause (v) of the definition of Permitted Investments, shall not exceed \$50,000,000 at any time outstanding;

(e) Secured intercompany Indebtedness among the Parent and the GCA Subsidiaries in a principal amount not to exceed \$50,000,000 in the aggregate at any time outstanding; provided that, to the extent a Credit Party and a Subsidiary that is not a Credit Party are parties to such intercompany Indebtedness arrangement, such Credit Party shall be the secured party;

(f) Indebtedness and obligations owing under Hedging Agreements relating to the loans pursuant to the Guarantor Credit Agreement and other Hedging Agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes;

(g) Indebtedness and obligations of GCA Credit Parties owing under documentary letters of credit for the purchase of goods or other merchandise (but not under standby, direct pay or other letters of credit except for the letters of credit under the Guarantor Credit Agreement) generally in an aggregate principal amount not to exceed \$25,000,000 at any time outstanding;

(h) Guaranty Obligations in respect of Indebtedness of a GCA Credit Party to the extent such Indebtedness is permitted to exist or be incurred pursuant to this Section 8B.1;

(i) Indebtedness of the Parent and the GCA Subsidiaries arising under any Synthetic Leases (other than Indebtedness under the Operative Agreements set out on Schedule 6) that is pari passu with or subordinated to the GCA Credit Party Obligations in a principal amount not to exceed \$40,500,000 in the aggregate at any time outstanding;

(j) Indebtedness of the Parent and the GCA Subsidiaries consisting of unsecured earnout obligations incurred in connection with Permitted Acquisitions in a principal amount not to exceed \$50,000,000 in the aggregate at any time outstanding;

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(k) Indebtedness (other than revolving credit facilities exceeding \$50,000,000 in the aggregate and any Synthetic Leases) of the Parent and the GCA Subsidiaries that is pari passu with or

subordinated to the GCA Credit Party Obligations in an aggregate principal amount not to exceed \$400,000,000 at any time outstanding;

(l) Indebtedness of the Parent and the GCA Subsidiaries relating to any accounts receivable securitization transaction or transactions; provided that the principal amount of such Indebtedness does not exceed \$100,000,000 in the aggregate at any time outstanding; and

(m) other Indebtedness of the Parent and the GCA Subsidiaries; provided that such Indebtedness is non-recourse to the Parent or any of the GCA Subsidiaries and the principal amount of such Indebtedness does not exceed \$150,000,000 in the aggregate at any time outstanding.

8B.2. GCA LIENS.

The Parent will not, nor will it permit any GCA Subsidiary to, contract, create, incur, assume or permit to exist any GCA Lien with respect to any of its property or assets of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, except for GCA Permitted Liens.

8B.3. NATURE OF BUSINESS.

The Parent will not, nor will it permit any GCA Subsidiary to, alter the character of its business in any material respect from that conducted as of the Closing Date.

8B.4. CONSOLIDATION, MERGER, SALE OR PURCHASE OF ASSETS, ETC.

The Parent will not, nor will it permit any GCA Subsidiary to,

(a) dissolve, liquidate or wind up its affairs, sell, transfer, lease or otherwise dispose of its property or assets or agree to do so at a future time except the following, without duplication, shall be expressly permitted:

(i) Specified Sales;

(ii) the sale, transfer, lease or other disposition of property or assets (A) to an unrelated party not in the ordinary course of business (other than Specified Sales), where and to the extent that they are the result of a Recovery Event or (B) the sale, lease, transfer or other disposition of machinery, parts and equipment no longer used or useful in the conduct of the business of the Parent or any of the GCA Subsidiaries, as appropriate, in its reasonable discretion, so long as and the net proceeds therefrom are used to repair or replace damaged property or to purchase or

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otherwise acquire new assets or property, provided that such purchase or acquisition is committed to within 180 days of receipt of the net proceeds and such purchase or acquisition is consummated within 270 days of receipt of such proceeds;

(iii) the sale, lease or transfer of property or assets (at fair market value) from the Parent to any other GCA Credit Party;

(iv) the sale, lease or transfer of property or assets from a Credit Party other than the Parent to another Credit Party;

(v) the sale, lease or transfer of property or assets (at fair market value) not to exceed \$50,000,000 in the aggregate in any fiscal year; and

(vi) the sale, transfer, contribution, conveyance or other disposition of accounts receivable and associated collateral, lockbox and other collection accounts, records and/or proceeds in connection with any accounts receivable securitization, non-recourse indebtedness or any Purchase Paper Facility; or

(b) (i) purchase, lease or otherwise acquire (in a single transaction or a series of related transactions) the GCA Property or assets of any Person (other than purchases or other acquisitions of inventory, leases, materials, GCA Property and equipment in the ordinary course of business, except as otherwise limited or prohibited herein) or (ii) enter into any transaction of merger or consolidation, except for (A) Investments or acquisitions (including Permitted Acquisitions) permitted pursuant to Section 8B.5, and (B) the merger or consolidation of a GCA Credit Party or other GCA Subsidiary with and into another GCA Credit Party, provided that if the Parent is a party thereto, the Parent will be the surviving corporation.

8B.5. ADVANCES, INVESTMENTS AND LOANS.

The Parent will not, nor will it permit any GCA Subsidiary to, lend money or extend credit or make advances to any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any Person except for Permitted Investments or to the extent permitted by Section 8B.1.

8B.6. TRANSACTIONS WITH GCA AFFILIATES.

The Parent will not, nor will it permit any GCA Subsidiary to, enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any officer, director, shareholder or GCA Affiliate other than on terms and conditions substantially as favorable as would be obtainable in a comparable

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arm's-length transaction with a Person other than an officer, director, shareholder or GCA Affiliate.

8B.7. OWNERSHIP OF SUBSIDIARIES; RESTRICTIONS.

The Parent will not sell, transfer, pledge or otherwise dispose of any Capital Stock or other equity interests in any of the GCA Subsidiaries, nor will it permit any of the GCA Subsidiaries to issue, sell, transfer, pledge or otherwise dispose of any of their Capital Stock or other equity interests, except in connection with any Purchase Paper Facility or any other transaction or series of transactions permitted by Section 8B.4. The Parent shall not, and shall not permit any of the GCA Subsidiaries to, amend, modify or change its shareholders' agreements and other equity-related documents (excluding amendments to stock option plan documents and employee stock incentive documents) in any material respect without the prior written consent of the Primary Financing Parties.

8B.8. FISCAL YEAR; ORGANIZATIONAL DOCUMENTS; MATERIAL AGREEMENTS.

The Parent will not, nor will it permit any of the GCA Subsidiaries to, change their fiscal year. The Parent will not, nor will it permit any GCA Subsidiary to, amend, modify or change their articles of incorporation (or corporate charter or other similar organizational document) or bylaws (or other similar document) in any material respect or in any respect adverse to the interests of the Primary Financing Parties without the prior written consent of the Primary Financing Parties. The Parent will not, nor will it permit any of the GCA Subsidiaries to, without the prior written consent of the Agent and the Primary Financing Parties, amend, modify, cancel or terminate or fail to renew or extend or permit the amendment, modification, cancellation or termination by the Parent or any of the GCA Subsidiaries of any of the Material Agreements, except in the event that such amendments, modifications, cancellations or terminations could not reasonably be expected to have a GCA Material Adverse Effect.

8B.9. LIMITATION ON RESTRICTED ACTIONS.

The Parent will not, nor will it permit any GCA Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any such Person to (a) pay dividends or make any other distributions to any Credit Party on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness or

other obligation owed to any Credit Party, (c) make loans or advances to any Credit Party, (d) sell, lease or transfer any of its GCA Properties or assets to any Credit Party, or (e) act as a Parent and pledge its assets pursuant to the Operative Agreements or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (a)-(d) above) for such encumbrances or restrictions existing under or by reason of (i) this Participation Agreement and the other Operative Agreements, (ii) applicable law, (iii) any document or instrument governing Indebtedness incurred pursuant to Section 8B.1(c), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection

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therewith or (iv) any GCA Permitted Lien or any document or instrument governing any GCA Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such GCA Permitted Lien.

8B.10. RESTRICTED PAYMENTS.

Each of the GCA Credit Parties will not, nor will it permit any GCA Subsidiary to, directly or indirectly, declare, order, make or set apart any sum for or pay any Restricted Payment, except (a) to make dividends payable solely in the common stock or equivalent equity interests of such Person, (b) to make dividends or other distributions payable to the Parent or any wholly owned GCA Subsidiary of the Parent that is a Credit Party (directly or indirectly through GCA Subsidiaries) and (c) to make dividends or other distributions payable to any minority equity owner of a GCA Subsidiary in an aggregate amount not to exceed such minority equity owner's equity interest in earnings for the current fiscal year and undistributed earnings from prior fiscal years.

8B.11. PREPAYMENTS OF SUBORDINATED INDEBTEDNESS, ETC.

Except in connection with a Purchase Paper Facility, the Parent will not, nor will it permit any GCA Subsidiary to, after the issuance thereof, amend or modify (or permit the amendment or modification of) any of the terms of any Subordinated Debt if such amendment or modification would add or change any terms in a manner adverse to the interests of the Primary Financing Parties or the issuer of such Subordinated Debt, or shorten the final maturity or average life to maturity or require any payment to be made sooner than originally scheduled or increase the interest rate applicable thereto or change any subordination provision thereof.

8B.12. SALE LEASEBACKS.

The Parent will not, nor will it permit any GCA Subsidiary to, directly or indirectly, become or remain liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capital Lease, of any GCA Property (whether real, personal or mixed), whether now owned or hereafter acquired in excess of \$10,000,000 in the aggregate on an annual basis, (a) which the Parent or any GCA Subsidiary has sold or transferred or is to sell or transfer to a Person which is not the Parent or any GCA Subsidiary or (b) which the Parent or any GCA Subsidiary intends to use for substantially the same purpose as any other GCA Property which has been sold or is to be sold or transferred by the Parent or any GCA Subsidiary to another Person which is not the Parent or any GCA Subsidiary in connection with such lease.

8B.13. NO FURTHER NEGATIVE PLEDGES.

The Parent will not, nor will it permit any GCA Subsidiary to, enter into, assume or become subject to any agreement prohibiting or otherwise restricting the creation or assumption of any GCA Lien upon its GCA Properties or assets, whether now owned or hereafter acquired, or requiring the grant of any security for such obligation if security is

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given for some other obligation, except (a) pursuant to this Participation Agreement and the other Operative Agreements, (b) pursuant to any document or instrument governing Indebtedness incurred pursuant to Section 8B.1(c), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith and (c) in connection with any GCA Permitted Lien or any document or instrument governing any GCA Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such GCA Permitted Lien.

1.5 Amendment to Sections 11.3(a) and (b) of the Participation Agreement. Sections 11.3(a) and 11.3(b) of the Participation Agreement are hereby deleted in their entirety and replaced with the following:

(a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request hereafter adopted, promulgated or made by any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Financing Party of agreeing to make or making, funding or maintaining Advances, then the Lessee shall from time to time, upon demand by such Financing Party (with a copy of such demand to the Agent but subject to the terms of Section 2.11 of the Credit Agreement), pay to the Agent for the account of such Financing Party additional amounts sufficient to compensate such Financing Party for such increased cost; provided, that such Financing Party shall not be permitted to request such compensation from the Lessee if more than one hundred twenty (120) days have elapsed after the applicable event described in (i) or (ii) above. A certificate as to the amount of such increased cost, submitted to the Lessee and the Agent by such Financing Party, shall be conclusive and binding for all purposes, absent manifest error; provided, that upon request, the Lessee shall be entitled to review and verify non-confidential information of any Financing Party related to the determination as set forth in the certificate and discuss such non-confidential information of any Financing Party related to any such determination with such Financing Party.

(b) If any Financing Party determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law, but in each case promulgated or made after the date hereof) affects or would affect the amount of capital required or expected to be maintained by such Financing Party or any corporation controlling such Financing Party and that the amount of such capital is increased by or based upon the existence of such Financing Party's commitment to make Advances and other commitments of this type or upon the Advances, then, within fifteen (15) days after demand by such Financing Party (with a copy of such demand to the Agent but subject to the terms of Section 2.11 of the Credit Agreement), the Lessee shall pay to the Agent for the account of such Financing Party, from time to time as specified by such Financing Party, additional amounts sufficient to compensate such Financing Party or such corporation in the light of such circumstances, to the extent that such Financing Party reasonably determines such increase in capital to be allocable to the existence of such Financing Party's commitment to make such Advances; provided, that such Financing Party shall not be permitted to

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request such compensation from the Lessee if more than one hundred twenty (120) days have elapsed after such adoption of or change in the law, regulation or guideline. A certificate as to such amounts submitted to the Lessee and the Agent by such Financing Party shall be conclusive and binding for all purposes, absent manifest error; provided, that upon request, the Lessee shall be entitled to review and verify non-confidential information of any Financing Party related to the determination as set forth in the certificate and discuss such non-confidential information of any Financing Party related to any such determination with such Financing Party.

1.6 Amendment to Schedules to the Participation Agreement. Schedules 1 through 6 to the Participation Agreement are hereby deleted in their entirety and replaced with Schedules 1 through 6 attached to this Fourth Amendment.

1.7 Amendment to Exhibit G to the Participation Agreement. Exhibit G to the Participation Agreement is hereby deleted in its entirety and replaced with Exhibit 1 attached to this Fourth Amendment.

1.8 Deletions of Items from Section 3 of the Guaranty. Sections 3(i)(I) and 3(i)(V) are hereby deleted in their entirety from the Guaranty.

1.9 Replacement of Certain Existing Definitions in Appendix A to the Participation Agreement. The following definitions are hereby deleted in their entirety from Appendix A to the Participation Agreement and replaced with the following:

"Aggregate Revolving Committed Amount" shall mean four hundred million dollars (\$400,000,000), as such amount may be increased or reduced from time to time as provided in Sections 2.2, 2.6 or such other applicable sections of the Guarantor Credit Agreement.

"Applicable Percentage" shall mean, for any day, the rate per annum set forth below opposite the applicable level then in effect:

Level	Consolidated Leverage Ratio	Applicable Percentage for Eurodollar Lessor Advances in excess of 12% of the aggregate Property Cost for all Properties and Eurodollar Loans	Applicable Percentage for Eurodollar Lessor Advances not in excess of 12% of the aggregate Property Cost for all Properties	Applicable Percentage for ABR Lessor Advances in excess of 12% of the aggregate Property Cost for all Properties and ABR Loans	Applicable Percentage for ABR Lessor Advances not in excess of 12% of the aggregate Property Cost for all Properties
I	< 0.50x	75 bps	125 bps	0 bps	50 bps
II	=> 0.50x but < 1.00x	87.5 bps	137.5 bps	0 bps	50 bps
III	=> 1.00x but < 1.50x	100 bps	150 bps	0 bps	50 bps
IV	=> 1.50x	125 bps	175 bps	25 bps	75 bps

The Applicable Percentage shall be determined and adjusted quarterly on the date five (5) Business Days after the date on which the Agent has received from the Parent the

quarterly financial information and certifications required to be delivered to the Agent and the Primary Financing Parties in accordance with the provisions of Sections 8A.1(b) and 8A.2(b) pursuant to which the Parent notifies the Agent of a change in the applicable pricing level based on the financial information contained therein (each an "Interest Determination Date"). Such Applicable Percentage shall be effective from such Interest Determination Date until the next such Interest Determination Date. If the Parent shall fail to provide the quarterly financial information and certifications in accordance with the provisions of Sections 8A.1(b) and 8A.2(b), the Applicable Percentage from such Interest Determination Date shall, on the date five (5) Business Days after the date by which the Parent was so required to provide such financial information and certifications to the Agent and the Primary Financing Parties, be based on Level IV until such time as such information and certifications are provided, whereupon the Level shall be determined by the then current Consolidated Leverage Ratio.

"Arranger" shall mean Wachovia Capital Markets, LLC.

"Change of Control" shall mean any Person or two or more Persons acting in concert (other than members of the West Family Group) shall have acquired "beneficial ownership," directly or indirectly, of, or shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of, or control over, Voting Stock of the Parent (or other

securities convertible into such Voting Stock) representing 50% or more of the combined voting power of all Voting Stock of the Parent. As used herein, "beneficial ownership" shall have the meaning provided in Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Consolidated EBITDA" shall mean, as of any date for the four fiscal quarter period ending on such date with respect to the Consolidated Group on a consolidated basis, the sum of (a) Consolidated Net Income, plus (b) an amount which, in the determination of Consolidated Net Income, has been deducted for (i) Consolidated Interest Expense, (ii) total federal, state, local and foreign income, value added and similar taxes, (iii) depreciation and amortization expense, all as determined in accordance with GAAP, (iv) non-cash charges relating to equity and other performance-related compensation, including stock options and (v) minority equity interests in an amount not to exceed \$15,000,000 during any such period. Notwithstanding the above, Consolidated EBITDA shall be (A) \$78,189,000 for the fiscal quarter ended March 31, 2004, (B) \$80,149,000 for the fiscal quarter ended June 30, 2004 and (C) \$77,359,000 for the fiscal quarter ended September 30, 2004.

"Consolidated Fixed Charge Coverage Ratio" shall mean, as of the end of each fiscal quarter of the Consolidated Group for the four fiscal quarter period ending on such date with respect to the Consolidated Group on a consolidated basis, the ratio of (i) Consolidated EBITDA for the applicable period minus Consolidated Capital Expenditures for the applicable period to (ii) the sum of Consolidated Interest Expense for the applicable period plus Scheduled Funded Debt Payments for the applicable period

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plus payments made in connection with earnout obligations for the applicable period to the extent permitted hereunder plus cash taxes paid during the applicable period.

"Consolidated Interest Expense" shall mean, for any period, all cash interest expense of the Consolidated Group (including, without limitation, the interest component under Capital Leases), as determined in accordance with GAAP.

"Consolidated Subsidiary" shall mean, as to any Person, any GCA Subsidiary of such Person which under the rules of GAAP consistently applied should have its financial results consolidated with those of such Person for purposes of financial accounting statements.

"Equity Issuance" shall mean any issuance by any Credit Party or any GCA Subsidiary to any Person which is not a Credit Party of (a) shares of its Capital Stock, (b) any shares of its Capital Stock pursuant to the exercise of options or warrants or (c) any shares of its Capital Stock pursuant to the conversion of any debt securities to equity. The term "Equity Issuance" shall not include any equity issued in connection with any Asset Disposition, any Debt Issuance or any Purchase Paper Facility.

"Funded Debt" shall mean, with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (iii) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (iv) all obligations of such Person issued or assumed as the deferred purchase price of property or services purchased by such Person (other than (A) trade debt incurred in the ordinary course of business and due within twelve months of the incurrence thereof and (B) obligations under earnout agreements in existence as of the Closing Date) which would appear as liabilities on a balance sheet of such Person, (v) the principal portion of all obligations of such Person under Capital Leases, (vi) all Guaranty Obligations of such Person with respect to Funded Debt of another Person, (vii) the maximum available amount of all letters of credit or acceptances issued or created for the account of such Person, (viii) all Funded Debt of another Person

secured by a GCA Lien on any property of such Person, whether or not such Funded Debt has been assumed, provided that for purposes hereof the amount of such Funded Debt shall be limited to the greater of (A) the amount of such Funded Debt as to which there is recourse to such Person and (B) the fair market value of the property which is subject to such GCA Lien, (ix) the outstanding attributed principal amount under any securitization transaction, (x) the principal balance outstanding under any Synthetic Lease to which such Person is a party, and (xi) all preferred Capital Stock issued by such Person and which by the terms thereof could be (at the request of the holders thereof or otherwise) subject to mandatory sinking fund payments, redemption or other acceleration prior to the date that is 6 months after the Maturity Date. The Funded Debt of any Person shall include (i) the Funded Debt of any partnership or joint venture in which such Person is a general partner or joint venturer, but only to the extent to

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which there is recourse to such Person for the payment of such Funded Debt and (ii) exclude non-recourse Indebtedness of such Person.

"GCA Credit Documents" shall mean the Guarantor Credit Agreement, each of the Notes related thereto, any Joinder Agreement, the Letters of Credit, LOC Documents and all other agreements, documents, certificates and instruments delivered to the Agent or any Lender by any Credit Party in connection therewith (other than any agreement, document, certificate or instrument related to a Hedging Agreement), as the capitalized terms used in this definition (other than Guarantor Credit Agreement) are defined in the Guarantor Credit Agreement.

"GCA Credit Party Obligations" shall mean, without duplication, (a) all of the obligations of the GCA Credit Parties to the GCA Lenders and the GCA Agent, whenever arising, under the GCA Credit Documents (including, but not limited to, any interest accruing after the occurrence of a filing of a petition of bankruptcy under the Bankruptcy Code with respect to any GCA Credit Party, regardless of whether such interest is an allowed claim under the Bankruptcy Code) and (b) all liabilities and obligations, whenever arising, owing from any GCA Credit Party or any of the GCA Subsidiaries to any Hedging Agreement Provider, arising under any Hedging Agreement permitted pursuant to the applicable sections of the Guarantor Credit Agreement.

"GCA Permitted Liens" shall mean:

(i) GCA Liens created by or otherwise existing, under or in connection with (A) the Participation Agreement or the other Operative Agreements in favor of the Primary Financing Parties or (B) the Guarantor Credit Agreement or the other GCA Credit Documents;

(ii) GCA Liens in favor of a GCA Lender in connection with Hedging Agreements, but only (A) to the extent such GCA Liens secure obligations under Hedging Agreements with any GCA Lender, or any GCA Affiliate of any GCA Lender, (B) to the extent such GCA Liens are on the same collateral as to which the agent under the Guarantor Credit Agreement, on behalf of the GCA Lenders, also has a GCA Lien and (C) if such provider and the GCA Lenders shall share pari passu in the collateral subject to such GCA Liens;

(iii) purchase money GCA Liens securing purchase money indebtedness (and refinancings thereof) to the extent permitted under Section 8B.1(c);

(iv) GCA Liens for taxes, assessments, charges or other governmental levies not yet due or as to which the period of grace (not to exceed 60 days), if any, related thereto has not expired or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Parent or the GCA Subsidiaries, as the case may be, in conformity with GAAP (or, in the case of GCA Subsidiaries with

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significant operations outside of the United States of America, generally accepted accounting principles in effect from time to time in their respective jurisdictions of incorporation);

(v) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like GCA Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings;

(vi) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(vii) deposits to secure the performance of bids, trade contracts, (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(viii) GCA Liens on the real property and fixtures of the Parent located at or on Lots 19 and 20, Miracle Hills Park, Douglas County, Nebraska and all personal property located on or at such real property that is integral to the operation of such real property and fixtures.

(ix) any extension, renewal or replacement (or successive extensions, renewals or replacements) , in whole or in part, of any GCA Lien referred to in the foregoing clauses; provided that such extension, renewal or replacement GCA Lien shall be limited to all or a part of the property which secured the GCA Lien so extended, renewed or replaced (plus improvements on such property);

(x) GCA Liens existing on the Closing Date and set forth on Schedule 1 to the Participation Agreement; provided that (a) no such GCA Lien shall at any time be extended to cover GCA Property or assets other than the property or assets subject thereto on the Closing Date and (b) the principal amount of the Indebtedness secured by such GCA Liens shall not be extended, renewed, refunded or refinanced;

(xi) GCA Liens arising in connection with Capital Leases to the extent permitted under Section 8B.1(c);

(xii) easements, rights-of-way, restrictions, encroachments, and other minor defects or irregularities in title to real property, in each case which do not and will not interfere in any material respect with the operation of such real property or the ordinary conduct of the business of the Parent or any of the GCA Subsidiaries.

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(xiii) GCA Liens arising in connection with accounts receivable securitizations;

(xiv) GCA Liens on accounts receivable and associated collateral, lockbox and other collection accounts, records and/or proceeds incurred in connection with any Purchase Paper Facility or other non-recourse Indebtedness in the GCA Credit Parties' ordinary course of business and consistent with past practices; and

(xv) other GCA Liens in addition to those permitted by the foregoing clauses securing Indebtedness not exceeding \$1,000,000 on an individual basis and \$10,000,000 in the aggregate outstanding at any one time.

"GCA Subsidiary" shall mean, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise

controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "GCA Subsidiary" or to "GCA Subsidiaries" in this Participation Agreement shall refer to a GCA Subsidiary or GCA Subsidiaries of the Parent; provided, however, that references to a "GCA Subsidiary" or to "GCA Subsidiaries" in this Participation Agreement shall not include Excluded Subsidiaries.

"Guarantor" shall mean West Corporation, a Delaware corporation, and any of the Subsidiaries identified as a "Guarantor" on the signature pages to the Participation Agreement and the additional Credit Parties which execute a Joinder Agreement, together with their successors and permitted assigns.

"Guarantor Credit Agreement" shall mean that certain Amended and Restated Credit Agreement dated as of November 15, 2004 among West Corporation, as the borrower; certain Domestic GCA Subsidiaries party thereto from time to time as guarantors; the several banks and other financial institutions party thereto from time to time, as lenders; Wachovia Bank, National Association, as the administrative agent; Wells Fargo Bank National Association, as syndication agent; Bank of America, N.A. and BNP Paribas, as co-documentation agents; and Wachovia Capital Markets, LLC, as lead arranger and sole book runner.

"Permitted Acquisition" shall mean an acquisition or any series of related acquisitions by a GCA Credit Party of the assets or all of the Capital Stock of a Person or any division, line of business or other business unit of a Person (such Person or such division, line of business or other business unit of such Person referred to herein as the "Target"), in each case that is in the same line of business (or assets used in the same line of business) as the GCA Credit Parties and the GCA Subsidiaries or whereby a

substantial portion of the acquired business relies upon automated transactions, telephone representatives or telephony technology, so long as (a) no Default or Event of Default shall then exist or would exist after giving effect thereto; (b) the Credit Parties shall demonstrate to the reasonable satisfaction of the Agent that the Credit Parties will be in compliance on a pro forma basis with all of the terms and provisions of the financial covenants set forth in Section 8A.9; (c) the Target, if a Person and if after the acquisition the Target would be a Material Domestic GCA Subsidiary, shall have executed and delivered to the Agent a Joinder Agreement in accordance with the terms of Section 8A.10; (d) such acquisition is not a "hostile" public company acquisition and has been approved by the Board of Directors and/or shareholders of the applicable GCA Credit Party and the public company Target; and (e) with respect to any acquisition where the total consideration shall be (i) greater than \$75,000,000 and less than or equal to \$150,000,000, the Parent shall have delivered to the Agent and each of the Primary Financing Parties not more than thirty (30) days after the consummation of such acquisition a reasonably detailed description of the material terms of such acquisition (including, without limitation, the purchase price and method and structure of payment) and of each Target and (ii) greater than \$150,000,000, the Parent shall have delivered to the Agent and each of the Primary Financing Parties not less than five (5) Business Days prior to the consummation of such acquisition (A) a reasonably detailed description of the material terms of such acquisition (including, without limitation, the purchase price and method and structure of payment) and of each Target, (B) audited financial statements of the Target, or company-prepared financial statements that have been certified by the Target, for the Target's two (2) most recent fiscal years and unaudited fiscal year-to-date statements for the most recent interim periods, which financial statements shall be consistent with any financial statements filed with the Securities and Exchange Commission in connection with such acquisition and (C) a certificate, in form and substance reasonably satisfactory to the Agent, executed by a Responsible Officer of the Parent (1) certifying that such Permitted Acquisition complies with the requirements of this Agreement and (2) demonstrating compliance with subsections (b) and (e) of this definition; provided, however, that an acquisition of a Target that is not incorporated, formed or organized in the United States (a "Foreign Target") shall only qualify as a Permitted Acquisition if each of the other

requirements set forth in this definition shall have been satisfied and the total consideration for all such Foreign Targets does not exceed \$50,000,000 in the aggregate during the term of this Agreement.

"Permitted Investments" shall mean:

(i) cash and Cash Equivalents;

(ii) receivables owing to the Parent or any of the GCA Subsidiaries or any receivables and advances to suppliers or customers, in each case if created, acquired or made in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(iii) Investments in and loans to any GCA Credit Parties;

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(iv) Investments in and loans to Domestic GCA Subsidiaries of the Parent that are not guarantors under the Guarantor Credit Agreement solely for the purpose of purchasing third party debt obligations; provided that the aggregate amount of Investments and loans made pursuant to this clause (iv), together with the aggregate amount of Indebtedness incurred pursuant to Section 8B.1(d)(iii), shall not exceed \$100,000,000 at any time outstanding;

(v) Investments in and loans to Subsidiaries of the Parent that are not guarantors under the Guarantor Credit Agreement (other than Investments and loans pursuant to clause (iv) above); provided that the aggregate amount of such Investments and loans, together with the aggregate amount of Indebtedness incurred pursuant to Section 8B.1(d)(iv), shall not exceed \$50,000,000 at any time outstanding;

(vi) loans and advances to employees (other than any officer or director) of the Parent or the GCA Subsidiaries in an aggregate amount not to exceed \$1,000,000 at any time outstanding;

(vii) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(viii) Investments, acquisitions or transactions permitted under Section 8B.4(b);

(ix) the Parent may enter into Hedging Agreements to the extent permitted pursuant to Section 8B.1;

(x) loans, advances and/or Investments, in a aggregate amount not to exceed \$25,000,000 at any time outstanding, by Asset Direct Mortgage, LLC or any other GCA Credit Party in connection with a mortgage loan program consisting of the purchase, origination and/or pooling of mortgage loans;

(xi) Permitted Acquisitions; and

(xii) additional loans, advances and/or Investments of a nature not contemplated by the foregoing clauses hereof, provided that such loans, advances and/or Investments made pursuant to this clause (xii) shall not exceed an aggregate amount of \$25,000,000 at any time outstanding.

"Restricted Payment" shall mean (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of Capital Stock of the Parent or any of its GCA Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of the Parent or any of its GCA Subsidiaries, now or

hereafter outstanding, (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of the Parent or any of its GCA Subsidiaries, now or hereafter outstanding, or (d) any payment or prepayment of principal of, premium, if any, or interest on, redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Subordinated Debt.

1.10 Addition of New Definitions in Appendix A to the Participation Agreement. The following definitions are hereby added in appropriate alphabetical order to Appendix A to the Participation Agreement:

"Excluded Subsidiaries" shall mean Attention Funding Corporation and Attention Funding Trust.

"Guaranty Obligations" shall mean, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting security therefor, (ii) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (iii) to lease or purchase GCA Property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (iv) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

"Hedging Agreement Provider" shall mean any Person that enters into a Hedging Agreement with a GCA Credit Party or any of its GCA Subsidiaries that is permitted by Section 8B.1 of the Participation Agreement to the extent such Person is a (a) GCA Lender, (b) a GCA Affiliate of a GCA Lender or (c) any other Person that was a GCA Lender (or a GCA Affiliate of a GCA Lender) at the time it entered into the Hedging Agreement but has ceased to be a GCA Lender (or whose GCA Affiliate has ceased to be a GCA Lender) under the GCA Credit Agreement.

"Investment" shall mean all investments, in cash or by delivery of property made, directly or indirectly in, to or from any Person, whether by acquisition of shares of Capital Stock, property, assets, indebtedness or other obligations or securities or by loan advance, capital contribution or otherwise.

"Material Domestic GCA Subsidiary" means any Domestic GCA Subsidiary of the Parent that, together with its GCA Subsidiaries, (i) owns more than \$15,000,000 in

assets on a pro forma basis or (ii) generates more than 5% of Consolidated EBITDA on a pro forma basis for the four fiscal quarter period most recently ended; provided, however, that if at any time there are Domestic GCA Subsidiaries which are not classified as "Material Domestic GCA Subsidiaries" but which collectively account for greater than \$40,000,000 in assets on a pro forma basis or which collectively generate more than 20% of Consolidated EBITDA on a pro forma basis, then the Parent shall immediately designate one or more of such Domestic GCA Subsidiaries as Material Domestic GCA Subsidiaries and cause any such Domestic GCA Subsidiaries to comply with the provisions of Section 8A.10 of the Participation Agreement in a number sufficient to comply with such

requirement.

"Purchase Paper Facility" shall mean any financing arrangement involving the purchase by the GCA Credit Parties of commercial or consumer debt (including, without limitation, that certain loan agreement dated as of August 15, 2001 by and between Worldwide Asset Purchasing, LLC and CFSC Capital Corp. XXXIV and that certain Financing Facility and Security Agreement, dated as of December 19, 2003, by and among Arrow Funding, LLC, Attention, LLC, Attention Funding Corporation, Attention Funding Trust, and Arrow Financial Services, LLC), as amended, modified supplemented or replaced from time to time.

"Super Majority Financing Parties" shall mean Financing Parties holding in the aggregate greater than 80% of the outstanding Loans and Lessor Advances; provided, however, that if any Financing Party shall be a Defaulting Primary Financing Party at such time, then the outstanding Loans and Lessor Advances of such Financing Party shall be excluded from the determination of Super Majority Financing Parties.

"Wachovia" shall mean Wachovia Bank, National Association, together with its successors and/or assigns.

1.11 Deletion of various terms from Appendix A to the Participation Agreement. The terms "Acquisition", "Acquisition Documents", "Continuing Directors", "Net Cash Proceeds" and "Pledge Agreement" are hereby deleted in their entirety from Appendix A to the Participation Agreement.

1.12 Amendment to Sections 17.1(g), (h) and (i) of the Lease. Sections 17.1(g), (h) and (i) of the Lease are hereby deleted in their entirety and replaced by the following:

(g) The liquidation or dissolution of the Parent, any GCA Subsidiary or any Excluded Subsidiary, or the suspension of the business of the Parent, any GCA Subsidiary or any Excluded Subsidiary, or the filing by the Parent, any GCA Subsidiary or any Excluded Subsidiary of a voluntary petition or an answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under the United States Bankruptcy Code, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, or any other action of the Parent, any GCA Subsidiary or any Excluded Subsidiary indicating its consent to, approval of or acquiescence in, any such petition or proceeding; the application by the Parent, any GCA Subsidiary or any

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Excluded Subsidiary for, or the appointment by consent or acquiescence of the Parent, any GCA Subsidiary or any Excluded Subsidiary of a receiver, a trustee or a custodian of the Parent, any GCA Subsidiary or any Excluded Subsidiary for all or a substantial part of its property; the making by the Parent, any GCA Subsidiary or any Excluded Subsidiary of any assignment for the benefit of creditors; the admission by the Parent, any GCA Subsidiary or any Excluded Subsidiary in writing of its inability to pay its debts as they mature or the Parent, any GCA Subsidiary or any Excluded Subsidiary is generally not paying its debts and other financial obligations as they become due and payable; or the Parent, any GCA Subsidiary or any Excluded Subsidiary taking any corporate action to authorize any of the foregoing;

(h) The filing of an involuntary petition against the Parent, any GCA Subsidiary or any Excluded Subsidiary in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under the United States Bankruptcy Code, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing; or the involuntary appointment of a receiver, a trustee or a custodian of the Parent, any GCA Subsidiary or any Excluded Subsidiary for all or a substantial part of its property; or the issuance of a warrant of attachment, execution or similar process against any substantial part of the property of the Parent, any GCA Subsidiary or any Excluded Subsidiary, and the continuance of any of such events for ninety (90) days undismissed or undischarged;

(i) The adjudication of the Parent, any GCA Subsidiary or any Excluded Subsidiary as bankrupt or insolvent;

1.13 Amendment to Schedule 2.1 of the Credit Agreement. Schedule 2.1 of the Credit Agreement is hereby deleted in its entirety and replaced with Exhibit 2 attached to this Fourth Amendment.

SECTION 2
CLOSING CONDITIONS

2.1 Closing Conditions. This Fourth Amendment shall become effective as of the date hereof upon satisfaction of the following conditions (in form and substance reasonably acceptable to the Agent):

(a) Executed Amendment. Receipt by the Agent of a copy of this Fourth Amendment duly executed by the Borrower, the Agent, the Majority Secured Parties and the Credit Parties.

(b) Resolutions. Receipt by the Agent of copies of resolutions of the Board of Directors of each of the Credit Parties approving and adopting this Fourth Amendment, the transactions contemplated herein and authorizing execution and delivery hereof, certified by a secretary or assistant secretary of such Credit Party to be true and correct and in force and effect as of the date hereof.

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(c) Incumbency Certificate. Receipt by the Agent of an incumbency certificate with respect to each of the Credit Parties.

(d) Legal Opinions of Counsel. The Agent shall have received opinions of legal counsel for the Credit Parties, dated as of the date hereof and addressed to the Agent and the Primary Financing Parties, which opinions shall be in form and substance acceptable to the Agent and the Primary Financing Parties.

(e) Material Adverse Event. Since December 31, 2003, there shall have been no change or occurrence which could reasonably be expected to have a Material Adverse Effect.

(f) Litigation. There shall not exist any pending or threatened litigation or investigation affecting or relating to the Parent or any of its Subsidiaries, the Participation Agreement or the other Operative Agreements that in the reasonable judgment of the Agent and Primary Financing Parties could materially adversely affect the Parent and its Subsidiaries, taken as a whole, or the Participation Agreement or the other Operative Agreements, that has not been settled, dismissed, vacated, discharged or terminated prior to the date hereof.

(g) Officer's Certificate. The Agent shall have received a certificate executed by a responsible officer of the Parent as of the date hereof stating that immediately after giving effect to this Fourth Amendment and all the transactions contemplated to occur on the date hereof, (A) no Default or Event of Default exists, (B) all representations and warranties contained in this Fourth Amendment and in the Participation Agreement and the other Operative Agreements (except those which expressly relate to an earlier date) are true and correct, and (C) the Credit Parties are in compliance with each of the financial covenants set forth in Section 8A.9 to the Participation Agreement on a pro forma basis.

(h) Consents. The Agent shall have received evidence that all governmental, shareholder and material third party consents and approvals necessary in connection with this Fourth Amendment and other transactions contemplated hereby have been obtained and all applicable waiting periods have expired without any action being taken by any authority that could restrain, prevent or impose any material adverse conditions on such transactions or that could seek or threaten any of such transactions.

(i) Fees. Subject to the terms of the Fee Letter (as defined in the Guarantor Credit Agreement), receipt by the Agent of all reasonable fees and expenses of the Agent in connection with the preparation, execution and delivery of this Fourth Amendment, including, without limitation, the reasonable fees and expenses of Moore & Van Allen PLLC.

(j) Closing with regard to the Guarantor Credit Agreement. The conditions precedent to the Closing Date (as such term is defined in the Guarantor Credit Agreement)

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shall all have been satisfied or, if not satisfied, shall have been waived by the appropriate parties under the Guarantor Credit Agreement. Additionally, the Guarantor Credit Agreement shall be in full force and effect.

(k) Joinder Agreements. The Agent shall have received one or more Joinder Agreements duly executed by West Asset Management, Inc., The Debt Depot, LLC, West Telemarketing, LP, West Transaction Services, LLC, West Transaction Services II, LLC, West Business Services, LP and West Asset Purchasing, LLC, and (respecting each of the foregoing entities) such other documentation as required pursuant to the Operative Agreements for the effective joinder of a new Guarantor.

SECTION 3 MISCELLANEOUS

3.1 Amended Terms. The terms "Participation Agreement", "Lease", "Credit Agreement" and "Guaranty" as used in each of the Operative Agreements shall hereafter mean the Participation Agreement, Lease, Credit Agreement and Guaranty, each as amended by this Fourth Amendment. Except as specifically amended or modified hereby or otherwise agreed, the Participation Agreement, Lease, Credit Agreement and Guaranty are hereby ratified and confirmed and shall remain in full force and effect according to their respective terms.

3.2 Representations and Warranties of the Credit Parties. Each of the Credit Parties represents and warrants to the Financing Parties as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Fourth Amendment.

(b) This Fourth Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance by such Person of this Fourth Amendment.

(d) The representations and warranties of such Person set forth in Sections 6.2 and 6.3 of the Participation Agreement and Section 2 of the Guaranty, as the case may be, are, subject to the limitations set forth therein, true and correct in all material respects as of the date hereof (except for those which expressly relate to an earlier date).

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3.3 Reaffirmation of Credit Party Obligations. Each Credit Party hereby ratifies the Operative Agreements (as amended by this Fourth Amendment) and acknowledges and reaffirms (a) that it is bound by all terms of the Operative Agreements (as amended by this Fourth Amendment) applicable to it and (b) that it is responsible for the observance and full performance of its respective obligations pursuant to the Operative Agreements.

3.4 Operative Agreements. This Fourth Amendment shall constitute an Operative Agreement under the terms of the Participation Agreement.

3.5 Expenses. Subject to the terms of the Fee Letter (as defined in the

Guarantor Credit Agreement), the Parent agrees to pay all reasonable costs and expenses of the Agent in connection with the preparation, execution and delivery of this Fourth Amendment, including, without limitation, the reasonable fees and expenses of Moore & Van Allen, PLLC, and all previously incurred fees and expenses which remain outstanding on the date hereof.

3.6 Entirety. This Fourth Amendment and the other Operative Agreements embody the entire agreement between the parties hereto and supersede all prior agreements and understandings, oral or written, if any, relating to the subject matter hereof.

3.7 Counterparts/Telecopy. This Fourth Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts of this Fourth Amendment by telecopy shall be effective as an original and shall constitute a representation that an original shall be delivered.

3.8 Governing Law. This Fourth Amendment and the rights and obligations of the parties under this Fourth Amendment shall be governed by, and construed and interpreted in accordance with, the law of the State of North Carolina.

3.9 Consent to Jurisdiction; Service of Process; Waiver of Jury Trial; Venue. The jurisdiction, services of process, waiver of jury trial and venue provisions set forth in Section 12.7 of the Participation Agreement are hereby incorporated by reference, mutatis mutandis.

3.10 Further Assurances. The Credit Parties agree to promptly take such action, upon the request of the Agent, as is reasonably necessary to carry out the intent of this Fourth Amendment.

3.11 Release of Certain Guarantors. The parties to this Fourth Amendment hereby agree that the entities referenced on Exhibit 3 attached to this Fourth Amendment are hereby released, without the need of any additional action, as Guarantors.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Fourth Amendment to be duly executed under seal and delivered as of the date and year first above written.

LESSEE: WEST FACILITIES CORPORATION,
a Delaware corporation

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

PARENT: WEST CORPORATION,
a Delaware corporation

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

GUARANTORS: WEST CORPORATION,
a Delaware corporation

WEST TELEMARKETING CORPORATION II,
a Delaware corporation

WEST INTERACTIVE CORPORATION,
a Delaware corporation

NORTHERN CONTACT, INC.,
a Delaware corporation

INTERCALL, INC.,
a Delaware corporation

INTERCALL TELECOM VENTURES, LLC,
a Delaware limited liability company

CONFERENCECALL.COM, INC.,
a Delaware corporation

WEST RECEIVABLE SERVICES, INC.,
a Delaware corporation

NATIONAL ASSET MANAGEMENT
ENTERPRISES, INC., a Georgia corporation

WEST ASSET MANAGEMENT, INC.,
a Delaware corporation

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Chief Financial Officer

(signature pages continue)

ATTENTION, LLC,
a Georgia limited liability company

WORLDWIDE ASSET MANAGEMENT, LLC,
a Georgia limited liability company

WEST INTERNATIONAL ASSET
MANAGEMENT, LLC, a Nevada limited
liability company

BUYDEBTCO, LLC,
a Nevada limited liability company

THE DEBT DEPOT, LLC,
a Delaware limited liability company

ASSET DIRECT MORTGAGE, LLC,
a Delaware limited liability company

WEST TELEMARKETING, LP,
a Delaware limited partnership
By: West Transaction Services, LLC,
its General Partner

WEST TRANSACTION SERVICES, LLC,
a Delaware limited liability company

WEST TRANSACTION SERVICES II, LLC,
a Delaware limited liability company

WEST BUSINESS SERVICES, LP,
a Delaware limited partnership
By: West Transaction Services, LLC,
its General Partner

WEST ASSET PURCHASING, LLC,
a Nevada limited liability company

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Manager

WEST DIRECT, INC.,
a Delaware corporation

By: /s/ Paul M. Mendlik

Name: Paul M. Mendlik
Title: Treasurer

(signature pages continue)

WACHOVIA DEVELOPMENT CORPORATION,
as the Borrower and as the Lessor

By: /s/ Evander S. Jones Jr.

Name: Evander S. Jones Jr.
Title: Vice President

(signature pages continue)

WACHOVIA BANK, NATIONAL
ASSOCIATION, as the Agent

By: /s/ Michael Romanzo

Name: Michael Romanzo
Title: Vice President

(signature pages continue)

WACHOVIA CAPITAL INVESTMENTS, INC.,
as a Lender

By: /s/ Evander S. Jones, Jr.

Name: Evander S. Jones Jr.
Title: Vice President

(signature pages continue)

COMMERCEBANK, N.A., as a Lender

By: /s/ Lourdes Jordan

Name: _____

Title: Lourdes Jordan 2-LJ-149

(signature pages end)

Schedule 1

GCA PERMITTED LIENS

Debtor	Secured Party	Jurisdiction	Filing Type	Filing Date	Description of Collateral
West Facilities Corporation	Wachovia Bank, National Association, as Agent	Douglas County, Nebraska	UCC-1 (#2003106373)	6/4/2003	Fixture Filing for Douglas County, Nebraska property subject to the Synthetic Lease transaction
West Facilities Corporation	Wachovia Bank, National Association, as Agent	Delaware	UCC-1 (#31241192)	5/14/2003	All assets located at the Bexar County, Texas and Douglas County, Nebraska properties subject to the Synthetic Lease transaction
West Facilities Corporation	Wachovia Bank, National Association, as Agent	Douglas County, Nebraska	UCC-1 (#2003-106381)	6/4/2003	All assets located at the Douglas County, Nebraska property subject to the Synthetic Lease transaction
West Facilities Corporation	Wachovia Bank, National Association, as Agent	Delaware	UCC-1 (#31241267)	5/14/2003	Fixture Filing for Douglas County, Nebraska property (filed in connection with Synthetic Lease transaction)
West Facilities Corporation	Wachovia Bank, National Association, as Agent (Assignee)	Douglas County, Nebraska	UCC-1 (#2003-106386)	6/4/2003	Lease filing for the Douglas County, Nebraska property subject to the Synthetic Lease transaction
West Facilities Corporation	Wachovia Bank, National Association, as Agent (Assignee)	Delaware	UCC-1 (#31241481)	5/14/2003	Lease filing for the Bexar County, Texas and Douglas County, Nebraska properties subject to the Synthetic Lease transaction
West Facilities Corporation	Wachovia Bank, National Association, as Agent	Bexar County, Texas	UCC-1 (#20030121807)	5/15/2003	Fixture Filing for Bexar County, Texas property subject to the Synthetic Lease transaction
West Facilities Corporation	Wachovia Bank, National Association (Assignee)	Bexar County, Texas	UCC-1 (#20030121810)	5/16/04	Lease filing for the Bexar County, Texas property subject to the Synthetic Lease transaction
West Facilities Corporation	Wachovia Bank, National Association	Bexar County, Texas	UCC-1 (#20030121809)	5/16/04	All assets located at the Bexar County, Texas property subject to the Synthetic Lease transaction
National Asset Management Enterprises, Inc.	Ameritech Credit Corporation	Superior Court of Cobb County, Georgia	UCC-1 (#033200016573)	12/06/2000	Certain Leased Security and Other Equipment

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Debtor	Secured Party	Jurisdiction	Filing Type	Filing Date	Description of Collateral
Worldwide Asset Management, LLC	B-Line, L.L.C.	Superior Court of Fulton County, Georgia	UCC-1 (#060200406600)	5/21/2004	Certain Consumer Loan Accounts
Worldwide Asset Management, LLC	B-Line, L.L.C.	Superior Court of Fulton County, Georgia	UCC-1 (#060200407871)	6/18/2004	Certain Consumer Loan Accounts
Worldwide Asset Management, LLC	B-Line, L.L.C.	Superior Court of Fulton County, Georgia	UCC-1 (#060200409362)	7/22/2004	Certain Consumer Loan Accounts
Worldwide Asset Management, LLC	B-Line, L.L.C.	Superior Court of Fulton County, Georgia	UCC-1 (#060200410417)	8/12/2004	Certain Consumer Loan Accounts
Worldwide Asset Management, LLC	B-Line, L.L.C.	Superior Court of Fulton County, Georgia	UCC-1 (#060200411957)	9/14/2004	Certain Consumer Loan Accounts
Worldwide Asset Management, LLC	B-Line, L.L.C.	Superior Court of Fulton County, Georgia	UCC-1 (#060200413194)	10/13/2004	Certain Consumer Loan Accounts

Attention, LLC	Arrow Funding, LLC (Assigned)	Superior Court of Gwinnett County, Georgia	UCC-1 (#67-2003-013425)	12/19/2003	All accounts sold to Arrow Funding Corporation by Attention, LLC
Attention, LLC	Arrow Funding, LLC	Superior Court of Gwinnett County, Georgia	UCC-1 (#67-2003-013426)	12/19/2003	Attention Funding Corporation Stock and all other interests in Attention Funding Corporation acquired by Attention, LLC

Note: 1. See Schedule 3.18(a) for Liens on real property.

Schedule 1-2

Schedule 2

SUBSIDIARIES

Subsidiary	Jurisdiction of Incorporation/ Organization	No. of Outstanding Shares	Outstanding Warrants, Options, Etc.	Owner of Outstanding Shares	No. of Shares Owned	Percentage of Shares Owned
West Transaction Services, LLC	Delaware	N/A	0	West Corporation	N/A	100%
West Transaction Services II, LLC	Delaware	N/A	0	West Corporation	N/A	100%
West Telemarketing, LP	Delaware	N/A	0	West Transaction Services II, LLC	N/A	99%
				West Transaction Services, LLC		1%
West Telemarketing Corporation II	Delaware	10,000	0	West Telemarketing, LP	10,000	100%
West Business Services, LP	Delaware	N/A	0	West Transaction Services II, LLC	N/A	99%
				West Transaction Services, LLC		1%
West Facilities Corporation	Delaware	10,000	0	West Corporation	10,000	100%
West Interactive Corporation	Delaware	10,000	0	West Corporation	10,000	100%
West Direct, Inc.	Delaware	10,000	0	West Corporation	10,000	100%
Attention, LLC	Georgia	N/A	0	West Corporation	N/A	100%
Northern Contact, Inc.	Delaware	10,000	0	West Telemarketing, LP	10,000	100%
West International Corporation	Delaware	1,000	0	West Corporation	1,000	100%
West Telemarketing Canada, ULC	Nova Scotia, Canada	20,000	0	Northern Contact, Inc.	20,000	100%
Attention III, LLC	Georgia	N/A	0	Attention, LLC	N/A	100%
Attention Funding Corporation	Delaware	1,000	0	Attention, LLC	1,000	100%
Attention Funding Trust	Delaware	N/A	0	Attention Funding Corporation	N/A	100%

Schedule 2-1

Subsidiary	Jurisdiction of Incorporation/ Organization	No. of Outstanding Shares	Outstanding Warrants, Options, Etc.	Owner of Outstanding Shares	No. of Shares Owned	Percentage of Shares Owned
InterCall, Inc.	Delaware	10,000	0	West Corporation	10,000	100%
InterCall Telecom	Delaware	N/A	0	InterCall, Inc.	N/A	100%

Ventures, LLC						
InterCall, Inc.	New Brunswick	100	0	InterCall, Inc.	100	100%
InterCall Australia Pty. Ltd.	Australia	100	0	InterCall, Inc.	100	100%
InterCall Singapore Pte. Ltd.	Singapore	2	0	InterCall, Inc.	2	100%
InterCall Hong Kong Pty. Ltd.	Hong Kong	10,000	0	InterCall, Inc.	10,000	100%
InterCall Asia Pacific Holdings Pty. Ltd.	Australia	100	0	InterCall, Inc.	100	100%
InterCall New Zealand Limited	New Zealand	100	0	InterCall, Inc.	100	100%
InterCall Conferencing Services Limited	United Kingdom	10	0	InterCall, Inc.	10	100%
Legal Connect Limited	United Kingdom	2	0	InterCall Conferencing Services Limited	2	100%
Jamaican Agent Services Limited	Jamaica	1,000	0	West Corporation Northern Contact, Inc.	999 1	99.9% 0.1%
West Contact Services, Inc.	Philippines	10,000	0	West Corporation Hector M. De Leon Thomas B. Barker Mark V. Lavin Bethilda Carabuena Maria Victoria Vergel-Roldan	9,995 1 1 1 1 1	99.95% .01% .01% .01% .01% .01%
ConferenceCall.com, Inc.	Delaware	1,000	0	InterCall, Inc.	1,000	100%
InterCall Japan, K.K.	Japan	200	0	InterCall, Inc. Tozai Sogo Law Firm	130 70	65% 35%
West Receivable Services, Inc.	Delaware	10,000	0	West Corporation	10,000	100%

Schedule 2-2

Subsidiary	Jurisdiction of Incorporation/ Organization	No. of Outstanding Shares	Outstanding Warrants, Options, Etc.	Owner of Outstanding Shares	No. of Shares Owned	Percentage of Shares Owned
Worldwide Asset Management, LLC	Georgia	N/A	0	West Receivable Services, Inc.	N/A	100%
National Asset Management Enterprises, Inc.	Georgia	3,077	0	West Receivable Services, Inc.	3,077	100%
West International Asset Management, LLC	Nevada	N/A	0	West Receivable Services, Inc.	N/A	100%
Worldwide Asset Purchasing, LLC	Nevada	N/A	0	West Receivable Services, Inc.	N/A	70%
BuyDebtCo, LLC	Nevada	N/A	0	West Receivable Services, Inc.	N/A	100%
The Debt Depot, LLC	Delaware	N/A	0	West Receivable Services, Inc.	N/A	100%
Asset Direct Mortgage, LLC	Delaware	N/A	0	West Corporation	N/A	100%
Portafolios NAM, S. de R.L. de C.V.	Mexico	N/A	0	Worldwide Asset Collections, LLC BuyDebtCo, LLC	N/A	99% 1%
Portafolios NAM-1, S. de R.L. de C.V.	Mexico	N/A	0	West International Asset Management, LLC BuyDebtCo, LLC	N/A	99% 1%
GCA Corporacion Gerencial de Activos,	Mexico	N/A	0	Worldwide International Asset	N/A	99%

S. de R.L. de C.V.				Management, LLC		
				BuyDebtCo, LLC		1%
West Asset Management, Inc.	Delaware	10,000	0	West Receivable Services, Inc.	10,000	100%
West Asset Purchasing, LLC	Nevada	N/A	0	West Receivable Services, Inc.	N/A	100%

Schedule 2-3

Schedule 3

LOCATION OF REAL PROPERTY

Owned Real Property:

1. Approximately 0.39 acres owned by InterCall, Inc. located at 802 First Avenue, West Point, Troup County, Georgia 31833.
2. Approximately 2.54 acres owned by InterCall, Inc. located at 1239 O.G. Skinner Drive, West Point, Troup County, Georgia 31833.
3. 3300 20th Avenue, Valley, Chambers County, Alabama, owned by InterCall, Inc. Title to this property is subject to the following:
 - (a) Lease by Powertel, Inc. of 1,800 square feet by lease dated June 3, 2000.
4. Approximately 5.69 acres owned by InterCall, Inc. located at 1211 O.G. Skinner Drive, West Point, Troup County, Georgia 31833.
5. 401 E. 4th Street, West Point, Troup County, Georgia 31833, owned by InterCall, Inc.
6. 403 E. 4th Street, West Point, Troup County, Georgia 31833, owned by InterCall, Inc.
7. 620 Greison Trail, Newnan, Coweta County, Georgia 31833, owned by InterCall, Inc.
8. Approximately 14 acres of land adjacent to O.G. Skinner Dr. (a.k.a. Pittman Street), West Point, Troup County, Georgia 31833, owned by InterCall, Inc.
9. Approximately 1.63 acres located adjacent to and south of property described herein as 1211 O.G. Skinner Drive, West Point, Troup County, Georgia 31833, owned by InterCall, Inc.
10. 11808 Miracle Hills Dr., Omaha, Douglas County, Nebraska 68154, owned by West Corporation and subject to that certain Mortgage Agreement, by and between West Corporation and First National Bank of Omaha.
11. 5031 Commerce Park Circle, Pensacola, Escambia County, Florida 32507, owned by West Corporation (f/k/a West TeleServices Corporation).
12. 2311 S. Illinois Ave. US Route 51, Carbondale, Jackson County, Illinois 62901, owned by West Business Services, LP.
13. 1015 Belvidere, El Paso, El Paso County, Texas 79912, owned by West Business Services, LP.
14. Buildings 1000, 2000, 3000 and 5000, 11330 IH 10 West, San Antonio, Bexar County, Texas 78249, owned by West Business Services, LP.
15. Building 8000, 10940 Laureate Drive, San Antonio, Bexar County, Texas 78349, owned by West Business Services, LP.

Schedule 3-1

Leased Real Property:

1. Lease to InterCall, Inc., as lessee, for the 5th Floor, Suites 502 and 508, 232 Madison Avenue, New York, New York 10016.
2. Lease to InterCall, Inc., as lessee, for approximately 3,884 rsf, for One Glenlake Parkway, Atlanta, Georgia 30328.
3. Lease to InterCall, Inc., as lessee, for approximately 1,353 rsf at Corporate Center, 110 East Broward Boulevard, Ft. Lauderdale, Florida 33301.
4. Lease to InterCall, Inc., as lessee, for approximately 3,715 rsf, known as 3601 West 76th Street, Edina, Minnesota 55435.
5. Lease to InterCall, Inc., as lessee, for approximately 1,440 rsf, known as Suite 150, Lake Forest Place, 4445 Lake Forest Drive, Cincinnati, Ohio 45242.
6. Lease to InterCall, Inc., as lessee, for approximately 3,323 rsf, known as Suite 1110, Prentice Point, 5299 DTC Boulevard, Englewood, Colorado 80111.
7. Lease to InterCall, Inc., as lessee, for approximately 2,681 rsf, known as Suite 1060, 3 Ballston Plaza, 1100 North Glebe Road, Arlington, Virginia 22201.
8. Lease to InterCall, Inc., as lessee, for approximately 2,867 rsf, known as Suite 414, 3 Bala Plaza, Bala Cynwyd, Pennsylvania 19004.
9. Lease to InterCall, Inc., as lessee, for approximately 4,689 rsf, known as Suite 210, 990 Washington Street, Dedham, Massachusetts 02026.
10. Lease to InterCall, Inc., as lessee, for approximately 3,214 rsf, known as 99 Cherry Hill Road, Parsippany, New Jersey 07054.
11. Lease to InterCall, Inc., as lessee, for approximately 3,946 rsf, for office space at 80 Broad Street, New York, New York 10004-2009.
12. Lease to InterCall, Inc., as lessee, for approximately 3,355 rsf, known as Suite 840, 433 East Las Colinas Boulevard, Irving, Texas 75039.
13. Lease to InterCall, Inc., as lessee, for approximately 2,796 rsf at 2700 Post Oak Boulevard, Houston, Texas 77056.
14. Lease to InterCall, Inc., as lessee, for approximately 418 rsf, for 1001 Southwest 5th Ave., Suite 110, Portland, Oregon 97204.
15. Lease to InterCall, Inc., as lessee, for approximately 3,110 rsf, known as Suite 220, 18201 Von Karman Ave., Irvine, California 92612.
16. Lease to InterCall, Inc., as lessee, for approximately 2,802 rsf, known as Suite 320 of the Denny Building, 2121 Fourth Avenue, Seattle, Washington 98121.

Schedule 3-2

17. Lease to InterCall, Inc., as lessee, for approximately 2,675 rsf, known as Suite 810, 425 California Street, San Francisco, California 94104.
18. Lease to InterCall, Inc., as lessee, for approximately 5,039 rsf, known as 300 South Tower, Peachtree 25th Building, 1718 Peachtree Street, N.W., Atlanta, Georgia 30309.
19. Lease to InterCall, Inc., as lessee, for approximately 23,261 rsf, known as Suites 225, 400, 413, 420, 421, 464 and 520 for premises located at Citicorp Plaza, 8420 West Bryn Mawr, Chicago, Illinois 60631.
20. Lease to InterCall, Inc., as lessee, for the office space located at 3618 West Market Street, Suite 100, Room 1, Fairlawn, Ohio 44333.
21. Lease to InterCall Australia Pty. Ltd., as lessee, for Level 1, 187 Thomas Street, Sydney, New South Wales, Australia.

22. Lease to InterCall Australia Pty. Ltd., as lessee, for Suite 1301, 227 Collins Street, Melbourne, Victoria, Australia.
23. Lease to InterCall Singapore Pte. Ltd., as lessee, Operation Center, for 6 Battery Road, #10-01 049909, Singapore.
24. Lease to InterCall, Inc., as lessee, for Suites 212 and 220, Building A, Trinity Court, Wokingham Road, Bracknell, RG42 1PL (UK).
25. Lease to InterCall Conferencing Services Limited, as lessee, for offices on the second floor at Topeka House, Luther Challis Business Centre, Barnwood, Gloucester, UK.
26. License Agreement to InterCall, Inc., as lessee, for office space at Kilcullen House, 1 Haigh Terrace, Dun Lioghaire, Dublin, Ireland.
27. Lease to InterCall, Inc., as lessee, for 3131 East Camelback, Suites 268, 269 and 270, Phoenix, Arizona 85016.
28. Lease to InterCall, Inc., as lessee, for approximately 4,074 rsf, known as Suite 210, 3301 Northland Drive, Austin, Texas 78731.
29. Lease to InterCall, Inc., as lessee, for approximately 1,752 rsf, known as Space 102, 5387 Manhattan Circle, Boulder, Colorado 80303.
30. Lease to InterCall, Inc., as lessee, for approximately 3,395 rsf, known as Suite 206, 11340 West Olympic Boulevard, Los Angeles, California 90064.
31. Lease to InterCall, Inc., as lessee, for office space at 80 River Street, Hoboken, New Jersey 07030.
32. Office Lease between HQ Global Workplaces and InterCall, Inc., as lessee, dated September 2, 1999.
33. Lease to InterCall, Inc., as lessee, for POP Site, Telecom Exchange Airdale Street, Auckland 1003, New Zealand.

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34. Lease to InterCall, Inc., as lessee, for equipment at 2203 64th Boulevard, Valley, Alabama 30864.
35. Lease to InterCall Web Conferencing Services Limited, as lessee, for office space at LaGrande Arche Paroi Nord, 92044, Paris La Defense, France.
36. Lease to InterCall, Inc., as lessee, for office space at HQ Boone Boulevard Center, Vienna, Virginia 22182.
37. Lease to InterCall, Inc., as lessee, for office space at HQ Francisco Bay Center, San Francisco, California 94111.
38. Lease to West Telemarketing, LP, as lessee, for office space at 9910 Maple Street, Omaha, Nebraska 68134.
39. Lease to West Telemarketing, LP, as lessee, for office space at 9311 N. 93rd Street and 9218 Bedford Avenue, Omaha, Nebraska 68134.
40. Lease to West Telemarketing, LP, as lessee, for office space at 11626 Nicholas Street, Omaha, Nebraska 68134.
41. Lease to West Interactive Corporation, as lessee, for office space at 9223 Bedford Street and 3231 N. 93rd Street, Omaha, Nebraska 68134.
42. Lease to West Facilities Corporation, as lessee, for Suite 208, 99 Railroad Station Plaza, Hicksville, New York 11801.
43. Lease to West Telemarketing, LP, as lessee, for office space at 808 N. 108th Ave., Omaha, Nebraska 68154.
44. Lease to West Interactive Corporation, as lessee, for office space at 4015 S. 132nd Street, Omaha, Nebraska 68137.

45. Lease to West Telemarketing, LP, as lessee, for office space at 10606 Burt Street, Omaha, Nebraska 68114.
46. Lease to West Corporation (f/k/a West TeleServices Corporation), as lessee, for office space at 11810 Nicholas Street, Omaha, Nebraska 68154.
47. 11650 Miracle Hills Drive, Omaha, Douglas County, Nebraska 68154, leased by West Corporation, as lessee, and subject to that certain Deed of Trust, filed at Miscellaneous Book 8070, Page 305 on 5/12/03 with the Register of Deeds of Douglas County, Nebraska, pursuant to the synthetic lease transaction (see Schedule 6.1(b)).
48. Lease to West Corporation (f/k/a West TeleServices Corporation), as lessee, for space at 4645 Concord Road, Beaumont, Texas 77703.
49. Lease to West Interactive Corporation, as lessee, for space at 1425 Champa Street, Denver, Colorado 80202.

Schedule 3-4

50. Lease to West Interactive Corporation, as lessee, for space at 3003 Cobb Parkway, Atlanta, Georgia 30339.
51. Lease to West Telemarketing, LP, as lessee, for space at 2323 W. 38th Street, Unit 1A, Erie, Pennsylvania 16506.
52. Lease to West Telemarketing, LP, as lessee, for space at 227 Fox Hill Rd., Unit D-8, Hampton, Virginia 23669.
53. Lease to West Telemarketing, LP, as lessee, for space at 1545 South 77 Sunshine Strip, Harlingen, Texas 78550.
54. Lease to West Telemarketing, LP, as lessee, for space at 5000 Bradford Drive, Huntsville, Alabama 35805.
55. Lease to West Telemarketing, LP, as lessee, for space at 1331 West Memorial Road, Oklahoma City, Oklahoma 73114.
56. Lease to West Telemarketing, LP, as lessee, for space at 1315 Financial Blvd., Reno, Nevada 89510.
57. Lease to West Telemarketing, LP, as lessee, for space at Harlem Alpine Center, 1975 Harlem Road, Loves Park, Illinois 61111.
58. Lease to West Telemarketing, LP, as lessee, for Suite 100, 3810 S. 103rd East Ave., Tulsa, Oklahoma 74146.
59. Lease to West Business Services, LP, as lessee, for space at 328 Ross Clark Circle, Dothan, Alabama 36303.
60. Lease to West Interactive Corporation, as lessee, for space at 3605 Ambassador Caffery Pkwy., Lafayette, Louisiana 70503.
61. Lease to West Business Services, LP, as lessee, for space at 3262 Dauphin, Mobile, Alabama 36606.
62. Lease to West Business Services, LP, as lessee, for the 5th Floor, 3800 E. 42nd Street, Odessa, Texas 79762.
63. Lease to Attention, LLC, as lessee, for space at 3432 Jefferson Ave., Texarkana, Arkansas 78124 pursuant to that Assignment of Lease from West Telemarketing Corporation Outbound.
64. Lease to West Business Services, LP, as lessee, for space at 2103 Universal City Blvd., Universal City, Texas 78148.
65. Lease to West Business Services, LP, as lessee, for approximately 49,683 rsf, for space at 100 West College Avenue, Appleton, Wisconsin 54911.
66. Lease to West Business Services, LP, as lessee, for space at 1111 E. South River Street, Appleton, Wisconsin 54915.

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67. Lease to Attention, LLC, as lessee, for space at 1000 N. Travis Street, Sherman, Texas 75090.
68. Lease to Attention, LLC, as lessee, for Suite 300, 5300 Oakbrook Parkway, Norcross, Georgia 30093.
69. Lease to Attention, LLC, as lessee, for space at 215 A North Sunset Blvd., Sherman, Texas 75092.
70. Lease to West Business Services, LP, as lessee, for space at S. 4300 Geiger Blvd., Spokane, Washington 99224.
71. Lease to West Business Services, LP, as lessee, for space at 157 South Howard Street, Spokane, Washington 99201.
72. Lease to West Business Services, LP, as lessee, for space at 5615 Dunbarton Ave., Pasco, Washington 99301.
73. Lease to West Business Services, LP, as lessee, for space at 9317 E. Sinto, Spokane, Washington 99206.
74. Lease to West Telemarketing Canada, ULC, as lessee, for space at 2261 Keating X Road, Saanichton, BC V8M 2A5.
75. Lease to West Telemarketing, LP, as lessee, for space at 7850 Anselmo Lane, Baton Rouge, Louisiana 70810.
76. Lease to West Business Services, LP, as lessee, for space at 1223 Lee Trevino Dr., El Paso, Texas 79907.
77. Lease to InterCall, Inc., as lessee, for Suite 202, 1804 Embarcadero Road, Pao Alto, California.
78. Lease to InterCall, Inc., as lessee, for Office #'s 527, 534 and 539 located at 8300 Boone Blvd., Suite 500, Vienna, Virginia 22182.
79. Lease to InterCall, Inc., as lessee, for Office #'s 157, 164, 166, 167 and 171 located at 1750 Montgomery Street, San Francisco, California 94111.
80. Lease to ConferenceCall.com, Inc., as lessee, for Suites 214, 224 and 226 located at 1445 MacArthur Drive, Carrollton, Texas 75007.
81. Lease to ConferenceCall.com, Inc., as lessee, for Suite 212 located at 1445 MacArthur Drive, Carrollton, Texas 75007.
82. Lease to ConferenceCall.com, Inc., as lessee, for Suite 2670 located at the Univision Center, 2323 Bryn, Dallas, Texas 75201.
83. Lease to Worldwide Asset Management, LLC, as lessee, for 2221 Newmarket Parkway, Suite 120, Marietta, Georgia 30067.
84. Lease to Worldwide Asset Management, LLC, as lessee, for 2253 Northwest Parkway, Marietta, Georgia 30067.

Schedule 3-6

85. Lease to Worldwide Asset Management, LLC, as lessee, for 1351 Dividend Drive, Marietta, Georgia 30067.
86. Lease to Worldwide Asset Management, LLC, as lessee, for 2270 Northwest Parkway, Marietta, Georgia 30067.
87. Lease to Worldwide Asset Management, LLC, as lessee, for 2150 Northwest Parkway, Suite L, Marietta, Georgia 30067.
88. Lease to Worldwide Asset Management, LLC, as lessee, for 2275 Northwest Parkway, Suite 180, Marietta, Georgia 30067.

89. Lease to National Asset Management Enterprises, Inc., as lessee, for 10300 Spotsylvania Avenue, Suite 200, Fredericksburg, Virginia.
90. Lease to National Asset Management Enterprises, Inc., as sub-lessee, for 9911 Covington Cross Drive, Las Vegas, Nevada 89144.
91. Lease to National Asset Management Enterprises, Inc., as sub-lessee, for 2253 Northwest Parkway, Marietta, Georgia 30067.
92. Lease to National Asset Management Enterprises, Inc., as lessee, for 1060 Perimeter Road West, Endicott, New York.
93. Lease to National Asset Management Enterprises, Inc., as lessee, for 3795 Corporate Center Drive, St. Louis, Missouri 63045.
94. Lease to National Asset Management Enterprises, Inc., as lessee, for 2300 Fall Hill Avenue, Suite 511, Fredericksburg, Virginia.
95. Lease to National Asset Management Enterprises, Inc., as lessee, for 226, 228 and 232 Nelson Street, Cartersville, Georgia 30120.
96. Lease to National Asset Management Enterprises, Inc., as sub-lessee, for 2275 Northwest Parkway, Suite 180 Marietta, Georgia 30067.
97. Lease to Asset Direct Mortgage, LLC, as sub-lessee, for 1351 Dividend Drive, Marietta, Georgia 30067.
98. Lease to InterCall, Inc., as lessee, POP Site, 40 Ross Street, Glebe, New South Wales, 2000, Australia.
99. Lease to InterCall, Inc., as lessee, Asia/Pacific HQ, Level 6, 154 Sussex Street, Sydney, New South Wales 2000, Australia.
100. Lease to InterCall, Inc., as lessee, for POP Site, Sigtel, GNCC Centre, 31 Exeter Road, #02-00 Comcenter3, Singapore.
101. Lease to InterCall, Inc., as lessee, for POP Site, Telecom Exchange Mayoral Drive, Auckland, New Zealand.

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102. Lease to InterCall, Inc., as lessee, for Facilities F, G and I, 1318 Two Pacific Place, 88 Queens Way, Hong Kong.
103. Lease to InterCall, Inc., as lessee, for POP Site, PCCW Telecom House, 3 Gloucester Road, Wanchai, Hong Kong.
104. Lease to InterCall, Inc., as lessee, for Cotswold Office, Barnwood, Gloucester, UK.
105. Lease to InterCall, Inc., as lessee, Operation Ctr., Regus Shinjuku Park Tower, N30F 3-7-1 Nishi-Shinjuku, Tokyo, Japan.
106. Lease to InterCall, Inc., as lessee, Sales Office, 195 The West Mall, Suite #602, Etobicoke, Canada.
107. Lease to InterCall, Inc., as lessee, Operation Ctr/Sales, 520, 10117 Jasper Avenue, Edmonton, Canada.
108. Lease to InterCall, Inc., as lessee, POP Site, 410 Laurier Avenue West, Ottawa, Canada.
109. Lease to West Telemarketing Canada, ULC, as lessee, for space at 2261 Keating X Road, Saanichton, BC V8M 2A5.
110. Lease to Jamaica Agent Services Limited, as lessee, for Jamaica-Portmore Informatics Park Free Zone, Ground and 1st Floor, Portmore, Jamaica.
111. Lease to Jamaica Agent Services Limited, as lessee, for Jamaica-Montego Bay Export Free Zone, Building #44, Montego Bay, St. James, Jamaica.

112. Lease to West Contact Services, Inc., as lessee, Export Bank Plaza, Chino Roces Ave. cor Gil Puyat Ave., Floors 27, 28, 29, 34, 35, Makati City, Philippines.
113. Building 7000, 10931 Laureate Drive, San Antonio, Bexar County, Texas 78349, leased by West Facilities Corporation and subject to (a) that certain Deed of Trust, Filing No. 20030116781, filed on 5/09/2003 with the Bexar County, Texas Clerk's Office, and (b) that certain Deed of Trust and Assignment and Assumption Agreement, filing Nos. 20010040467 and 20030014093, filed on 3/12/2001 and 1/21/2003 with the Bexar County, Texas Clerk's Office, pursuant to the synthetic lease transaction (see Schedule 6.1(b)).

Schedule 3-8

Schedule 4

CHIEF EXECUTIVE OFFICES

West Corporation
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Transaction Services, LLC
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Transaction Services II, LLC
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Asset Management, Inc.
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Asset Purchasing, LLC
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Telemarketing, LP
11808 Miracle Hills Drive
Omaha, Nebraska 68154

Northern Contact, Inc.
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Telemarketing Corporation II
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Business Services, LP
10931 Laureate Drive Suite 7140
San Antonio, Texas 78249

West Interactive Corporation
11808 Miracle Hills Drive
Omaha, Nebraska 68154

West Facilities Corporation
11808 Miracle Hills Drive
Omaha, Nebraska 68154

Schedule 4-1

West Direct, Inc.
11808 Miracle Hills Drive
Omaha, Nebraska 68154

Attention, LLC
5300 Oakbrook Parkway Suite 300
Norcross, GA 30093

Attention III, LLC
5300 Oakbrook Parkway Suite 300
Norcross, GA 30093

InterCall, Inc.
1239 O.G. Skinner Drive
West Point, Georgia 31833

InterCall Australia Pty. Ltd.
Level 8, 155 George Street
Sydney, New South Wales, Australia

InterCall Singapore Pte. Ltd.
80 Raffles Place
#35-23 OB Plaza 1
Singapore, China

InterCall Conferencing Services Limited
Second Floor
Topeka House
Barnwood, Gloucester, UK

InterCall New Zealand Limited
Level 10 Telecom House
8 Hereford Street
Auckland 1003, New Zealand

InterCall Japan K.K.
3-28, Kioichi, Chiyoda-Ku
Tokyo, Japan 102-0094

InterCall, Inc. (Canada)
10117 Jasper Ave. Suite 520
Edmonton, Alberta
T5J 1 W8
Canada

InterCall Telecom Ventures, LLC
3300 20th Avenue
Valley, Alabama 36854

Schedule 4-2

InterCall Hong Kong Pty. Ltd.
1318 Two Pacific Place
88 Queensway
Hong Kong

InterCall Asia Pacific Holdings Pty. Ltd.
Level 8, 155 George Street
Sydney, New South Wales, Australia

ConferenceCall.com, Inc.
1445 MacArthur Drive, Suite 226
Carrollton, Texas 75007

West Receivable Services, Inc.
11808 Miracle Hills Drive
Omaha, Nebraska 68154

Worldwide Asset Management, LLC
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

National Asset Management Enterprises, Inc.
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

West International Asset Management, LLC
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

Worldwide Asset Purchasing, LLC
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

BuyDebtCo, LLC
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

The Debt Depot, LLC
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

Asset Direct Mortgage, LLC
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

Portafolios NAM, S. de R.L. de C.V.
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

Schedule 4-3

Portafolios NAM-1, S. de R.L. de C.V.
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

Corporacion Gerencial de Activos, S. de R.L. de C.V.
2253 Northwest Parkway, Suite 500
Marietta, GA 30069

West Contact Services, Inc.
Exportabank Plaza
Sen. Gil Puyat & Chino Roces Ave.
Makati City, 1200, PH Philippines

Jamaican Agent Services Limited
6A Holborn Road
Kingston 10, JM Jamaica

West Telemarketing Canada, ULC
2261 Keating Cross Road
Central Saanich, CA V8M 2A5
Canada

Attention Funding Corporation
5300 Oakbrook Parkway Suite 300
Norcross, GA 30093

Attention Funding Trust
5300 Oakbrook Parkway Suite 300
Norcross, GA 30093

Legal Connect Limited
Topeka House
Luther Challis Business Centre
Gloucestershire, EN GL4 3HX
United Kingdom

Schedule 4-4

Schedule 5

LABOR MATTERS

None.

Schedule 5-1

Schedule 6

INDEBTEDNESS

1. Indebtedness of West Corporation not exceeding \$12,000,000.00 in the aggregate pursuant to that certain Mortgage Loan, by and between West Corporation and First National Bank of Omaha, dated as of January 30, 1998, as amended as of March 8, 2002.
2. Indebtedness in an aggregate principal amount not to exceed \$41,000,000.00 under that certain synthetic lease transaction pursuant to the Operative Agreements as described in that certain Participation Agreement, dated as of the Closing Date, by and among West Facilities Corporation, as lessee, Wachovia Development Corporation, as lessor, the lenders party thereto and Wachovia Bank, National Association.
3. Earn-out obligations of West Corporation pursuant to that certain Purchase Agreement, dated as of July 23, 2002, by and among Attention, LLC, the Sellers (as defined therein), the Sellers' Representative (as defined therein) and West Corporation. Pursuant to the Attention, LLC acquisition, additional consideration will be payable over the four year period between 2004 and 2008, which will range from a minimum of \$21,500,000.00 to a maximum of \$50,000,000.00 based upon Attention, LLC's satisfaction of certain earnings objectives during the years ending December 31, 2003 through 2007. At December 31, 2002, the \$21,500,000.00 minimum payment was accrued.
4. Earn-out obligations of West Corporation pursuant to that certain Stock Purchase Agreement, dated as of December 7, 2001, by and between West Corporation and John F. Gillen, in connection with West Corporation's purchase of Tel Mark Sales, Inc. There is a provision for a three-year contingent earn-out with a maximum earn-out of \$5,000,000.00 per year relating to the acquisition of Tel Mark Sales, Inc. in 2002. The earn-out obligation is based upon the acquired entity achieving certain revenue growth objectives. Based on the revenue growth achieved by this entity an accrual of \$2,752,000.00 was recorded during fiscal year 2002.
5. Indebtedness of Worldwide Asset Purchasing, LLC pursuant to an Amended and Restated Credit Agreement, dated as of September 30, 2004, by and between Worldwide Asset Purchasing, LLC and CFSC Capital Corp. XXXIV.
6. Lease of security equipment and other related equipment under Lease No. 001-0026055, including Lease No. 0026055-000 GA Cobb 13250, by and between National Asset Management Enterprises, Inc. and Ameritech Credit Corporation.

Schedule 6-1

EXHIBIT 1

EXHIBIT G

JOINDER AGREEMENT

(Pursuant to Section 8A.10 of the Participation Agreement and Section 5.10 of the Credit Facility Credit Agreement)

THIS JOINDER AGREEMENT (as amended, restated or otherwise modified, the "Agreement"), dated as of _____, _____, is by and among _____, a _____ (the "Subsidiary Guarantor"); WEST CORPORATION, a Delaware corporation ("West Corp."), in its capacities as the Credit Facility Borrower (hereinafter defined) and as one of the guarantors pursuant to the Participation Agreement (hereinafter defined) and the Guaranty (as defined in Appendix A to the Participation Agreement); and the various guarantors pursuant to the Credit Facility Credit Agreement (hereinafter defined) referenced on the signature pages hereto and the various additional guarantors pursuant to the Participation Agreement (hereinafter defined) and the

Guaranty (as defined in Appendix A to the Participation Agreement) referenced on the signature pages hereto; and acknowledged and accepted by WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association ("Wachovia Bank"), in its capacities as the Credit Facility Administrative Agent (hereinafter defined) and as the Lease Facility Agent (hereinafter defined).

RECITALS

WHEREAS, pursuant to the Amended and Restated Credit Agreement, dated as of November 15, 2004 (as amended, restated or otherwise modified, the "Credit Facility Credit Agreement"), by and among West Corp., as borrower thereunder (the "Credit Facility Borrower"), certain Domestic Subsidiaries of the Credit Facility Borrower from time to time party thereto, as guarantors thereunder, the entities from time to time that are parties thereto, as lenders thereunder (the "Credit Facility Lenders") and Wachovia Bank, as administrative agent thereunder for the Credit Facility Lenders (the "Credit Facility Administrative Agent"), the Credit Facility Lenders have extended credit facilities in favor of the Credit Facility Borrower and the Credit Facility Borrower has agreed to cause certain of its Domestic Subsidiaries to join as Guarantors; and

WHEREAS, pursuant to the Participation Agreement, dated as of May 9, 2003 (as amended, restated or otherwise modified, the "Participation Agreement"), by and among West Facilities Corporation, a Delaware corporation, as lessee thereunder (the "Lessee"), West Corp. and the other various entities which are parties to the Participation Agreement from time to time as guarantors thereunder, Wachovia Development Corporation, a North Carolina corporation, as the borrower or the lessor thereunder (the "Lease Facility Borrower" or the "Lessor"), the various banks and other lending institutions which are parties thereto from time to time as lenders thereunder (subject to the definition of Lenders in Appendix A thereto, individually, a

Exhibit 1-1

"Lease Facility Lender" and collectively, the "Lease Facility Lenders"), and Wachovia Bank, National Association, a national banking association, as the agent for the Primary Financing Parties and respecting the Security Documents, as the agent for the Secured Parties (in such capacity, the "Lease Facility Agent"), the Lessor and the Lease Facility Lenders have extended a lease facility in favor of the Lessee and the Credit Parties have agreed to cause certain of their Domestic GCA Subsidiaries to join as Guarantors.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agrees as follows:

SECTION 1

Capitalized terms used in the first recital and in Section 2 hereof but not otherwise defined herein shall have the meanings provided in the Credit Facility Credit Agreement. Capitalized terms used in the second recital and in Section 3 hereof but not otherwise defined herein shall have the meanings provided in Appendix A to the Participation Agreement.

SECTION 2

The Subsidiary Guarantor is a Material Domestic Subsidiary, and, consequently, the Credit Parties are required by Section 5.10 of the Credit Facility Credit Agreement to cause the Subsidiary Guarantor to become a "Guarantor" thereunder.

Accordingly, the Subsidiary Guarantor hereby agrees as follows with the Credit Facility Administrative Agent, for the benefit of the Credit Facility Lenders:

1. The Subsidiary Guarantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Subsidiary Guarantor will be deemed to be a party to the Credit Facility Credit Agreement and a "Guarantor" for all purposes of the Credit Facility Credit Agreement and the other Credit Documents, and shall have all of the obligations of a Guarantor thereunder as if it had executed the Credit Facility Credit Agreement and the other Credit Documents. The Subsidiary Guarantor hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit

Documents, including without limitation (a) all of the representations and warranties of the Credit Parties set forth in Article III of the Credit Facility Credit Agreement and (b) all of the affirmative and negative covenants set forth in Articles V and VI of the Credit Facility Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the Subsidiary Guarantor hereby jointly and severally together with the other Guarantors, guarantees to each Credit Facility Lender, the Credit Facility Administrative Agent, the Swingline Lender and the Issuing Lender as provided in the Credit Facility Credit Agreement the prompt payment and performance of the Credit Party Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof and agrees that if any of such Credit Party Obligations are not paid or performed in full when due (whether at stated maturity, as a

Exhibit 1-2

mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Subsidiary Guarantor will, jointly and severally together with the other Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Credit Party Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

2. The Subsidiary Guarantor acknowledges and confirms that it has received a copy of the Credit Facility Credit Agreement and the schedules and exhibits thereto. The information on the schedules to the Credit Facility Credit Agreement is hereby amended to provide the information shown on the attached Schedule A.

3. The Credit Facility Borrower and the Guarantors confirm that all of their obligations under the Credit Facility Credit Agreement are, and upon the Subsidiary Guarantor becoming a Guarantor, shall continue to be, in full force and effect. The parties hereto confirm and agree that immediately upon the Subsidiary Guarantor becoming a Guarantor, the term "Credit Party Obligations," as used in the Credit Facility Credit Agreement, shall include all obligations of such Subsidiary Guarantor under the Credit Facility Credit Agreement and under each other Credit Document.

4. The Subsidiary Guarantor hereby agrees that upon becoming a Guarantor it will assume all Credit Party Obligations of a Guarantor as set forth in the Credit Facility Credit Agreement.

5. Each of the Credit Facility Borrower and the Subsidiary Guarantor agrees that at any time and from time to time, upon the written request of the Credit Facility Administrative Agent, it will execute and deliver such further documents and do such further acts and things as the Credit Facility Administrative Agent may reasonably request in order to effect the purposes of this Agreement.

SECTION 3

The Subsidiary Guarantor is a Material Domestic GCA Subsidiary, and, consequently, the Credit Parties are required by Section 8A.10 of the Participation Agreement to cause the Subsidiary Guarantor to become a "Guarantor" thereunder and under the Guaranty (as defined in Appendix A to the Participation Agreement).

Accordingly, the Subsidiary Guarantor hereby agrees as follows with the Lease Facility Agent, for the benefit of the Financing Parties:

1. The Subsidiary Guarantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Subsidiary Guarantor will be deemed to be a party to the Participation Agreement, the Guaranty and the other Operative Agreements to which any of the Guarantors is a party and a "Guarantor" for all purposes of the Participation Agreement, the

Exhibit 1-3

Guaranty and the other Operative Agreements, and shall have all of the obligations of a Guarantor thereunder as if it had executed the Participation Agreement, the Guaranty and the other Operative Agreements to which any of the Guarantors is a party. The Subsidiary Guarantor hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Operative Agreements, including without limitation (a) all of the representations and warranties of the Credit Parties set forth in Section 6.3 of the Participation Agreement and Section 2 of the Guaranty and (b) all of the affirmative and negative covenants set forth in Section 8A and 8B of the Participation Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the Subsidiary Guarantor hereby jointly and severally together with the other Guarantors, guarantees to each Financing Party, as provided in the Guaranty the prompt payment and performance of the Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof and agrees that if any of such Guaranteed Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Subsidiary Guarantor will, jointly and severally together with the other Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment, performance or renewal of any of the Guaranteed Obligations, the same will be promptly paid or performed in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

2. The Subsidiary Guarantor acknowledges and confirms that it has received a copy of the Participation Agreement, the Guaranty, each other Operative Agreement requested by the Subsidiary Guarantor and the respective schedules and exhibits thereto. The information on the schedules to the Participation Agreement is hereby amended to provide the information shown on the attached Schedule A.

3. West Corp. and the Guarantors confirm that all of their obligations under the Operative Agreements are, and upon the Subsidiary Guarantor becoming a Guarantor, shall continue to be, in full force and effect. The parties hereto confirm and agree that immediately upon the Subsidiary Guarantor becoming a Guarantor, the term "Guaranteed Obligations," as used in the Operative Agreements, shall include all obligations of such Subsidiary Guarantor under the Participation Agreement, the Guaranty and under each other Operative Agreement.

4. The Subsidiary Guarantor hereby agrees that upon becoming a Guarantor it will assume all Guaranteed Obligations of a Guarantor.

5. Each of West Corp. and the Subsidiary Guarantor agrees that at any time and from time to time, upon the written request of the Lease Facility Agent, it will execute and deliver such further documents and do such further acts and things as the Lease Facility Agent may reasonably request in order to effect the purposes of this Agreement.

Exhibit 1-4

SECTION 4

1. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

2. This Agreement shall be governed by and construed and interpreted (a) in connection with Section 2 and the other provisions of this Agreement which relate to the Credit Facility Credit Agreement, in accordance with the laws of the State of New York and (b) in connection with Section 3 and the other provisions of this Agreement which relate to the Operative Agreements, in accordance with the laws of the State of North Carolina.

Exhibit 1-5

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed by its authorized officer, the Credit Facility Administrative Agent, for the benefit of the Credit Facility Lenders, has caused the same to be accepted by its authorized officer and the Lease Facility Agent, for the benefit of the Financing Parties (as such term is defined Appendix A to the Participation Agreement), has caused the same to be accepted by its authorized officer, in each case, as of the day and year first above written.

SUBSIDIARY GUARANTOR:

[SUBSIDIARY GUARANTOR]

By: _____
Name: _____
Title: _____

CREDIT FACILITY BORROWER
AND A GUARANTOR PURSUANT TO
THE PARTICIPATION AGREEMENT
AND THE GUARANTY (AS DEFINED IN
APPENDIX A TO THE PARTICIPATION
AGREEMENT):

WEST CORPORATION, a Delaware corporation

By: _____
Name: _____
Title: _____

GUARANTORS PURSUANT
TO THE CREDIT FACILITY
CREDIT AGREEMENT, THE
PARTICIPATION AGREEMENT
AND THE GUARANTY (AS
DEFINED IN APPENDIX A TO THE
PARTICIPATION AGREEMENT):

[EXISTING GUARANTORS]

By: _____
Name: _____
Title: _____

Exhibit 1-6

Acknowledged and accepted:

WACHOVIA BANK, NATIONAL
ASSOCIATION, as the Credit Facility
Administrative Agent and as the Lease
Facility Agent

By: _____
Name: _____
Title: _____

Exhibit 1-7

SCHEDULE A

Additional Information for Schedules to the
Credit Facility Credit Agreement, Participation Agreement, Etc.

Exhibit 1-8

EXHIBIT 2

Schedule 2.1

	Lender Commitment	
	Amount	Percentage
Wachovia Capital Investments, Inc. c/o Wachovia Securities, Inc. One Wachovia Center 301 South College Street Charlotte, North Carolina 28288 Attention: Gabrielle Braverman Telephone: (704) 383-1967 Telecopy: (704) 383-8108	\$ 4,250,000.00	40.6012%
CommerceBank N.A. c/o Corporate Banking 11 East 51st Street New York, New York 10022 Attention: Lourdes Jordan Telephone: (212) 891-7463 Telecopy: (212) 891-7761	\$ 6,000,000.00	59.3988%
TOTAL	\$10,250,000.00	100.00%

Exhibit 2-1

EXHIBIT 3

ENTITIES RELEASED AS GUARANTORS

Worldwide Asset Purchasing, LLC

Exhibit 3-1

WEST CORPORATIONS AND SUBSIDIARIES

NAME ----	STATE OF ORGANIZATION -----	DBAS ----	DBA STATE -----
West Corporation	Delaware	West Corporation (Delaware)	NE
West International Corporation	Delaware	None	
West Facilities Corporation	Delaware	None	
West Telemarketing LP	Delaware	None	
West Contact Services, Inc.	Philippines	None	
Jamaican Agent Services Limited	Jamaica	None	
West Business Services LP	Delaware	Dakotah	AR, FL, GA, ID, IL, NJ, KY, NE, TX, WA
		West Business Services Insurance Sales	CA, NY
		Tel Mark Sales	MI, WI
West Interactive Corporation	Delaware	None	
West Receivable Services, Inc.	Delaware	None	
West Direct, Inc.	Delaware	Legal Rewards	CT, NE
		Major Savings	CT, NE
		Savings Direct	CT, NE
		TeleConference USA	CO, CT, GA, NE, TX
Asset Direct Mortgage, LLC	Delaware	None	
InterCall, Inc.	Delaware	Intercall Teleconferencing Inc.	NJ
Northern Contact, Inc.	Delaware	None	
West Telemarketing Corporation II	Delaware	None	
West Telemarketing Canada, ULC	Canada	None	
West Transaction Services LLC	Delaware	None	
West Transaction Services II LLC	Delaware	None	
West International Asset Management LLC	Nevada	None	
Attention Funding Corporation	Delaware	None	
Attention Funding Trust	Delaware	None	
InterCall			
Telecom Ventures, LLC	Delaware	None	
ECI Conference Call Services LLC	Delaware	None	
ConfereceCall.com, Inc.	Delaware	West Conferencing Services, Inc.	TX
InterCall, Inc.	Canada	None	
InterCall Australia Pty. Ltd.	Australia	None	
InterCall Singapore Pte. Ltd.	Singapore	None	
InterCall Hong Kong Pty. Ltd.	Hong Kong	None	
InterCall Asia Pacific Holdings Pty. Ltd.	Australia	None	
InterCall New Zealand Limited	New Zealand	None	
InterCall Conferencing Services, Ltd.	United Kingdom	None	
Legal Connect Limited	United Kingdom	None	
InterCall Japan KK	Japan	None	
Buy DebtCo LLC	Nevada	None	
West Asset Management Inc.	Delaware	WAM West Asset Management, Inc.	TX
West Asset Purchasing, LLC	Nevada	None	
The Debt Depot, LLC	Delaware	None	
Worldwide Asset Purchasing, LLC	Nevada	None	
Portfolios NAM S. de R.L. de C.V.	Mexico	None	
Portfolios NAM-1 S. de R.L. de C.V.	Mexico	None	
CGA Corporation Gerencial de Activos, S. de R.L. de C.V.	Mexico	None	

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-24473, 333-29353 and 333-106715 of West Corporation on Form S-8 of our reports dated February 18, 2005, relating to the consolidated financial statements and financial statement schedule of West Corporation and management's report of the effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of West Corporation for the year ended December 31, 2004.

/s/ Deloitte & Touche LLP

Omaha, Nebraska
February 25, 2005

CERTIFICATION

I, Thomas B. Barker, certify that:

1. I have reviewed this report on Form 10-K of West Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Thomas B. Barker

Thomas B. Barker
Chief Executive Officer

Date: February 25, 2005

CERTIFICATION

I, Paul M. Mendlik, certify that:

1. I have reviewed this report on Form 10-K of West Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Paul M. Mendlik

Paul M. Mendlik
*Executive Vice President —
Chief Financial Officer and Treasurer*

Date: February 25, 2005

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of West Corporation (the "Company") on Form 10-K for the period ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas B. Barker, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Thomas B. Barker

Thomas B. Barker
Chief Executive Officer

February 25, 2005

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of West Corporation (the "Company") on Form 10-K for the period ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul M. Mendlik, Executive Vice President — Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Paul M. Mendlik

Paul M. Mendlik
*Executive Vice President —
Chief Financial Officer and Treasurer*

February 25, 2005