AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 12, 1997

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MAXIMUS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

<TABLE>
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VIRGINIA	8322	54-1000588
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

</TABLE>

1356 BEVERLY ROAD
MCLEAN, VIRGINIA 22101
(703) 734-4200
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

DAVID V. MASTRAN
CHIEF EXECUTIVE OFFICER
MAXIMUS, INC.
1356 BEVERLY ROAD
MCLEAN, VIRGINIA 22101
(703) 734-4200
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

<TABLE>
<S> <C>

LYNNETTE C. FALLON, ESQ. PALMER & DODGE LLP ONE BEACON STREET BOSTON, MASSACHUSETTS 02108-3190 (617) 573-0100	ROBERT F. WALL, ESQ. WINSTON & STRAWN 35 WEST WACKER DRIVE CHICAGO, ILLINOIS 60601-9703 (312) 558-5600

</TABLE>

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [ ]

CALCULATION OF REGISTRATION FEE

<TABLE>
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TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)(2)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Common Stock, no par value per share.....		$	$81,000,000.00	$24,546

</TABLE>

(1) Includes shares which the Underwriters may purchase from certain Selling Shareholders to cover over-allotments, if any.
(2) Pursuant to Rule 457(o) under the Securities Act, the aggregate initial offering price pursuant to this Registration Statement will not exceed $81,000,000.00.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED FEBRUARY 12, 1997

PROSPECTUS
, 1997

SHARES

[MAXIMUS LOGO]

COMMON STOCK

Of the shares of Common Stock offered hereby, are being sold by MAXIMUS, Inc. ("MAXIMUS" or the "Company") and are being sold by the Selling Shareholders. See "Principal and Selling Shareholders." The Company will not receive any of the proceeds from the sale of shares by the Selling Shareholders.

Prior to this offering, there has been no public market for the Common Stock of the Company. It is currently estimated that the initial public offering price will be between $ and $ per share. See "Underwriting" for information relating to the factors to be considered in determining the initial public offering price.

The Company has applied for quotation of the Common Stock on the Nasdaq National Market under the symbol "MXMS."

SEE "RISK FACTORS" BEGINNING ON PAGE 6 FOR INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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	PRICE TO THE PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO THE COMPANY(2)	PROCEEDS TO THE SELLING SHAREHOLDERS
<S>	<C>	<C>	<C>	<C>
Per Share.....	$	$	$	$
Total(3).....	$	$	$	$

</TABLE>

(1) See "Underwriting" for indemnification arrangements with the Underwriters.
(2) Before deducting expenses estimated at $750,000, which will be paid by the Company.
(3) Certain Selling Shareholders have granted to the Underwriters a 30-day option to purchase up to additional shares of Common Stock at the Price to the Public, less Underwriting Discounts and Commissions, solely to cover over-allotments, if any. If such option is exercised in full, the total Price to the Public, Underwriting Discounts and Commissions, Proceeds to the Company and Proceeds to the Selling Shareholders will be $, $, $ and $, respectively. The Company will not receive any of the proceeds from the sale of shares of Common Stock by the Selling Shareholders pursuant to the Underwriters' over-allotment option, if exercised. See "Underwriting" and "Principal and Selling Shareholders."

The shares of Common Stock are being offered by the several Underwriters when, as and if delivered to and accepted by the Underwriters and subject to various prior conditions, including their right to reject orders in whole or in part. It is expected that delivery of the share certificates will be made in New York, New York, on or about , 1997.

DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION

LEHMAN BROTHERS

[CHART]

This Prospectus contains certain forward-looking statements that involve substantial risks and uncertainties. When used in this Prospectus, the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. The Company's actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences include those discussed in "Risk Factors."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ NATIONAL MARKET, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by reference to, and should be read in conjunction with, the more detailed information and the Financial Statements and related Notes thereto appearing elsewhere in this Prospectus. Unless otherwise indicated, all information contained in this Prospectus: (i) assumes that the Underwriters' over-allotment option is not exercised; (ii) has been adjusted to give effect to a 10-for-1 split of the shares of the Company's Common Stock, no par value per share (the "Common Stock"), in December 1995; and (iii) has been adjusted to give effect to an 11-for-1 split of the shares of the Company's Common Stock in February 1997.

THE COMPANY

MAXIMUS, Inc. ("MAXIMUS" or the "Company") is a leading provider of program management and consulting services to government health and human services agencies in the United States. Since 1975, the Company has been at the forefront of innovation in "Helping Government Serve the People(TM)." The Company's services are designed to make government operations more efficient and cost effective while improving the quality of the services provided to program beneficiaries. The Company applies an entrepreneurial, private sector approach incorporating advanced technology in large scale projects in almost every state in the nation. The Company's leading position in the emerging private sector health and human services industry is reflected by the growth in its annual revenues from approximately $12 million in fiscal 1990 to over $100 million in fiscal 1996.

Federal, state and local government agencies in the United States spend

over $200 billion annually on the health and human services programs for which the Company markets its services, including welfare, child care, child support enforcement, food stamps, Social Security Disability Insurance, Supplemental Security Income and Medicaid. These entitlement programs cost an estimated $18.7 billion in annual administrative costs. Public pressure to reduce costs and increase the efficiency and effectiveness of government-provided services has led to intense scrutiny of government spending, including the costs of administering health and human services programs. There has been a recent surge in initiatives and legislation to reform federal, state and local welfare and health services systems, the most significant of which is the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (the "Welfare Reform Act"), a comprehensive bipartisan welfare reform plan that legislated dramatic changes in the nation's welfare system. As a result of these initiatives, states have significantly more incentive to seek efficient and cost-effective ways to administer their health and human services programs and reduce welfare caseloads. The Company believes that these fundamental changes in the nation's entitlement programs will generate significant business opportunities for companies similar to MAXIMUS that are positioned to assist health and human services agencies in operating their programs more cost-effectively.

MAXIMUS conducts its operations through two groups, the Government Operations Group and the Consulting Group. The Government Operations Group administers and manages government health and human services programs, including welfare-to-work and job readiness, child support enforcement, managed care enrollment and disability services. The Consulting Group provides health and human services planning, information technology consulting, strategic program evaluation, program improvement, communications planning and revenue maximization services.

The Company believes that it possesses several business strengths that provide a competitive advantage, including: (i) Vertical Market Focus resulting in a thorough understanding of the regulations and operations of government health and human services programs; (ii) Proven Track Record established by more than 20 years of providing successful government program management and consulting services; (iii) Wide Range of Services that meets the increasing demands of government clients for integrated vendor offerings; (iv) Proprietary Case Management Software Program, known as MAXSTAR, that reduces project implementation time and cost; and (v) Experienced Team of Professionals who thoroughly understand the marketing, assessment and delivery of services to government health and human services agencies.

The Company's goal is to become the nation's leading provider of program management and consulting services to government health and human services agencies. To achieve this goal, the Company intends to: (i) capitalize on the reform of government entitlement programs; (ii) aggressively pursue new business opportunities; (iii) recruit experienced professionals possessing the skills, innovation and relationships necessary to provide high quality program management and consulting services; and (iv) pursue strategic acquisitions to provide fast, cost-effective increases in service capacity to maintain the Company's position as a market leader.

MAXIMUS was incorporated in Virginia in September 1975. The Company's principal executive offices are located at 1356 Beverly Road, McLean, Virginia 22101, and its telephone number is (703) 734-4200.

THE OFFERING

<TABLE>
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Common Stock offered by the Company.....	shares
Common Stock offered by the Selling Shareholders.....	shares
Common Stock to be outstanding after the offering.....	shares(1)
Use of proceeds.....	Expansion of existing operations, including opening new offices, acquiring related businesses and expanding the Company's international operations; investing in systems infrastructure and new technologies; payment of undistributed S corporation earnings; and general corporate purposes, including working capital. See "Use of Proceeds."
Proposed Nasdaq National Market symbol.....	MXMS

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(1) Excludes: (i) 1,000,000 shares of Common Stock reserved for issuance upon exercise of options granted under the Company's 1997 Equity Incentive Plan, pursuant to which options to purchase 403,975 shares were outstanding as of the date of this Prospectus; (ii) 100,000 shares of Common Stock reserved for issuance upon exercise of options granted under the Company's 1997

Director Stock Option Plan, none of which had been granted as of the date of this Prospectus; and (iii) 500,000 shares of Common Stock issuable under the Company's 1997 Employee Stock Purchase Plan, none of which had been issued as of the date of this Prospectus. See "Management -- 1997 Director Stock Option Plan" and " -- Stock Plans."

SUMMARY FINANCIAL DATA

<TABLE>
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	YEARS ENDED SEPTEMBER 30,					THREE MONTHS ENDED DECEMBER 31,	
	1992	1993	1994	1995	1996	1995	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF INCOME DATA:							
Revenues:							
Government Operations Group(1).....	$23,749	$18,071	$11,779	$16,951	$ 20,681	$ 4,102	$ 8,029
Consulting Group.....	9,400	12,522	15,138	20,698	25,902	5,152	6,704
SSA Contract(2).....	--	--	2,943	14,314	56,530	7,446	22,511
Total revenues.....	33,149	30,593	29,860	51,963	103,113	16,700	37,244
Gross profit.....	14,554	15,205	8,144	15,892	24,684	4,673	7,710
Income from operations.....	4,897	5,027	1,165	6,814	11,580	1,931	3,671
Net income(3).....	5,121	4,993	1,250	6,859	11,619	1,944	3,698
Pro forma net income(4).....					7,106		2,253
Pro forma net income per share(4).....					$ 0.59		$ 0.19
Shares used in computing pro forma net income per share(5).....					12,078		12,113

</TABLE>

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	AS OF DECEMBER 31, 1996		
	ACTUAL	PRO FORMA(6)	AS ADJUSTED(7)
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
BALANCE SHEET DATA:			
Cash and cash equivalents and short-term investments.....	$ 5,171	$ 5,171	$
Working capital.....	26,355	8,152	
Total assets.....	43,856	43,856	
Redeemable common stock.....	18,790	--	
Total shareholders' equity.....	10,862	6,865	

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(1) In fiscal years 1992 and 1993, the Company's Government Operations Group had revenues of $11.4 million and $10.4 million, respectively, related to a significant contract that expired in July 1993. No further revenues were received under this contract after its expiration.

(2) Represents revenues under a significant contract with the federal Social Security Administration, which terminated pursuant to legislative action and under which no revenues will be received after February 28, 1997. See "Risk Factors -- Legislative Change," "-- Variability of Quarterly Operating Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(3) For all periods shown, the Company elected to be treated as an S corporation and, as a result, the income of the Company has been taxed for federal and most state purposes directly to the Company's shareholders rather than to the Company.

(4) Pro forma net income and pro forma net income per share reflect federal and state income taxes (assuming a 40% combined effective tax rate) as if the Company had been taxed as a C corporation for the periods presented. Pro forma net income does not reflect two significant charges that the Company will record in the quarter in which the offering is consummated: (i) a charge for income tax expense representing the cumulative deferred tax liability (estimated to be $5.3 million as of December 31, 1996) resulting from the termination of the Company's S corporation status; and (ii) a compensation charge, estimated at $5.5 million, related to the grant to employees on January 31, 1997 of options for an aggregate of 403,975 shares of Common Stock. The estimated compensation expense represents the difference between the assumed initial public offering price of $ per share and the option exercise price of $ per share. The option exercise price is based on the book value of the Common Stock at September 30, 1996, and was established pursuant to pre-existing compensation arrangements with certain of the Company's key employees. See "Management -- Executive Compensation," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 of Notes to Financial Statements.

(5) Assumes 12,078,000 and 12,113,000 shares were issued and outstanding during the year ended September 30, 1996 and the three months ended December 31, 1996, respectively. Such amounts consist of 11,418,000 and 11,453,000 weighted average shares outstanding for the respective periods, the shares issuable upon the exercise of options granted in January 1997, and the shares necessary to replace equity to be distributed as a result of the S Corporation Dividend. See "S Corporation Dividend," "Management -- Executive Compensation" and Note 3 of Notes to Financial Statements.

(6) Reflects the S Corporation Dividend to be paid to the shareholders, a reclassification of redeemable common stock to reflect elimination of the Company's obligation to purchase its Common Stock from shareholders and the net deferred tax liability that would have been recorded by the Company if its S corporation status was terminated at that date. See "S Corporation Dividend," "Capitalization" and Note 3 of Notes to Financial Statements.

(7) Adjusted to give effect to the sale by the Company of shares of Common Stock offered by the Company (at an assumed initial public offering price of $ per share and after deducting the underwriting discounts and commissions and estimated offering expenses) and the application of the net proceeds therefrom, including the estimated $3.5 million of net offering proceeds that will be used to fund the portion of the S Corporation Dividend not funded by available cash. See "Use of Proceeds" and "Capitalization."

RISK FACTORS

In addition to the other information contained in this Prospectus, investors should consider carefully the following factors in connection with an investment in the shares of Common Stock offered hereby.

GOVERNMENT CONTRACTS

Substantially all of the Company's clients are federal, state or local government authorities. Effective marketing of the Company's services to government clients requires the ability to respond to government requests for proposals ("RFPs"). To succeed in the RFP process, the Company must estimate its cost structure for servicing the proposed contract, the time required to establish operations and the likely terms of the proposals submitted by competitors. The Company must assemble and submit a large volume of information on a rigid timetable set forth in the RFP. The Company's ability to successfully respond to the RFP process in the future will have an important impact on the Company's business, financial condition and results of operations. No assurance can be given that the Company will be awarded contracts through the RFP process.

Contracts awarded to the Company typically contain provisions that permit the government client to terminate the contract on short notice, with or without cause. The expiration of large contracts presents additional management challenges. Many contracts contain base periods of one or more years as well as one or more option periods that may cover more than half of the potential contract duration. Government agencies generally have the right not to exercise option periods and the failure to exercise such option periods could impact the profitability of certain of the Company's contracts. While the Company has experienced a limited number of early terminations since inception, the unexpected termination of one or more of the Company's more significant contracts could result in severe revenue shortfalls which, without corresponding reductions in expenses, could adversely affect the business, financial condition and results of operations of the Company. There can be no assurance that such government authorities will not terminate any or all of the Company's contracts to administer and manage health and human services programs.

In order to establish and maintain relationships with members of government agencies, the Company occasionally engages marketing consultants, including lobbyists. In the event of a significant political change, such consultants may lose their ability to effectively assist the Company. In addition, the implementation of term limits on certain elected officials will require the Company to confront political change on a regular basis. If the Company fails to manage its relationships effectively with political consultants, its business, financial condition and results of operations could materially and adversely be affected. No assurance can be given that the Company will be successful in managing such relationships.

To avoid experiencing higher than anticipated demands for federal funds, federal government officials on occasion advise state and local authorities not to engage private consultants to advise on maximizing federal revenues. There can be no assurance that state and local officials will not be influenced by federal government officials and, therefore, not engage the Company for such services. To the extent that state and local officials determine not to seek the Company's services, the business, financial condition and results of operations of the Company could be adversely affected.

PROJECT RISKS

Upon the receipt of a contract for the management of a health and human services program, the Company's Government Operations Group may incur significant start-up expenses prior to the receipt of any payments under such contract. Such expenses include the costs of leasing office space, purchasing necessary office equipment and hiring sufficient personnel. As a result, for large contracts, the Company may be required to make significant investments prior to the receipt of related contract payments.

Approximately 23% (51% after excluding a significant contract with the Social Security Administration) of the Company's total revenues for the year ended September 30, 1996 resulted from fixed-price contracts pursuant to which the Company received its fee for meeting specified objectives or upon the achievement of specified units of work, such as the placement of welfare recipients into jobs, the collection of child support payments or the completion of managed care enrollment transfers. The Company's ability to earn a profit on

these contracts is dependent upon accurate estimates of the costs involved as well as the probability of meeting the specified objectives or realizing the expected units of work within a certain period of time. The Company's failure to accurately estimate the factors on which contract pricing is based could result in the Company incurring losses on such contracts and could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's inability or failure to satisfy its contractual obligations in a manner consistent with the terms of any contract could have a material adverse effect on the Company's financial condition because the Company is often required to indemnify clients for its failure to meet performance standards. Certain of the Company's contracts have liquidated damages provisions and financial penalties related to performance failures. In addition, in order for the Company's Government Operations Group to bid for certain contracts, the Company has been and will continue to be required to secure its indemnification obligations by obtaining a performance bond from an insurer, posting a cash performance bond or obtaining a letter of credit from a suitable financial institution. In the event that a government entity makes a claim against such performance bond or letter of credit, the premiums demanded by the insurers for such bonds could increase, thereby limiting the Company's ability to bid for contracts in the future. In addition, the Company's failure to meet a client's expectations in the performance of its contractual obligations could have a material adverse effect on the Company's reputation, thereby adversely affecting its business, financial condition and results of operations.

When contracts between the Company's Government Operations Group and a state or local government expire or otherwise terminate, unless the Company can successfully enter into a new contract using the services of employees formerly engaged in servicing the terminated contract or otherwise re-assign such employees, the Company will need to terminate the employment of such employees. The termination of large Government Operations Group contracts and the subsequent re-assignment or termination of employees places significant demands on the Company's management and its administrative resources. If the Company is unable to manage these challenges, the Company's business could materially and adversely be affected.

Government contracts generally are subject to audits and investigations by government agencies. These audits and investigations involve a review of the government contractor's performance of its contracts as well as its pricing practices, cost structure and compliance with applicable laws, regulations and standards. If any costs are improperly allocated to a contract, such costs are not reimbursable and, if already reimbursed, will be required to be refunded to the government. Furthermore, if improper or illegal activities are discovered in the course of any audits or investigations, the contractor may be subject to various civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or disqualification from doing business with the government. If the Company becomes subject to penalties or sanctions, such penalties or sanctions could have a material adverse effect on the Company's business, financial condition and results of operations.

LEGISLATIVE CHANGE

The market for the Company's services is largely dependent on federal and state legislative programs, any of which may be modified or terminated by acts of the legislative or executive branches of federal and state government. There can be no assurance that such legislative change will not occur or that the Company will be able to anticipate and respond in a timely manner to any such legislative change. The Company's failure to manage effectively its business in light of anticipated or unanticipated legislative change could have a material adverse effect on the Company's business, operating results and financial condition.

The Welfare Reform Act is expected to be a catalyst for sweeping changes in the administration and management of the welfare system in the United States. As part of its growth strategy, the Company plans to aggressively pursue the

opportunities created by this legislation by seeking new contracts to administer and manage health and human services programs of state and local government agencies. However, opponents of welfare reform continue to criticize the advances made by the current administration and continued progress in the welfare reform area is uncertain. The repeal of the Welfare Reform Act, in whole or in part, could have a material adverse effect on the future business, financial condition and results of operations of the Company. There can be no assurance that additional reforms will be proposed or enacted, or that previously enacted reforms will not be challenged, repealed or otherwise invalidated.

The adverse impact that legislative changes can have on the Company was recently evidenced by the termination of a significant contract with the federal Social Security Administration. This contract related to the referral and treatment monitoring of social security or supplemental income beneficiaries with drug or alcohol-related disabilities (the "SSA Contract"). In its fiscal year ended September 30, 1996, the Company received revenues of $56.5 million from the SSA Contract, representing approximately 55% of the Company's total revenues for such fiscal year. In October 1996, the President signed into law an amendment to the Social Security Act of 1935, effective January 1, 1997, that eliminated social security and supplemental income benefits based solely on drug and alcohol disabilities. As a result of this amendment, the SSA Contract was terminated and no further revenues will be received thereunder after February 28, 1997.

VARIABILITY OF QUARTERLY OPERATING RESULTS

Variations in the Company's revenues and operating results occur from quarter to quarter as a result of a number of factors, including the progress of contracts, levels of revenues earned on contracts, the commencement, completion or termination of contracts during any particular quarter, the schedules of government agencies for awarding contracts, the term of each contract that the Company has been awarded and general economic conditions. Because a significant portion of the Company's expenses are relatively fixed, successful contract performance and variation in the volume of activity as well as in the number of contracts commenced or completed during any quarter may cause significant variations in operating results from quarter to quarter. Furthermore, the Company has on occasion experienced a pattern in its results of operations in which it incurs greater operating expenses during the start-up and early stages of significant contracts. In addition, the Company's SSA Contract contributed $56.5 million, $14.3 million and $2.9 million to the Company's revenues in fiscal 1996, 1995 and 1994, respectively. The termination of the SSA Contract will significantly reduce the Company's revenue base as compared to previous quarters. No assurance can be given that the Company will be able to generate additional revenues in future periods in amounts sufficient to replace the revenues received under the SSA Contract and as a result, the Company may experience materially lower revenues as compared to prior periods. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Quarterly Results."

During the quarter in which this offering is completed, the Company will recognize two significant charges against income. The completion of this offering will result in the termination of the Company's S corporation status. As a result, the Company will record a one-time income statement charge to operations estimated at $5.3 million based on the deferred tax liabilities as of December 31, 1996. In connection with this offering, on January 31, 1997, certain key employees of the Company surrendered rights to purchase shares of Common Stock of the Company in exchange for options to purchase shares of Common Stock at an exercise price of $ per share. Upon completion of this offering, the Company will recognize a non-cash compensation charge against income equal to the difference between the initial public offering price and the option exercise price for all outstanding options. At an assumed initial public offering price of $ per share, the charge against income is estimated to be $5.5 million. The option exercise price is based on the book value of the Common Stock at September 30, 1996 and was established pursuant to pre-existing compensation arrangements with these employees. As a result of these charges, the Company will report a significant net loss in the period in which this offering is completed, which is anticipated to be the quarter ended June 30, 1997. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Management -- Executive Compensation."

RELIANCE ON KEY EXECUTIVES

The success of the Company is highly dependent upon the efforts, abilities, business generation and project execution capabilities of certain of its executive officers and senior managers. While the Company has executive employment agreements with each of David V. Mastran, President and Chief Executive Officer of the Company, Raymond B. Ruddy, Chairman of the Board of Directors and President of the Consulting Group, Russell A. Beliveau, President of the Government Operations Group, Ilene R. Baylinson, President of the Disability Services Division, Susan D. Pepin, President of the Systems Planning and Integration Division and Lynn P. Davenport, President of the Human Services Division, such agreements are terminable under

certain conditions. Other than these six agreements with executive officers, the Company does not have employment agreements with any other senior employees. The loss of the services of any of these key executives could have a material adverse effect upon the Company's business, financial condition and results of operations, including its ability to secure and complete engagements. The Company maintains key-man life insurance policies on David V. Mastran and Raymond B. Ruddy in the amounts of $10,700,000 and $7,250,000, respectively, with proceeds payable to the Company. See "Management."

ATTRACTION AND RETENTION OF EMPLOYEES

The Company's business involves the delivery of professional services and is labor-intensive. When the Company's Government Operations Group is awarded a contract by a government agency, the Company is often under a tight timetable to hire project leaders and case management personnel to meet the needs of the new project. In addition, the resulting large increases in the number of the Company's employees create demand for increased administrative personnel at the Company's headquarters. The Company's success in both the Government Operations Group and the Consulting Group depends in large part upon its ability to attract, develop, motivate and retain experienced and innovative executive officers, senior managers who have successfully managed or designed health and human services programs in the public sector and information technology professionals who have designed or implemented complex information technology projects. Such innovative, experienced and technically proficient individuals are in great demand and are likely to remain a limited resource for the foreseeable future. There can be no assurance that the Company will be able to continue to attract and retain desirable executive officers and senior managers in the future. The inability to hire sufficient personnel on a timely basis or the loss of a significant number of executive officers and senior managers could have a material adverse effect on the Company's business, financial condition and results of operations, including its ability to obtain and successfully complete service contracts. See "Business -- Human Resources."

MANAGEMENT OF GROWTH

The Company's continued growth has placed significant demands on the Company's management as well as its administrative, operational and financial resources. The Company's ability to manage its growth will require the Company to continue to implement new and to improve existing operational, financial and management information systems and to continue to expand, motivate and manage its workforce. In addition, the Company's growth will depend in large part on its ability to manage large-scale health and human services programs while continuing to ensure quality service and reasonable profits. If the Company is unable to manage effectively any of these factors, the quality of the Company's services, its financial condition and results of operations could be materially and adversely affected. No assurance can be given that the Company will continue to experience growth or that the Company will be successful in managing its growth, if any.

COMPETITION

The market for certain program management and consulting services to state and local health and human services agencies is becoming more competitive and is subject to rapid change while the market for certain other services is not yet competitive. The Company's Government Operations Group competes for program management contracts with local non-profit organizations such as the United Way and Goodwill Industries, government services divisions of large organizations such as Andersen Consulting, Lockheed Martin Corp. and Electronic Data Systems, Inc., managed care enrollment companies such as Foundation Health Corporation and specialized service providers such as America Works, Inc., Policy Studies Incorporated and GC Services, Inc. The Company's Consulting Group competes with the consulting divisions of the "Big 6" accounting firms as well as Electronic Data Systems, Inc. Many of these companies are national and international in scope and have greater financial, technical, marketing and personnel resources than the Company. The significant financial resources of certain competitors could lead to severe price cutting in an effort to secure market share, which could adversely affect the Company's business, financial condition and results of operations. There can

be no assurance that the Company will compete successfully against its existing competitors or against new competitors, if any. See "Business -- Competition."

In addition to competition from existing competitors, the Company may experience future competition from its former employees. Although the Company has entered into non-competition agreements with certain senior level employees, there can be no assurance that such contracts will be enforceable or that departing employees not subject to non-competition agreements will not seek to exploit their personal relationships with government officials by competing against the Company. Any such competition by former employees could have a material adverse effect on the Company.

GOVERNMENT UNIONS

The Company's success depends in part on its ability to obtain contracts to profitably administer and manage health and human services programs that traditionally have been administered and managed by government employees. Many of these government employees are members of labor unions which have considerable financial resources and established lobbying networks that are effective in applying political pressure to legislators and other government officials who seek to contract with private companies to administer and manage government programs. Successful efforts to oppose private management of government programs by these unions may slow welfare reform and ultimately result in fewer opportunities for the Company to provide services to government agencies, thereby adversely affecting the business, financial condition and results of operations of the Company. There can be no assurance that these unions will not succeed in whole or in part in their efforts to oppose the outsourcing of government programs.

ADVERSE PUBLICITY

The Company has received and expects to continue to receive media attention as a result of its contracts with state and local government authorities. In particular, the management of health and human services programs by the Company's Government Operations Group and the establishment of revenue maximization programs by the Company's Consulting Group have been the subject of highly controversial media coverage. Negative coverage of the types of program management services provided by the Company could influence government officials and slow the pace of welfare reform, thereby reducing the Company's growth prospects. In addition to media attention arising out of the types of services provided by the Company, the Company is also vulnerable to media attention as a result of the activities of political consultants engaged by the Company, even when such activities are unrelated to the Company. Such an event occurred in connection with a marketing representative hired by the Company to assist in responding to an RFP promulgated by the State of West Virginia. After learning that the marketing representative was also a state employee, the Company voluntarily withdrew from the bidding. Certain media coverage relating to this incident was inaccurate and incorrectly suggested wrongdoing by the Company. The Company has become aware that certain of its competitors have sought to exploit such suggestions in connection with other competitive-bidding situations. There can be no assurance that the Company will not receive adverse media attention as the result of activities of individuals not under the Company's control. In addition, there can be no assurance that media attention focused on the Company will be accurate or that the Company will be able to anticipate and respond in a timely manner to all media contacts. Inaccurate or misleading media coverage or the Company's failures to manage such coverage could have a material adverse effect on the Company's reputation, thereby adversely affecting its business, financial condition and results of operations.

RISKS RELATED TO POSSIBLE ACQUISITIONS

A part of the Company's growth strategy is to expand its operations through the acquisition of additional businesses. The Company has no prior history of making acquisitions and there can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses into the Company without incurring substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions may involve a number of special risks, including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances, legal liabilities and amortization of acquired intangible assets, some or all of which could have a material adverse effect on the Company's business, financial condition and results of operations. Client dissatisfaction or performance problems at a single acquired firm could have a material adverse effect on the reputation of the Company as a

whole. In addition, there can be no assurance that acquired businesses, if any, will achieve anticipated revenues and earnings. The failure of the Company to manage its acquisition strategy successfully could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business -- Growth Strategy."

INTERNATIONAL OPERATIONS

While the Company's current international operations are paid in U.S. dollars by the World Bank and the U.S. Agency for International Development, as the Company expands its operations into developing countries it may become subject to a number of risks. International revenues are subject to a number of risks including currency exchange rate fluctuations, collection of receivables and enforcement of contract terms through a foreign country's legal system. Foreign countries could impose additional withholding taxes or otherwise tax the Company's foreign income or impose tariffs. There can be no assurance that any of these factors will not have a material adverse effect on the business, financial condition and results of operations of the Company. See "Business -- Services -- Consulting Group."

LITIGATION

On February 3, 1997, Network Six, Inc. ("Network Six") filed a Third-Party Complaint in the State of Hawaii Circuit Court of the First Circuit in which Network Six named the Company and other parties as third party defendants in an action by the State of Hawaii against Network Six. In 1991, the Company's Consulting Group was engaged by the State of Hawaii to provide assistance in planning for and monitoring the development and implementation by Hawaii of a statewide automated child support system. In 1993, Hawaii contracted with Network Six to provide systems development and implementation services for this project. In 1996 the state terminated the Network Six contract for cause and filed an action against Network Six for punitive damages. Network Six counterclaimed against Hawaii that the state breached its obligations under the contract with Network Six. In the Third Party Complaint, Network Six alleges that the Company is liable to Network Six on grounds that: (i) Network Six was an intended third party beneficiary under the contract between the Company and Hawaii; (ii) the Company tortiously interfered in the contract between Network Six and Hawaii; (iii) the Company negligently breached duties to Network Six; and (iv) the Company aided and abetted Hawaii in Hawaii's breach of contract. Network Six's complaint seeks $60 million in damages from the Company, which is claimed to represent a decline in Network Six's stock value over an unspecified period. The Company believes Network Six may have filed or may in the future file actions in other jurisdictions asserting similar claims against the Company. The Company believes that Network Six was not an intended third party beneficiary under its contract with Hawaii and that Network Six's claims are without merit. The Company does not believe this action will have a material adverse effect on the Company's business and intends to vigorously defend this action.

SIGNIFICANT UNALLOCATED NET PROCEEDS

A substantial portion of the anticipated net proceeds of this offering has not been designated for specific uses. Therefore, the Board of Directors of the Company will have broad discretion with respect to the use of the net proceeds of this offering. See "Use of Proceeds."

CONTROL BY PRINCIPAL SHAREHOLDERS

After completion of this offering, the Company's executive officers will own beneficially % of the Company's outstanding shares of Common Stock. Certain executive officers who will hold approximately % of the outstanding shares of Common Stock after giving effect to this offering have agreed with the Company not to dispose of such shares for a period of four years following the closing of this offering subject to certain exceptions. In addition, each of Dr. Mastran and Mr. Ruddy, who will hold together approximately % of the outstanding shares of Common Stock of the Company after giving effect to this offering, has agreed to vote his shares in favor of the election of the other to the Board of Directors, as long as each of such shareholders owns or controls 20% of the outstanding Common Stock. Mr. Ruddy has also agreed to vote his shares of Common Stock in a manner consistent with instructions received from Dr. Mastran during the four

year period commencing on the closing of this offering. As a result, these officers will continue to be able to control the outcome of matters requiring a shareholder vote, including the election of the members of the Board of Directors, thereby controlling the affairs and management of the Company. Such control could adversely affect the market price of the Common Stock or delay or prevent a change in control of the Company. See "Principal and Selling Shareholders" and "Management -- Agreements with Executives."

BENEFITS OF OFFERING TO SELLING SHAREHOLDERS

The Selling Shareholders will receive substantial proceeds and certain other benefits from their participation in this offering. This offering will establish a public market for the Common Stock and provide significantly increased liquidity to the Selling Shareholders for the shares of Common Stock they will own after this offering. At an assumed initial public offering price of $ per share, after deducting underwriting discounts and commissions, the aggregate proceeds (before deduction of estimated income taxes) as a result of the offering by the Selling Shareholders will be approximately $ million (excluding the S Corporation Dividend). Upon completion of this offering, the Selling Shareholders will own an aggregate of % of the outstanding Common Stock. See "Use of Proceeds," "Dilution" and "Principal and Selling Stockholders."

NO PRIOR PUBLIC MARKET; POSSIBLE VOLATILITY OF STOCK PRICE

Prior to this offering, there has been no public market for the Common Stock. Consequently, the initial public offering price per share of the Common Stock will be determined by negotiations among management of the Company and the representatives of the Underwriters (the "Representatives"). See "Underwriting" for factors to be considered in determining the initial public offering price

per share. Although the Company has applied to have the Common Stock approved for quotation on the Nasdaq National Market, there can be no assurance that an active trading market will develop or be sustained after this offering. The market price of the Common Stock may fluctuate substantially due to a variety of factors, including quarterly fluctuations in results of operations, the failure to be awarded a significant contract on which it has bid, the termination by a government client of a material contract, announcements of new services by competitors, changes in earnings estimates by securities analysts, changes in accounting principles, sales of Common Stock by existing holders, negative publicity, loss of key personnel and other factors. In addition, the stock market is subject to extreme price and volume fluctuations. This volatility has often had a significant effect on the market prices of securities issued by many companies for reasons unrelated to the operating performance of these companies. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation often has been instituted against such a company. Any such litigation initiated against the Company could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial condition and results of operations.

IMMEDIATE AND SUBSTANTIAL DILUTION

The initial public offering price per share of Common Stock is substantially higher than the net tangible book value per share of the Common Stock. Purchasers of shares of Common Stock in this offering will experience immediate and substantial dilution of $ in the pro forma net tangible book value per share of Common Stock. To the extent outstanding options to purchase the Company's Common Stock are exercised, there will be further dilution. See "Dilution."

DIVIDEND POLICY

Other than the S Corporation Dividend (see "S Corporation Dividend") and past dividends to cover S corporation taxes payable by shareholders, the Company has rarely paid cash dividends on its capital stock and does not anticipate paying cash dividends in the foreseeable future. The Company currently intends to retain all earnings for the development of its business. See "Dividend Policy."

CERTAIN ANTI-TAKEOVER EFFECTS

The Company's Amended and Restated Articles of Incorporation (the "Restated Articles") and Amended and Restated By-Laws (the "Restated By-Laws"), both to be effected immediately upon the close of this offering, and Virginia law include provisions that may be deemed to have antitakeover effects and may delay, defer or prevent a takeover attempt that shareholders might consider to be in their best interests. Directors of the Company are divided into three classes and are elected to serve staggered three-year terms, the existence of which could render more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest or otherwise. See "Management -- Board of Directors." The ability of the shareholders of the Company to take any action, or to consent to the taking of any action, in each case in writing without a meeting, is specifically denied. See "Description of Capital Stock -- Anti-Takeover Provisions of the Articles of Incorporation." In addition, Virginia law contains provisions that impose certain limitations and special voting requirements on affiliated transactions and deny voting rights, unless granted by shareholder vote, with respect to shares acquired in control share acquisitions. See "Description of Capital Stock -- Anti-Takeover Provisions of Virginia Law."

SHARES ELIGIBLE FOR FUTURE SALE

Immediately after completion of this offering, the Company will have shares of Common Stock outstanding, of which the shares sold pursuant to this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act"), except those shares acquired by affiliates of the Company. Holders of the remaining shares will be eligible to sell such shares pursuant to Rule 144 under the Securities Act ("Rule 144") at prescribed times and subject to the manner of sale, volume, notice and information restrictions of Rule 144. In addition, shares of Common Stock are issuable upon the exercise of outstanding stock options (none of which are currently exercisable and all of which will become exercisable on the closing of this offering), which shares may be registered by the Company under the Securities Act and become freely tradable without restriction. The Company and all of its shareholders (holding in the aggregate shares of Common Stock upon the closing of this offering), have agreed not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of Common Stock, or any securities convertible into or exchangeable or exercisable for shares of Common Stock, until 180 days after the date of this Prospectus, without the prior consent of Donaldson, Lufkin & Jenrette Securities Corporation. Certain executive officers of the Company, holding an aggregate of shares of Common Stock, will have entered into Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreements

pursuant to which each such executive will have agreed with the Company subject to certain exceptions not to sell or otherwise dispose of, directly or indirectly, any shares of Common Stock for a period of four years from the closing of this offering. See "Management -- Agreements with Executives." Because these agreements will be between the Company and each executive officer and may be waived by the Company at any time, investors should not rely on these agreements. Sales of substantial amounts of such shares in the public market or the availability of such shares for future sale could adversely affect the market price of the shares of Common Stock and the Company's ability to raise additional capital at a price favorable to the Company. See "Shares Eligible for Future Sale" and "Underwriting."

USE OF PROCEEDS

The net proceeds to the Company from the sale of the shares of Common Stock offered by the Company, after deducting underwriting discounts and commissions and estimated offering expenses, are estimated to be $, assuming an initial public offering price of $ per share. The Company expects to use the net proceeds from this offering for: (i) expansion of existing operations, which may include opening new offices, acquiring related businesses and expanding the Company's international operations; (ii) investing in systems infrastructure and new technologies; (iii) the partial payment of undistributed S corporation earnings not funded by available cash, estimated at $3.5 million; and (iv) general corporate purposes, including working capital. The Company has no present commitments, agreements or understandings and is not presently conducting negotiations with respect to any acquisitions. The Company's management will have broad discretion to allocate proceeds from this offering to uses that it believes are appropriate. Pending such uses, the net proceeds of this offering will be invested in short-term, investment grade, interest-bearing securities. The principal purposes of this offering are to obtain additional working capital, create a public market for the Common Stock, provide liquidity to the Company's shareholders and facilitate future access by the Company to public equity markets. See "S Corporation Dividend" and "Business -- Growth Strategy."

The Company will not receive any proceeds from the sale of Common Stock by the Selling Shareholders. See "Principal and Selling Shareholders."

S CORPORATION DIVIDEND

Since 1987, the Company has been a corporation subject to taxation under subchapter S of the Internal Revenue Code of 1986, as amended. As a result, substantially all of the Company's net income has been attributed, for income tax purposes, directly to the Company's shareholders rather than to the Company. The Company's S corporation status will terminate in connection with this offering and the Company will make a final distribution to its existing shareholders of undistributed S Corporation earnings, as explained below.

The Company has declared an S corporation dividend to its existing shareholders in an aggregate amount representing all undistributed earnings of the Company taxed or taxable to its shareholders through the closing of this offering payable upon such closing (the "S Corporation Dividend"). The S Corporation Dividend is estimated to be approximately $17.5 million, of which it is estimated that $14.0 million will be funded from available cash and $3.5 million will be funded with a portion of the proceeds from this offering. Purchasers of Common Stock in this offering will not receive any portion of the S corporation Dividend.

Following termination of its S corporation status, the Company will be subject to income taxation as a C corporation. The termination of the Company's S corporation status will result in the Company recording a liability for deferred income taxes on its balance sheet and a one-time income statement charge of the same amount. Based on differences between income for tax and financial reporting through December 31, 1996, the one-time income statement charge is estimated to be $5.3 million. The deferred tax liability will be recorded in accordance with Statement of Financial Accounting Standards No. 109. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 of Notes to Financial Statements.

DIVIDEND POLICY

Following the declaration and payment of the S Corporation Dividend, the Company anticipates that it will retain all of its earnings for development of the Company's business and does not anticipate paying any cash dividends in the foreseeable future. Future cash dividends, if any, will be paid at the discretion of the Company's Board of Directors and will depend, among other things, upon the Company's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and such other factors as the Board of Directors may deem relevant.

CAPITALIZATION

The following table sets forth, as of December 31, 1996: (i) the actual total capitalization of the Company; (ii) the pro forma total capitalization of the Company after giving effect to the S Corporation Dividend (see "S Corporation Dividend"), the recognition of a net deferred tax liability upon termination of the Company's S corporation status estimated to be $5.3 million, and reclassification of redeemable Common Stock to shareholders' equity as a result of elimination of the Company's obligation to purchase its Common Stock from shareholders; and (iii) the pro forma total capitalization as adjusted for the sale of shares of Common Stock by the Company (at an assumed initial public offering price of $ per share) and the application of the estimated net proceeds therefrom, including the estimated $3.5 million of net offering proceeds that will be used to fund the portion of the S Corporation Dividend not funded by available cash. See "Use of Proceeds." The following table should be read in conjunction with the Financial Statements and related Notes thereto included elsewhere in this Prospectus.

<TABLE>
<CAPTION>

	AS OF DECEMBER 31, 1996		
	ACTUAL	PRO FORMA	AS ADJUSTED
		(IN THOUSANDS)	
<S>	<C>	<C>	<C>
Cash and cash equivalents and short term investments.....	$ 5,171	$ 5,171	$
Redeemable common stock.....	$18,790	$ --	$--
Shareholders' equity:			
Common stock, no par value; 30,000,000 shares authorized; 11,453,145 shares issued and outstanding, actual and pro forma; shares issued and outstanding as adjusted.....	--	6,865	
Retained earnings.....	10,862	--	
Total shareholders' equity.....	10,862	6,865	
Total capitalization.....	$29,652	$ 6,865	$

</TABLE>

DILUTION

The pro forma net tangible book value of the Company as of December 31, 1996 was $6,865,000 or $0.60 per share. Pro forma net tangible book value per share represents the total tangible assets of the Company, less total liabilities, divided by the aggregate number of shares of Common Stock outstanding, after giving effect to: (i) the S Corporation Dividend (see "S Corporation Dividend"); (ii) the recording of deferred income taxes upon termination of the Company's S corporation status; and (iii) the reclassification of redeemable common stock to shareholders' equity, as a result of elimination of the Company's obligation to purchase its Common Stock from shareholders. After giving effect to the sale by the Company of shares of Common Stock offered hereby (at an assumed initial public offering price of $ per share) and the application of the net proceeds therefrom, the pro forma net tangible book value of the Company as of December 31, 1996 would have been $ or $ per share. This represents an immediate increase in the pro forma net tangible book value of $ per share to existing shareholders and an immediate dilution of $ per share to purchasers of Common Stock in this offering. The following table illustrates this per share dilution:

<TABLE>

<S>	<C>	<C>
Assumed initial public offering price.....		$
Pro forma net tangible book value per share as of December 31, 1996.....	$ 0.60	
Increase per share attributable to new investors.....		
Pro forma net tangible book value per share after this offering.....		
Dilution in pro forma net tangible book value per share to new investors.....		$

</TABLE>

The following table sets forth, as of December 31, 1996, the differences between existing shareholders and new investors in this offering with respect to the number of shares of Common Stock purchased from the Company, the total consideration paid and the average price paid per share (assuming an initial public offering price of $ per share):

<TABLE>
<CAPTION>

	SHARES PURCHASED	TOTAL CONSIDERATION

	NUMBER	PERCENT	AMOUNT	PERCENT	AVERAGE PRICE PER SHARE
<S>	<C>	<C>	<C>	<C>	<C>
Existing shareholders	11,453,145	%	$ 1,618,746	%	$ 0.14
New investors		%		%	
Total		100.0%	$	100.0%	

</TABLE>

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(1) Sales by the Selling Shareholders in this offering will reduce the number of shares held by existing shareholders of the Company to or % of the total number of shares outstanding after this offering (shares or % if the Underwriters' over-allotment option is exercised in full) and will increase the number of shares held by new investors to shares or % of the total number of shares of Common Stock outstanding after this offering (shares or % if the Underwriters' over-allotment option is exercised in full). See "Principal and Selling Shareholders."

SELECTED FINANCIAL DATA

The selected financial data presented below as of September 30, 1995 and 1996, and for each of the three years in the period ended September 30, 1996 are derived from the Company's Financial Statements and related Notes thereto which have been audited by Ernst & Young LLP, independent auditors. The selected financial data presented below as of September 30, 1992, 1993 and 1994, and for each of the years ended September 30, 1992 and 1993 are derived from the Company's financial statements, not included in this Prospectus, which have been audited by the Company's predecessor accountants. The selected financial data as of December 31, 1996 and for the interim three-month periods ended December 31, 1995 and 1996 are unaudited but, in the opinion of management, include all adjustments, consisting only of normal recurring items, necessary for a fair presentation of the results of the interim periods. The results of operations for the interim period ended December 31, 1996, are not necessarily indicative of the results to be expected for any other interim period or for the full year. The selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and related Notes thereto appearing elsewhere in this Prospectus.

<TABLE>
<CAPTION>

	YEARS ENDED SEPTEMBER 30,					THREE MONTHS ENDED DECEMBER 31,	
	1992	1993	1994	1995	1996	1995	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF INCOME DATA:							
Revenues:							
Government Operations Group(1)	$23,749	$18,071	$11,779	$16,951	$ 20,681	$ 4,102	$ 8,029
Consulting Group	9,400	12,522	15,138	20,698	25,902	5,152	6,704
SSA Contract(2)	--	--	2,943	14,314	56,530	7,446	22,511
Total revenues	33,149	30,593	29,860	51,963	103,113	16,700	37,244
Cost of revenues	18,595	15,388	21,716	36,071	78,429	12,027	29,534
Gross profit	14,554	15,205	8,144	15,892	24,684	4,673	7,710
Selling, general and administrative expenses	9,657	10,178	6,979	9,078	13,104	2,742	4,039
Income from operations	4,897	5,027	1,165	6,814	11,580	1,931	3,671
Interest and other income	376	80	80	169	264	53	84

Income before income taxes.....	5,273	5,107	1,245	6,983	11,844	1,984	3,755
Provision (benefit) for income taxes.....	152	114	(5)	124	225	40	57
Net income(3).....	$ 5,121	$ 4,993	$ 1,250	$ 6,859	$ 11,619	$ 1,944	$ 3,698
PRO FORMA STATEMENT OF INCOME DATA:(4)							
Historical income before income taxes.....					$ 11,844		$ 3,755
Pro forma income tax expense.....					4,738		1,502
Pro forma net income.....					$ 7,106		$ 2,253
Pro forma net income per share.....					$ 0.59		$ 0.19
Shares used in computing pro forma net income per share(5).....					12,078		12,113

<CAPTION>

	AS OF SEPTEMBER 30,					AS OF DECEMBER 31,	
	1992	1993	1994	1995	1996	1996	1996
						ACTUAL	PRO FORMA(6)
				(IN THOUSANDS)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:							
Cash and cash equivalents and short-term investments.....	$ 1,849	$ 1,093	$ 326	$ 2,502	$ 3,333	$ 5,171	$ 5,171
Working capital.....	6,158	6,818	6,855	13,184	22,700	26,355	8,152
Total assets.....	17,091	12,745	15,049	22,670	35,493	43,856	43,856
Redeemable common stock.....	6,759	6,971	6,889	10,578	16,757	18,790	--
Total shareholders' equity.....	1,907	2,484	2,921	5,706	9,197	10,862	6,865

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(1) In fiscal years 1992 and 1993, the Company's Government Operations Group had revenues of $11.4 million and $10.4 million, respectively, related to a significant contract that expired in July 1993. No further revenues were received under this contract after its expiration.

(2) Represents revenues under a significant contract with the federal Social Security Administration, which terminated pursuant to legislative action and under which no revenues will be received after February 28, 1997. See "Risk Factors -- Legislative Change," "-- Variability of Quarterly Operating Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(3) For all periods shown, the Company elected to be treated as an S corporation and, as a result, the income of the Company has been taxed for federal and most state purposes directly to the Company's shareholders rather than to the Company.

(4) Pro forma net income and pro forma net income per share reflect federal and state income taxes (assuming a 40% combined effective tax rate) as if the Company had been taxed as a C corporation for the periods presented. Pro forma net income does not reflect two significant charges that the Company will record in the quarter in which the offering is consummated: (i) a

charge for income tax expense representing the cumulative deferred tax liability (estimated to be $5.3 million as of December 31, 1996) resulting from the termination of the Company's S corporation status; and (ii) a compensation charge, estimated at $5.5 million, related to the grant to employees on January 31, 1997 of options for an aggregate of 403,975 shares of Common Stock. The estimated compensation expense represents the difference between the assumed initial public offering price of $ per share and the option exercise price of $ per share. The option exercise price is based on the book value of the Common Stock at September 30, 1996, and was established pursuant to pre-existing compensation arrangements with certain of the Company's key employees. See "Management -- Executive Compensation," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 of Notes to Financial Statements.

(5) Assumes 12,078,000 and 12,113,000 shares were issued and outstanding during the year ended September 30, 1996 and the three months ended December 31, 1996, respectively. Such amounts consist of 11,418,000 and 11,453,000 weighted average shares outstanding for the respective periods, the shares issuable upon the exercise of options granted in January 1997, and the shares necessary to replace equity to be distributed as a result of the S Corporation Dividend. See "S Corporation Dividend," "Management -- Executive Compensation" and Note 3 of Notes to Financial Statements.

(6) Reflects the S Corporation Dividend to be paid to the shareholders, a reclassification of redeemable common stock to reflect elimination of the Company's obligation to purchase its Common Stock from shareholders and the net deferred tax liability that would have been recorded by the Company if its S corporation status was terminated at that date. See "S Corporation Dividend," "Capitalization" and Note 3 of Notes to Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

MAXIMUS is a leading provider of program management and consulting services to government health and human services agencies in the United States. Founded in 1975, the Company has been profitable every year since inception. The Company conducts its operations through two groups, the Government Operations Group and the Consulting Group. The Government Operations Group administers and manages government health and human services programs, including welfare-to-work and job readiness, child support enforcement, managed care enrollment and disability services. The Consulting Group provides health and human services planning, information technology consulting, strategic program evaluation, program improvement, communications planning and revenue maximization services.

The Company's revenues are generated from contracts with various payment arrangements, including: (i) costs incurred plus a fixed fee ("cost-plus"); (ii) fixed price; (iii) performance-based criteria; and (iv) time and materials reimbursement (utilized primarily by the Consulting Group). For the fiscal year ended September 30, 1996, revenues from these contract types were approximately 62%, 23%, 11% and 4%, respectively, of total revenues. Traditionally, federal government contracts have been cost-plus and a majority of the contracts with state and local government agencies have been fixed price and performance-based. Fixed price and performance-based contracts generally offer higher margins but typically involve more risk than cost-plus or time and materials reimbursement contracts because the Company is subject to potential cost overruns or inaccurate revenue estimates. As discussed further below, the SSA Contract was terminated in December 1996 as a result of legislative action. Excluding the SSA Contract, fiscal 1996 revenues from the above contract types were approximately 15%, 51%, 25% and 9%, respectively, of total revenues.

In October 1996, President Clinton signed into law an amendment to the Social Security Act of 1935, effective January 1, 1997, that eliminated Social Security Income and Supplemental Security Disability Insurance benefits based solely on drug and alcohol disabilities. As a result of this legislative act, the Social Security Administration terminated the SSA Contract effective at the end of February 1997. All services to be provided to the Social Security Administration will be completed in the second quarter of the Company's 1997 fiscal year. The SSA Contract contributed $56.5 million, $14.3 million and $2.9 million to the Company's revenues in fiscal years 1996, 1995 and 1994, respectively. The termination of the SSA Contract will significantly reduce the Company's revenue base as compared to prior periods. No assurance can be given that the Company will be able to generate additional revenues in future periods in amounts sufficient to replace the revenues received under the SSA Contract and, as a result, the Company may experience materially lower revenues as compared to prior periods. The Company has experienced a limited number of other early terminations since inception. See "Risk Factors -- Variability of Quarterly Operating Results."

The Government Operations Group's contracts generally contain base periods of one or more years as well as one or more option periods that may cover more than half of the potential contract duration. As of September 30, 1996, the

Company's average Government Operations contract duration was 3 1/2 years. The Company's Consulting Group is typically engaged for periods in excess of 24 months. Indicative of the long-term nature of the Company's engagements, approximately 84% of the Company's fiscal 1996 revenues were in backlog as of September 30, 1995.

The Company's most significant expense is cost of revenues, which consists primarily of project related employee salaries and benefits, subcontractors, computer equipment and travel expenses. The Company's ability to accurately predict personnel requirements, salaries and other costs as well as to effectively manage a project or achieve certain levels of performance can have a significant impact on the service costs related to the Company's fixed price and performance-based contracts. Service cost variability has little impact on cost-plus arrangements because allowable costs are reimbursed by the client. The profitability of the Consulting Group's contracts is largely dependent upon the utilization rates of its consultants.

Selling, general and administrative expenses consist of management, marketing and administration costs including salaries, benefits, travel, recruiting, continuing education and training, facilities costs, printing, reproduction, communications and equipment depreciation. Selling, general and administrative expenses as a percentage of revenues have decreased in recent years as these costs have been absorbed by a larger revenue base.

From October 1, 1987 to the date of this offering, the Company elected to be treated as an S corporation for federal income tax purposes. For all periods prior to October 1, 1996, the Company's income was taxed directly to its shareholders on the cash basis and for the period from October 1, 1996 through the date of this offering, the Company plans to have its income taxed directly to its shareholders on the accrual basis. Upon completion of this offering, the Company's S corporation status will terminate and the Company will be subject to income tax on the accrual basis as a C corporation.

During the quarter in which this offering is completed, the Company will recognize two significant charges against income. The completion of this offering will result in the termination of the Company's S corporation status. As a result the Company will record a one-time income statement charge to operations estimated at $5.3 million based on the deferred tax liabilities as of December 31, 1996. In connection with this offering, on January 31, 1997, certain key employees of the Company surrendered rights to purchase shares of Common Stock of the Company in exchange for options to purchase shares of Common Stock at an exercise price of $ per share. Upon completion of this offering, the Company will recognize a non-cash compensation charge against income equal to the difference between the initial public offering price and the option exercise price for all outstanding options. At an assumed initial public offering price of $ per share, the charge against income is estimated to be $5.5 million. The option exercise price is based on the book value of the Common Stock at September 30, 1996, and was established pursuant to pre-existing compensation arrangements with these employees. As a result of these charges, the Company will report a significant net loss in the period in which this offering is completed, which is anticipated to be the quarter ended June 30, 1997. See "Management -- Executive Compensation."

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, selected statements of income data as a percentage of revenues:

<TABLE>
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	YEARS ENDED SEPTEMBER 30,			THREE MONTHS ENDED DECEMBER 31,	
	1994	1995	1996	1995	1996
<S>	<C>	<C>	<C>	<C>	<C>
Revenues:					
Government Operations Group	39.4%	32.6%	20.1%	24.6%	21.6%
Consulting Group	50.7	39.8	25.1	30.8	18.0
SSA Contract	9.9	27.5	54.6	44.6	60.4
Total revenues	100.0	100.0	100.0	100.0	100.0
Gross Profit:					
Government Operations Group	5.2	22.7	25.5	22.6	18.4
Consulting Group	46.9	48.0	46.9	50.9	46.3
SSA Contract	14.8	14.8	12.9	15.0	13.9
Total gross profit	27.3	30.6	23.9	28.0	20.7
Selling, general and administrative expenses	23.4	17.5	12.7	16.4	10.8
Income from operations	3.9	13.1	11.2	11.6	9.9

Interest and other income.....	0.3	0.3	0.3	0.3	0.2
Income before income taxes.....	4.2	13.4	11.5	11.9	10.1
Provision for income taxes.....	0.0	0.2	0.2	0.2	0.2
Net income.....	4.2%	13.2%	11.3%	11.7%	9.9%

</TABLE>

THREE MONTHS ENDED DECEMBER 31, 1996 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 1995

Revenues. Total contract revenues increased 123.0% to $37.2 million for the three months ended December 31, 1996 as compared to $16.7 million for the same period in 1995. Government Operations Group revenues increased 164.5% to $30.5 million for the three months ended December 31, 1996 from $11.5 million for the same period in 1995 due to an increase in the number of projects and an increase in revenues from the SSA Contract. For the three months ended December 31, 1996, revenues from the SSA Contract were $22.5 million as compared to $7.4 million in the same period in 1995. Excluding the SSA Contract, Government Operations Group revenues increased 95.7% to $8.0 million in the three months ended December 31, 1996 from $4.1 million in same period in 1995. Consulting Group revenues increased 30.1% to $6.7 million for the three months ended December 31, 1996 from $5.2 million in the same period in 1995 due to an increase in the number of contracts.

Gross Profit. Gross profit consists of total revenues less cost of revenues. Total gross profit increased 65.0% to $7.7 million for the three months ended December 31, 1996 as compared to $4.7 million for the same period in 1995. Government Operations Group gross profit increased 124.9% to $4.6 million for the three months ended December 31, 1996 from $2.0 million for the three months ended December 31, 1995. As a percentage of revenues, gross profit decreased to 20.7% in the three months ended December 31, 1996 from 28.0% in the same period in 1995, primarily due to the increased revenue contribution of the SSA Contract, which had a lower gross profit margin. Excluding the SSA Contract, as a percentage of revenues, Government Operations Group gross profit decreased to 18.4% in the three months ended December 31, 1996 from 22.6% in the same period in 1995 due to the incurrence of approximately $1.0 million of pass-through costs which generated no gross margin for the three months ended December 31, 1996, and the recognition of $0.2 million of above-normal profit due to the Company exceeding expectations, on a performance-based contract for the three months ended on December 31, 1995. Consulting Group gross profit increased 18.2% to $3.1 million for the three months ended December 31, 1996 from $2.6 million for the same period in 1995 due to higher revenues. As a percentage of revenues, Consulting Group gross profit decreased to 48.2% for the three months ended December 31, 1996 from 50.9% in the same period in 1995 primarily due to the recognition of above

normal profit due to the Company exceeding expectations on several performance-based contracts in the three months ended December 31, 1995.

Selling, General and Administrative Expenses. Total selling, general and administrative expenses increased 47.3% to $4.0 million for the three months ended December 31, 1996 as compared to $2.7 million in the same period in 1995. Increased numbers of both professional and administrative employees resulted in an increase in salary and benefit expense for the three months ended December 31, 1996. Training costs and professional fees also increased for the three months ended December 31, 1996. As a percentage of revenues, selling, general and administrative expenses decreased to 10.8% for the three months ended December 31, 1996 from 16.4% for the same period in 1995 as the Company was able to support its revenue growth without a proportionate increase in associated costs.

YEAR ENDED SEPTEMBER 30, 1996 COMPARED TO YEAR ENDED SEPTEMBER 30, 1995

Revenues. Total revenues increased 98.4% to $103.1 million in fiscal 1996 from $52.0 million in fiscal 1995. Government Operations Group revenues increased 147.0% to $77.2 million in fiscal 1996 from $31.3 million in fiscal 1995. This growth was due to an increase in the number of projects and an increase in revenues from the SSA Contract, which contributed $56.5 million to fiscal 1996 revenues as compared to $14.3 million to fiscal 1995 revenues. Excluding the SSA Contract, Government Operations Group revenues increased 22.0% to $20.7 million in fiscal 1996 from $17.0 million in fiscal 1995. Consulting Group revenues increased 25.1% to $25.9 million in fiscal 1996 from $20.7 million in fiscal 1995 primarily due to an increase in revenues from revenue maximization contracts. The Consulting Group's nine revenue maximization contracts in fiscal 1996 contributed $7.6 million to fiscal 1996 revenues as compared to two revenue maximization contracts which contributed $2.5 million to fiscal 1995 revenues.

Gross Profit. Total gross profit increased 55.3% to $24.7 million in fiscal 1996 from $15.9 million in fiscal 1995. Government Operations Group gross profit increased 110.6% to $12.5 million in fiscal 1996 from $6.0 million in

fiscal 1995. As a percentage of revenues, Government Operations Group gross profit decreased to 16.2% in fiscal 1996 as compared to 19.0% in fiscal 1995, primarily due to the increased revenue contribution of the SSA Contract, which had a lower gross margin. Excluding the SSA Contract, as a percentage of revenues, Government Operations Group gross profit increased to 25.5% for fiscal 1996 from 22.7% for fiscal 1995. Consulting Group gross profit increased 22.2% to $12.1 million in fiscal 1996 from $9.9 million in fiscal 1995 as a result of higher revenues. As a percentage of revenues, Consulting Group gross profit decreased to 46.9% in fiscal 1996 from 48.0% in fiscal 1995, which represents normal variability of gross profit from year to year.

Selling, General and Administrative Expenses. Total selling, general and administrative expenses increased 44.3% to $13.1 million in fiscal 1996 from $9.1 million in fiscal 1995. This increase in costs was due to increases in both professional and administrative personnel necessary to support the Company's growth. The total number of employees increased to 754 at September 30, 1996 from 439 at September 30, 1995. Additionally, marketing and proposal preparation expenditures increased as the Company pursued further revenue growth. As a percentage of revenues, selling, general and administrative expenses decreased to 12.7% in fiscal 1996 from 17.5% in fiscal 1995 due to the Company's ability to support its growth without a proportionate increase in associated costs.

YEAR ENDED SEPTEMBER 30, 1995 COMPARED TO YEAR ENDED SEPTEMBER 30, 1994

Revenues. Total revenues increased 74.0% to $52.0 million in fiscal 1995 from $29.9 million in fiscal 1994. Government Operations Group revenues increased 112.4% to $31.3 million in fiscal 1995 from $14.7 million in fiscal 1994 due to an increase in the number of projects and an increase in revenue from the SSA Contract, which commenced in February 1994. The SSA Contract contributed $14.3 million to fiscal 1995 revenues as compared to $2.9 million to fiscal 1994 revenues. Excluding the SSA Contract, Government Operations Group revenues increased 43.9% to $17.0 million in fiscal 1995 from $11.8 million in fiscal 1994. Consulting Group revenues increased 36.7% to $20.7 million in fiscal 1995 from $15.1 million in fiscal 1994 due to an increase in the number of contracts and revenues resulting from revenue maximization contracts,

which the Company commenced performing in fiscal 1994. Revenues attributable to revenue maximization contracts grew to $2.2 million in fiscal 1995 from $0.3 million in fiscal 1994.

Gross Profit. Total gross profit increased 95.1% to $15.9 million in fiscal 1995 from $8.1 million in fiscal 1994. Government Operations Group gross profit increased 468.5% to $6.0 million in fiscal 1995 from $1.0 million in fiscal 1994. As a percentage of revenues, Government Operations Group gross profit increased to 19.0% in fiscal 1995 from 7.1% in fiscal 1994. This increase in gross margin resulted primarily from nonrecurring losses on two of its contracts in fiscal 1994, whereas the Company realized above normal profit on one of its contracts in fiscal 1995. Consulting Group gross profit increased 40.0% to $9.9 million in fiscal 1995 from $7.1 million in fiscal 1994 due to higher revenues. As a percentage of revenues, Consulting Group gross profit increased to 48.0% in fiscal 1995 from 46.9% in fiscal 1994 which represents normal variability of gross profit from period to period.

Selling, General and Administrative Expenses. Total selling, general and administrative expenses increased 30.1% to $9.1 million in fiscal 1995 from $7.0 million in fiscal 1994. This increase in costs was due to increased professional and administrative personnel necessary to support the growth of the Company. The number of Consulting Group professionals increased 46% during the year ended September 30, 1995 and administrative personnel increased 30% over the same period. As a percent of revenues, selling, general and administrative expenses decreased to 17.5% for fiscal 1995 from 23.4% for fiscal 1994 due to the ability of the Company to support its growth without a proportionate increase in associated costs.

QUARTERLY RESULTS

Set forth below are selected income statement data for the nine fiscal quarters ended December 31, 1996. This information is derived from unaudited quarterly financial statements which include, in the opinion of management, all adjustments necessary for a fair presentation of the information for such periods. This information should be read in conjunction with the Financial Statements and related Notes thereto contained elsewhere in this Prospectus. Results of operations for any fiscal quarter are not necessarily indicative of results for any future period.

<TABLE>
<CAPTION>

	QUARTERS ENDED							
	DEC. 31, 1994	MAR. 31, 1995	JUNE 30, 1995	SEPT. 30, 1995	DEC. 31, 1995	MAR. 31, 1996	JUNE 30, 1996	SEPT. 30, 1996

1996

	(IN THOUSANDS)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues:								
Government Operations Group	$ 4,303	$ 4,715	$ 3,964	$ 3,969	$ 4,102	$ 4,947	$ 4,896	$ 6,736 $ 8,029
Consulting Group	4,742	5,030	5,446	5,481	5,152	7,333	5,832	7,585 6,704
SSA Contract	2,290	2,724	3,787	5,512	7,446	10,606	17,170	21,308 22,511
Total revenues	11,335	12,469	13,197	14,962	16,700	22,886	27,898	35,629 37,244
Cost of revenues	8,124	8,385	9,064	10,498	12,027	16,962	21,577	27,863 29,534
Gross profit	3,211	4,084	4,133	4,464	4,673	5,924	6,321	7,766 7,710
Selling, general and administrative expenses	1,762	2,176	2,446	2,694	2,742	3,022	3,219	4,121 4,039
Income from operations	1,449	1,908	1,687	1,770	1,931	2,902	3,102	3,645 3,671
Interest and other income	34	36	46	53	53	46	63	102 84
Income before income taxes	1,483	1,944	1,733	1,823	1,984	2,948	3,165	3,747 3,755
Provision for income taxes	26	35	31	32	40	54	60	71 57
Net income	$ 1,457	$ 1,909	$ 1,702	$ 1,791	$ 1,944	$ 2,894	$ 3,105	$ 3,676 $ 3,698

</TABLE>

The Company's revenues and operating results are subject to significant variation from quarter to quarter depending on a number of factors, including the progress of contracts, revenues earned on contracts, the commencement and completion of contracts during any particular quarter, the schedule of the government agencies for awarding contracts, the term of each contract that the Company has been awarded and general economic conditions. Because a significant portion of the Company's expenses are relatively fixed, successful contract performance and variation in the volume of activity as well as in the number of contracts commenced or completed during any quarter may cause significant variations in operating results from quarter to quarter.

Furthermore, the Company has on occasion experienced a pattern in its results of operations pursuant to which it incurs greater operating expenses during the start-up and early stages of significant contracts. In addition, the termination of the SSA Contract will significantly reduce the Company's revenue base as compared to previous quarters. No assurances can be given that quarterly results will not fluctuate, causing a material adverse effect on the Company's operating results and financial condition. See "Risk Factors -- Variability of Quarterly Operating Results."

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of liquidity has been cash flows from operations. The Company's cash flows from operations were $1.8 million, $3.1 million, $2.7 million and $0.4 million for the three months ended December 31, 1996 and for the years ended September 30, 1996, 1995, and 1994, respectively. Because the Company elected to be treated as an S corporation for tax purposes, the Company's net cash provided by operations reflects only certain state taxes. The timing of receipt of contract payments can vary and, combined with the requirement to provide start-up funding for new projects, cash flows fluctuate from period to period.

Of the $1.4 million of cash flow used for investing activities for the year ended September 30, 1996, $1.0 million was used to purchase short-term municipal

bonds, which can be readily converted to cash if needed. The Company has no material commitments for capital expenditures and, as a services company, does not anticipate making any significant capital expenditures over the next two years.

Cash flows from financing activities consisted solely of stock sales to employees, purchases from departing employees and S corporation distributions, which were made to fund the payment of income taxes by the shareholders. The Company does not anticipate the future payment of dividends, other than the S Corporation Dividend.

The Company has a $10.0 million revolving credit facility (the "Credit Facility") with a bank, which may be used for borrowing and the issuance of letters of credit. Outstanding letters of credit totalled $1.2 million at December 31, 1996. The Credit Facility bears interest at a rate equal to LIBOR (approximately 5.4% at February 3, 1997) plus 2.0%. The Credit Facility contains certain restrictive covenants and financial ratio requirements, including a minimum net worth requirement of $10.5 million. The Company has not used the Credit Facility to finance its working capital needs and, at December 31, 1996, the Company had $8.8 million available under the Credit Facility.

The Company believes the net proceeds from the sale of Common Stock offered hereby, together with funds generated by operations, will provide adequate cash to fund its anticipated cash needs over the next 12 months, which may include start-up costs associated with new contract awards, obtaining additional office space, establishing new offices, expansion of international operations, investment in upgraded systems infrastructure or acquisitions of other businesses, technologies, product rights or distribution rights. In addition, the Company's stronger financial condition should facilitate its ability to compete for certain larger contracts from which it is currently restricted.

RECENTLY ISSUED FINANCIAL ACCOUNTING STANDARDS

Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, was issued in October 1995. The Company will be required to adopt the new standard for its fiscal year ending September 30, 1997. This standard establishes the fair-value-based method (the "FAS 123 Method") rather than the intrinsic value based method as the preferred accounting methodology for stock-based compensation arrangements. Entities are allowed to: (i) continue to use the intrinsic value based methodology in their basic financial statements and provide in the footnotes pro forma net income and earnings per share information as if the FAS 123 Method had been adopted; or (ii) adopt the FAS 123 Method. The Company anticipates providing the required disclosures in the Notes to the Financial Statements.

BUSINESS

OVERVIEW

MAXIMUS is a leading provider of program management and consulting services to government health and human services agencies in the United States. Since 1975, the Company has been at the forefront of innovation in "Helping Government Serve the People(TM)." The Company's services are designed to make government operations more efficient and cost effective while improving the quality of the services provided to program beneficiaries. The Company applies an entrepreneurial, private sector approach incorporating advanced technology in large scale projects in almost every state in the nation. The Company's leading position in the emerging private sector health and human services industry is reflected by its growth in annual revenues from approximately $12 million in fiscal 1990 to over $100 million in fiscal 1996.

MAXIMUS conducts its operations through two groups, the Government Operations Group and the Consulting Group. The Government Operations Group administers and manages government health and human services programs, including welfare-to-work and job readiness, child support enforcement, managed care enrollment and disability services. The Consulting Group provides health and human services planning, information technology consulting, strategic program evaluation, program improvement, communications planning and revenue maximization services.

MARKET OPPORTUNITY

The Company believes that providing program management and consulting services to government agencies in the health and human services sector represents a significant market opportunity for the Company. Federal, state and local government agencies in the United States spend over $200 billion annually on the health and human services programs for which the Company markets its services, including welfare, child care, child support enforcement, food stamps, Social Security Disability Insurance, Supplemental Security Income and Medicaid. These programs cost an estimated $18.7 billion in annual administrative costs. The following chart sets forth currently available data from U.S. government publications for programs served by the Company:

<TABLE>
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PROGRAM	ESTIMATED NUMBER OF BENEFICIARIES SERVED	ESTIMATED ANNUAL ADMINISTRATIVE EXPENDITURES
<S>	<C>	<C>
Social Security Disability Insurance and Supplemental Security Income.....	7.4 million	$ 4.8 billion
Food Stamps.....	28.0 million	3.7 billion
Medicaid.....	35.1 million	3.7 billion
Temporary Assistance to Needy Families.....	13.6 million	3.5 billion
Child Support Enforcement.....	3.5 million	3.0 billion

</TABLE>

There has been a recent surge in legislation and initiatives to reform federal, state and local welfare and health and human services systems. The most significant of these legislative reforms is the Welfare Reform Act, which restructures the benefits available to welfare recipients, eliminates unconditional welfare entitlement and, most importantly, restructures the funding mechanisms that exist between federal and state governments. Under the Welfare Reform Act, states will receive block grant funding from the federal government and will no longer be able to seek reimbursement in the form of matching federal government funds for expenditures in excess of block grants. Accordingly, states will bear the financial risk for the operation of their welfare programs. A number of state governments are taking action to respond to the changes created by welfare reform. For example, the State of Wisconsin recently awarded a performance-based contract to the Company to manage the welfare-to-work program in part of Milwaukee. In addition, in Essex County (Newark), New Jersey, authorities are currently preparing an RFP for the administration of the county's welfare programs, which currently cost approximately $52 million per year to administer.

The Company believes that political pressures, combined with the financial constraints imposed by the Welfare Reform Act, will accelerate the rate at which state and local health and human services agencies seek new solutions to reduce costs and improve the effectiveness of entitlement programs. The Company believes

that government agencies are increasingly turning to companies similar to MAXIMUS to administer programs more effectively. Government outsourcing ranges from the engagement of sophisticated private consulting firms working with government to improve the delivery of human services to the complete outsourcing of government health and human services programs. The Company believes that many government agencies have concluded that private companies, similar to MAXIMUS, offer cost savings and increased efficiency due to their ability to: (i) accept contracts where compensation is based on performance; (ii) attract and compensate experienced, high level management personnel; (iii) rapidly procure and utilize advanced technology; (iv) vary the number of personnel on a project to match fluctuating work loads; (v) increase productivity by providing employees with financial incentives and performance awards and more readily terminating non-productive employees; (vi) provide employees with ongoing training and career development assistance; and (vii) maintain a professional work environment that is more conducive to employee productivity.

STRENGTHS AND DIFFERENTIATIONS

MAXIMUS has been a pioneer in offering state and local government agencies a private sector alternative to the internal administration of government health and human services programs and has been innovative in developing new businesses and market opportunities for the Company's services. The Company believes that the following business strengths and differentiating characteristics position it to capitalize on the significant market opportunities presented by the environment of changing health and human services program regulation and evolving technologies.

Vertical Market Focus. The Company believes that it is the largest company dedicated exclusively to providing program management and consulting services to government health and human services agencies. The Company has accumulated a detailed knowledge base and understanding of the regulation and operation of health and human services programs that allows it to apply proven methodologies, skills and solutions to new projects in a cost-effective and timely fashion. The Company believes that its exclusive focus, size and broad range of health and human services program expertise differentiate it from both small firms and non-profit organizations with limited resources and skill sets as well as from large consulting firms that serve multiple industries but lack the focus necessary to understand the complex nature of serving government agencies.

Proven Track Record. Since 1975, MAXIMUS has successfully applied its entrepreneurial private sector approach to assisting government health and human services agencies. Over the last five years, MAXIMUS has successfully completed approximately 100 program management and consulting services projects for state and local health and human services agencies serving millions of beneficiaries in nearly every state. The Company believes that the successful execution of

these projects has earned MAXIMUS a reputation for providing efficient and cost-effective services to government agencies while improving the quality of services provided to program beneficiaries. This reputation has contributed significantly to its ability to compete successfully for new contracts.

Wide Range of Services. Many of the Company's clients require their vendors to provide a broad array of service offerings, something many of the Company's competitors cannot provide. Engagements often require creative solutions that must be drawn from diverse areas of expertise. The Company's expertise in a wide range of services enable it to better pursue such opportunities and to offer itself as a single-source provider of program management, consulting and information technology services to government agencies.

Proprietary Case Management Software Program. MAXIMUS has developed a proprietary automated case management software program called the MAXSTAR Human Services Application Builder. MAXSTAR is a software platform that allows the Company to reduce project implementation time and cost. Because government agencies are required to manage vast amounts of data and large numbers of cases without access to advanced technology and experienced professionals, the Company believes that MAXSTAR, together with the Company's information technology professionals, is a key element of its success.

Experienced Team of Professionals. MAXIMUS has assembled an experienced management team of former government executives, state agency officials, information technology specialists and other profession-

als with backgrounds in the public health and human services industry. The Company's employees understand the problems and challenges faced in the marketing, assessment and delivery of government agency services. Furthermore, since state and local government administrators are subject to changing legislative and political mandates, MAXIMUS has developed strong relationships with experienced political consultants who inform and advise the Company with respect to strategic marketing and legislative initiatives.

GROWTH STRATEGY

The Company's goal is to be the leading provider of administrative and consulting services to government health and human services programs. The Company's strategy to achieve this goal includes the following:

Capitalize on Government Reform. The Company believes that it is well-positioned to benefit from the expected increase in demand for new program management and consulting services that will arise in an environment characterized by changing regulation and evolving technology. The Company believes that fiscal pressures will compel state governments to rationalize program operations and upgrade existing technology to operate more cost-efficient and productive programs. To achieve these efficiencies, MAXIMUS believes that many government agencies will turn to outside experts for help.

Aggressively Pursue New Business Opportunities. Throughout its 21-year history, the Company has been a leader in developing innovative solutions to meet the evolving needs of state and local health and human services agencies. The Company plans to expand its revenue base by: (i) marketing new and innovative program management solutions to the Company's extensive client base; (ii) expanding the Company's client base by marketing the Company's experience and established methodologies and systems; (iii) investing in early identification of government bid opportunities; and (iv) submitting competitive bids that leverage the Company's proven solutions for past projects.

Recruit Highly Skilled Professionals. The Company continually strives to recruit top government management and information technology professionals with the experience, skills and innovation necessary to design and implement solutions to complex problems presented by resource-constrained government agencies. The Company also seeks to attract middle-level consultants with a proven track record in the health and human services field and a network of political contacts to leverage the Company's existing management infrastructure, client relationships and areas of expertise.

Pursue Strategic Acquisitions. Given the highly fragmented structure of the government services and consulting marketplace, MAXIMUS believes that numerous acquisition opportunities exist. Acquisitions can provide the Company with a rapid, cost-effective method to grow its number of consultants, broaden its client base, establish or expand its presence in a geographic region or obtain additional skill sets.

SERVICES

The Company's services are designed to make government operations more efficient and cost effective while improving the quality of the services government agencies provide to program beneficiaries. The Company organizes its operations into two groups: (i) the Government Operations Group, specializing in the management of government health and human services operations; and (ii) the

Consulting Group, providing health and human services planning, information technology consulting, strategic program evaluation, program improvement and revenue maximization services.

GOVERNMENT OPERATIONS GROUP

The Company's Government Operations Group is comprised of four divisions specializing in the administration and management of government health and human services programs.

Welfare Reform Division. The Company manages welfare-to-work programs by providing a wide range of services, including eligibility determination, emergency assistance, job referral and placement, transition services such as child care and transportation, community work training services, job readiness preparation, case management services and selected educational and training services. The Company's typical welfare-to-work contract involves the engagement of the Company for a period of three to five years. The Company has

served over 250,000 welfare recipients at 16 locations in five states. In 1996, for example, Fairfax County, Virginia awarded the Company a one year, $2 million contract to place welfare recipients into unsubsidized employment. To date, the Company has achieved a placement rate in excess of 90% on this contract.

Child Support Enforcement Division. The Company provides a full range of child support enforcement ("CSE") services, including: (i) outreach to and interview of parents of children entitled to child support; (ii) establishing paternity and obtaining, enforcing, reviewing and modifying child support orders; and (iii) payment processing. The Company operates statewide client service units, updates case arrearage and demographic data for new CSE automated systems and provides training to CSE workers. The Company believes that it has one of the largest CSE staffs in the private sector with over 350 professionals. The Company has been performing these services since 1976, which the Company believes is longer than any other private sector firm in the United States. The Company is currently engaged in the management of CSE programs in 13 locations in seven states providing full child support services for approximately 150,000 cases and specialized services for an additional 95,000 cases. For example, the Company currently is providing services under a five year, $12 million, full-service CSE program management contract in Nashville, Tennessee.

Disability Services Division. The Company provides a host of disability-related services geared toward case management, client assessment, treatment and vocational rehabilitation referral, client monitoring and innovative return-to-work strategies. MAXIMUS became the first company to operate a national case management and monitoring program for disability beneficiaries in 1995 when it won a contract with the Social Security Administration to provide referral and monitoring services to beneficiaries with drug or alcohol disabilities. The SSA Contract was the largest ever awarded by the SSA with potential revenues of $350 million. Under the SSA Contract, the Company has successfully referred approximately 100,000 disabled beneficiaries into treatment as a first step to re-entering the work force. The Company believes the skills and tools it employed in the SSA Contract will be invaluable in pursuing other large scale program management contracts. One example is the 1996 five-year, $4.6 million contract awarded to the Company by the State of New Jersey to develop and implement a program to identify and locate family members responsible for paying the institutional care costs of their disabled relatives.

Managed Care Enrollment Services Division. MAXIMUS has obtained significant experience in managing certain aspects of Medicaid programs through projects in 20 states. In these projects, MAXIMUS provides recipient outreach, education and enrollment services; an automated information system customized for the state; data collection and reporting; outreach to community-based organizations and advocacy groups; design and development of program materials; collection of enrollment premiums for uninsured participants; encounter data reporting to health plans; and care coordination for Early and Periodic Screening, Diagnosis and Treatment services. MAXIMUS currently operates the California Options Project, a three year managed care enrollment contract awarded to the Company in 1996. This project is one of the largest Medicaid managed care enrollment programs in the country with over two million program beneficiaries. The Company has also recently been awarded a significant managed care enrollment contract with the State of New York.

CONSULTING GROUP

The Company's Consulting Group is organized into four operational divisions: the Human Services Division, the Information Technology Division, the Systems Planning and Integration Division and the International Division.

Human Services Division. The Company provides consulting and technical support to the federal government as well as to state and local government agencies in the financing, delivery and management of a range of human services programs in the areas of revenue maximization, program evaluations and program improvement. Revenue maximization involves seeking to increase federal financial participation in state health and human services programs. The Company collects

a contingency fee based on the amount of additional federal revenues recovered. Since it began offering revenue maximization services, the Company has succeeded in obtaining approximately $150 million in additional federal revenues and is currently engaged in projects that the Company estimates will yield more than $150 million in additional federal revenues. The

Company is also frequently engaged to conduct evaluations and provide improvement recommendations for government programs. Program evaluation consulting contracts are frequently long-term, multi-year research projects involving the collection of extensive data using automated data merges as well as surveys and case record reviews. Since 1994, the Company has completed 70 revenue maximization, program evaluation and program improvement projects in over 25 states and localities and has recorded approximately $31 million in revenues from these types of projects. Since 1993, the State of Wisconsin has awarded to the Company a series of Department of Health and Social Services projects valued at $6 million, including over one dozen program evaluation engagements.

Information Technology Division. The Company provides computer system management services to state and local government agencies administering health and human services and criminal justice programs. MAXIMUS provides assistance in designing and/or implementing emerging technologies involving Internet/Intranet, imaging, telephony, automated kiosks and touch screen technology. The Company provides assistance in assessing and evaluating the extent of Year 2000 problems and in strategic planning to resolve compliance issues. The Company believes that welfare reform legislation will increase the need for new and re-engineered systems applications, thus increasing the demand for the Company's services. This division also supports the technical electronic data processing needs of the Company's other divisions. Since 1984, the Company has provided information technology systems and design services for 58 projects in over twelve states. For example, the Company is currently engaged in a six month, $900,000 contract to provide Year 2000 planning to the Office of Policy and Management of the State of Connecticut.

Systems Planning and Integration Division. The Company provides a range of systems consulting support services to state and local government health and human services agencies and criminal justice systems. This division focuses on integrating different systems and provides objective, third party strategic planning, procurement and project management support. Since 1990, the State of Michigan has awarded to the Company various contracts valued at more than $7 million in the aggregate to monitor and assess Family Assistance Management Information Systems, CSE systems and Medical Management Information Systems.

International Division. The Company provides healthcare consulting and systems services to foreign government agencies and non-profit organizations responsible for the delivery of treatment services to large populations. The Company automates and restructures clinical information systems for large outpatient providers, hospital information systems, managed care information systems, beneficiary management systems and treatment network management systems for managing large networks of health treatment facilities. In addition, MAXIMUS consults with foreign government agencies in developing healthcare policy reforms, treatment quality improvements and productivity enhancements. The Company's healthcare systems software, developed in ORACLE7(R), is a platform-independent and multi-language software package. The Company has developed an Arabic language version of this software for use in the Middle East. Currently, the division is engaged in a major automation project for the United States Agency for International Development in Egypt. The objective of the five-year, $22 million contract is to install a national healthcare system database in 18 hospitals and 200 clinics throughout Egypt, allowing the Egyptian Health Insurance Organization to better manage its facilities.

BACKLOG

The Company's backlog represents an estimate of the remaining future revenues from existing signed contracts. Using the best available information, the Company estimates backlog on a quarterly basis with respect to all executed contracts. The backlog estimate includes revenues expected under the current terms of executed contracts, revenues from contracts in which the scope and duration of the services required are not definite but estimable and does not assume any contract renewals or extensions.

Changes in the backlog calculation from quarter to quarter result from: (i) additional revenues from the execution of new contracts or extension or renewal of existing contracts; (ii) reduction in revenues from fulfilling contracts during the most recent quarter; (iii) reduction in revenues from the early termination of contracts; and (iv) adjustments to estimates of previously included contracts.

At December 31, 1996 and 1995, the Company's backlog for services pursuant to its contracts with federal, state and local health and human services agencies was approximately $112.8 million and $126.5 million, respectively. At

December 31, 1996 and 1995, the Company's backlog, excluding the SSA Contract, was approximately $104.3 million and $57.1 million, respectively.

MARKETING AND SALES

The Company's Government Operations Group obtains program management contracts from state and local authorities by responding to RFPs issued by such authorities. Whenever possible, prior to the issuance of an RFP, senior executives in the Government Operations Group work with senior government representatives, such as the governor, members of the governor's staff and the heads of health and human services agencies to encourage them to outsource certain health and human services functions. To identify opportunities to work with government officials at early stages and to optimize the government's receptivity to the Company's proposal to provide program management services, the Company establishes and maintains relationships with elected officials, political appointees and government employees. The Company occasionally engages marketing consultants, including lobbyists to establish and maintain relationships with these client representatives. The Company's consultants and lobbyists provide introductions to government personnel and provide information to the Company regarding the status of legislative and executive decision-making.

Following the issuance of an RFP the Government Operations Group participates in formal discussions, if any, between the contracting government agency and the group of potential service providers seeking to modify the RFP and prepare the proposal. Upon the award of a government operations contract, the Company's representatives then negotiate the contract with representatives of the contracting government authority until all terms are agreed.

The Consulting Group generates leads for consulting contracts by employing lobbyists, maintaining relationships with government personnel in charge of health and human services operations and communicating directly with current and prospective clients. The Consulting Group participates in professional associations of government administrators and industry seminars featuring presentations by MAXIMUS personnel. Senior executives from the Consulting Group develop leads through on-site presentations to the decision-makers. In most cases, consulting contracts, like program management contracts, are obtained after responding to a formal RFP. The Consulting Group's efforts in generating a lead prior to the RFP can facilitate the Company's insight in responding to a particular RFP. A portion of the Consulting Group's new business arises from prior client engagements, in which case the Company may be the sole source of services. In addition, clients frequently expand the scope of engagements during delivery to include follow-on activities.

COMPETITION

The market for providing program management and consulting services to state and local health and human services agencies is competitive and subject to rapid change. The Company's Government Operations Group competes for program management contracts with local non-profit organizations such as the United Way and Goodwill Industries, government services divisions of large companies such as Lockheed Martin Corp. and Electronic Data Systems, Inc., managed care enrollment companies such as Foundation Health Corporation and specialized service providers such as Andersen Consulting, America Works, Inc., Policy Studies Incorporated and GC Services, Inc. The Company's Consulting Group competes with the consulting divisions of the "Big 6" accounting firms as well as Electronic Data Systems, Inc. Many of these companies are national and international in scope and have greater financial, technical, marketing and personnel resources than the Company. The Company anticipates that it will face increased competition in the future as new companies enter the market. The Company believes that its experience, reputation, industry focus and broad range of services will enable it to compete effectively in its marketplace. See "Risk Factors -- Intense Competition."

GOVERNMENT REGULATION

The market for the Company's services exists under a United States federal regulatory framework of social programs which are largely implemented at the state or local level. The following summarizes this framework:

WELFARE PROGRAMS. Under Title IV-A of the federal Social Security Act, the federal government provides financial assistance to underprivileged families under several programs generally known as "Welfare," which have included Aid to Families with Dependent Children ("AFDC"), Job Opportunities and Basic Skills Training ("JOBS") and the Food Stamp Program. Under the AFDC program, cash welfare payments are provided to needy children who have been deprived of parental support or care and certain others in the household of the child. State governments are required to define "need," set their own benefit levels, establish (within federal limitations) income and resource limits and administer the program or supervise its administration. Beginning in October 1990, the federal government required each state to implement a JOBS program, which is designed to help needy families with children to avoid long-term Welfare dependency by providing education, training, job placement and other supportive

services including child care. The Food Stamp Program is designed to improve the nutrition of low-income households and is also administered by state welfare agencies under the supervision of the United States Department of Agriculture. Benefits are generally provided in the form of food stamp coupons and are funded by the federal government, which reimburses part of the cost of establishing an automated system and part of the cost of operating an automated food stamp program.

Under the recently enacted Welfare Reform Act, AFDC and JOBS have been combined into a single program, known as "Temporary Assistance to Needy Families" or "TANF." Under TANF the federal government will make "block grants" of funds to the states, to be administered at the state level in programs that include certain mandatory work, education and job-related activities, including job training and job search for the purposes of: (i) providing needy families with time-limited assistance in order to end their dependency on government benefits and achieve self-sufficiency; (ii) preventing and reducing out-of-wedlock pregnancies, especially teenage pregnancies; and (iii) encouraging the formation and maintenance of two-parent families. While the federal act provides general requirements, states must determine how these requirements will be met.

CHILD SUPPORT ENFORCEMENT. The federal Child Support Enforcement ("CSE") program, authorized under Title IV-D of the Social Security Act, was established in 1975 in response to the increasing failure of many parents to provide financial support to their children. The purpose of the CSE program is to help strengthen families and reduce Welfare dependency by placing the responsibility for supporting children on the parents rather than on the government. State governments are generally required to locate absent parents, establish paternity if necessary, obtain judicial support orders and collect the support payments required by those orders. Child Support Enforcement has been the subject of close scrutiny in recent years and is an area of health and human services where government has sought significant private sector involvement including full service program management efforts.

The Child Support Enforcement Amendments of 1984 mandated that state CSE information systems, in order to receive matching federal funding, must meet certain federal functional requirements covering case initiation, case management, database linkage, financial management, enforcement, security, privacy and reporting. The Family Support Act of 1988, effective October 1992, mandated enhanced functional requirements for state CSE systems, including the implementation of automated systems able to interface electronically with other state systems such as Welfare, driver and vehicle registration and Medicaid systems.

SOCIAL SECURITY DISABILITY INSURANCE AND SUPPLEMENTAL SOCIAL SECURITY INCOME. Titles II and XVI of the federal Social Security Act provide for the administration and distribution of financial assistance to disabled individuals whose impairments make them unemployable. These benefits fall into two categories: (i) Social Security Disability Insurance (Title II) provides financial benefits to individuals who have contributed to Social Security during a prior period of employment; and (ii) Supplemental Security Income or SSI (Title XVI) provides financial benefits to individuals who meet all the disability criteria used to determine eligibility under Title II, but who have not made a sufficient contribution to Social Security.

Recently, there has been political pressure on the Social Security Administration (the "SSA") to review the caseload of Title II and Title XVI beneficiaries to ensure that each individual's disability still exists and that the extent of such disability remains sufficient to preclude employment. In addition, the SSA has been under pressure to increase and improve vocational rehabilitation efforts focused on returning disabled beneficiaries to work and self-sufficiency.

MEDICAID AND MEDICARE. Medicaid and Medicare were implemented under Title XIX and XVIII of the Social Security Act. Medicaid is a federal-state matching entitlement program, that provides reimbursement for the cost of medical care to low-income individuals who are aged, blind, disabled or AFDC beneficiaries, and to certain pregnant woman and children. Within broad federal guidelines, each state designs and administers its own program. Eligibility and claims processing systems are automated by each state to handle this program, which is typically the largest line item in a state budget. Federal assistance is also available on a waiver basis for managed care experimental medical treatment for Medicaid recipients and similar populations. Medicare is a federal entitlement program providing reimbursement of a portion of the cost of medical care provided to the elderly.

HUMAN RESOURCES

As of December 31, 1996, the Company had 777 employees, consisting of 608 employees in the Government Operations Group, 108 employees in the Consulting Group and 61 administrative employees. The Company's success depends in large part on attracting, retaining and motivating talented, innovative and experienced professionals at all levels. In connection with its hiring efforts,

the Company employs a full-time human resources coordinator, retains several executive search firms and relies on personal and business contacts to recruit senior level employees for senior management positions in the Government Operations Group and the Consulting Group and for senior administrative positions. When the Company's Government Operations Group is awarded a contract by state or local government, the Company is often under a tight timetable to hire project leaders and case management personnel to meet the needs of the new project. To meet such needs, the Company engages intensive short-term hiring efforts at the project's location. See "Risk Factors -- Reliance on Key Executives" and "-- Attraction and Retention of Employees."

The Company's hiring focus is to identify candidates who are well suited by background and temperament to serve the Company's government clients. The Company's Government Operations employees are largely drawn from government employment positions, while the Consulting Group employees are largely selected from other consulting organizations and government agencies.

MAXIMUS offers employees an internal training program designed to enhance professional skills and knowledge. Offered twice a year, the three-day program includes human resources topics such as cultural sensitivity, sexual harassment and wrongful termination; marketing, proposal writing and public relations; project administration topics, such as contract negotiations, project management, deliverable preparation and client management; and technology updates. In addition, MAXIMUS offers partial tuition reimbursement for employees pursuing relevant degree programs and fully reimburses employees for relevant training seminars and short courses.

The Company promotes loyalty and continuity of its employees by offering packages of base and incentive compensation and benefits that it believes are significantly more attractive than those offered by the government or other government consulting firms in general. In addition, to attract and retain employees, the Company has established several employee benefit plans. See "Management -- Stock Plans" and "-- 401(k) Plan."

LEGAL PROCEEDINGS

On February 3, 1997, Network Six, Inc. ("Network Six") filed a Third-Party Complaint in the State of Hawaii Circuit Court of the First Circuit in which Network Six named the Company, and other parties, as third party defendants in an action by the State of Hawaii against Network Six. In 1991, the Company's Consulting Group was engaged by the State of Hawaii to provide assistance in planning for and monitoring the development and implementation by Hawaii of a statewide automated child support system. In 1993, Hawaii

contracted with Network Six to provide systems development and implementation services for this project. In 1996 the state terminated the Network Six contract for cause and filed an action against Network Six for punitive damages. Network six counterclaimed against Hawaii that the state breached its obligations under the contract with Network Six. In the Third Party Complaint, Network Six alleges that the Company is liable to Network Six on grounds that: (i) Network Six was an intended third party beneficiary under the contract between the Company and Hawaii; (ii) the Company tortiously interfered in the contract between Network Six and Hawaii; (iii) the Company negligently breached duties to Network Six; and (iv) the Company aided and abetted Hawaii in Hawaii's breach of contract. Network Six's complaint seeks $60 million in damages from the Company, which is claimed to represent a decline in Network Six's stock value over an unspecified period. The Company believes Network Six may have filed or may in the future file actions in other jurisdictions asserting similar claims against the Company. The Company believes that Network Six was not an intended third party beneficiary under its contract with Hawaii and that Network Six's claims are without merit. The Company does not believe this action will have a material adverse effect on the Company's business, and it intends to rigorously defend this action.

The Company is not a party to any material legal proceedings, except as set forth above.

FACILITIES

The Company is headquartered in McLean, Virginia, in a 21,000 square foot office building which is owned by the Company. The Company leases office space for other management and administrative functions in connection with the performance of its contracts in various states and foreign countries. On December 31, 1996, the Company conducted operations from twenty leased office facilities totalling 300,000 square feet. See Note 6 of Notes to Financial Statements. The lease terms vary from month-to-month to three-year leases and are at market rates. The Company believes that additional space will be required as the business expands and believes that it will be able to obtain such space as needed.

MANAGEMENT

EXECUTIVE OFFICERS, DIRECTORS AND KEY EMPLOYEES

The Company's executive officers, directors and key employees and their respective ages and positions as of December 31, 1996, are as follows:

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
David V. Mastran(1)	54	President, Chief Executive Officer and Director
Raymond B. Ruddy(1)	53	Chairman of the Board of Directors, Vice President of the Company and President of Consulting Group
Russell A. Beliveau(2)	49	President of Government Operations Group and Director
F. Arthur Nerret	49	Treasurer and Chief Financial Officer
Donna J. Muldoon	54	Vice President of Administrative Services, Secretary and Director
Susan D. Pepin(2)	42	President of Systems Planning and Integration Division and Director
Lynn P. Davenport	49	President of Human Services Division and Director
Robert J. Muzzio	62	Executive Vice President and Director
Ilene R. Baylinson	40	President of Disability Services Division
Edward F. Hilz	51	Chief Information Officer and President of Information Technology Division
David A. Hogan	48	President of Child Support Division
John P. Lau, Sr.	53	President of International Division
Holly A. Payne	44	President of Welfare Reform Division

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(1) Member of the Compensation Committee.

(2) Member of the Audit Committee.

David V. Mastran has served as President and Chief Executive Officer since he founded the Company in 1975. Dr. Mastran received his Sc. D. in Operations Research from George Washington University in 1973, his M.S. in Industrial Engineering from Stanford University in 1966 and his B.S. from the United States Military Academy at West Point in 1965.

Raymond B. Ruddy has served as the Chairman of the Board of Directors since 1985 and President of the Company's Consulting Group since 1986. From 1969 until he joined the Company, Mr. Ruddy served in various capacities with Touche Ross & Co., including, Associate National Director of Consulting from 1982 until 1984 and Director of Management Consulting (Boston, Massachusetts office) from 1978 until 1983. Mr. Ruddy received his M.B.A. from the Wharton School of Business of the University of Pennsylvania and his B.S. in Economics from Holy Cross College.

Russell A. Beliveau has served as the President of the Company's Government Operations Group since 1995. Mr. Beliveau has more than 20 years experience in the Health and Human Services Industry during which he has worked in both government and private sector positions at the senior executive level. Mr. Beliveau's past positions include Vice President of Operations at Foundation Health Corporation of Sacramento, California from 1988 through 1994 and Deputy Associate Commissioner (Medicaid) for the Massachusetts Department of Public Welfare from 1983 until 1988. Mr. Beliveau received his M.B.A. in Business Administration and Management Information Systems from Boston College in 1980 and his B.A. in Psychology from Bridgewater State College in 1974.

F. Arthur Nerret has served as Treasurer and Chief Financial Officer of the Company since 1994 and serves as Trustee of the Company's 401(k) Plan. He has over 24 years of accounting experience as a CPA. From 1981 until he joined the Company, Mr. Nerret held a variety of positions at Frank E. Basil, Inc. in

Washington, D.C. including Vice President, Finance from 1991 to 1994 and Director of Finance from 1989 until 1991. Mr. Nerret received his B.S. in Accounting from the University of Maryland in 1970.

Donna J. Muldoon has served as the Vice President of the Company's Administrative Services Division since 1989 and has served in various administrative capacities since 1978. Before joining the Company, Ms. Muldoon was an Administrative/Top Secret Control Officer with the Department of the Air Force, Logistic Plans and Programs, from 1973 until joining the Company.

Susan D. Pepin has served as the President of the Company's Systems Planning and Integration Division since 1994 and has been with the Company since 1988. She has over 14 years experience in technical management and consulting with a focus on health and human services management information systems. Before joining the Company, Ms. Pepin served as Director of eligibility systems for the Massachusetts Department of Public Welfare from 1984 until 1987 and a Project Leader for Wang Laboratories, Inc. from 1979 until 1984. Ms. Pepin received her B.S. in Home Economics with a concentration in Consumer Studies and a minor in

Business from the University of New Hampshire in 1976.

Lynn P. Davenport has served as the President of the Company's Human Services Division since he joined the Company in 1991 after 17 years of health and human services experience in the areas of administration, productivity improvement, management consulting, revenue maximization and management information systems. Prior to joining the Company, Mr Davenport was employed by Deloitte & Touche, and its predecessor, Touche Ross & Co., in Boston, Massachusetts, where he became a partner in 1987. Mr. Davenport received his M.P.A. in Public Administration from New York University in 1971 and his B.A. in Political Science and Economics from Hartwick College in 1969.

Robert J. Muzzio has served in various positions with the Company since 1979, including Executive Vice President since 1987, and has more than 30 years of experience as a health care administrator, health systems researcher, and personnel and manpower analyst. Prior to joining the Company, Mr. Muzzio held many public and private sector positions in the health care industry, including Life Support Coordinator for the Morrison Knudsen Saudi Arabia Consortium in 1978 and 1979 and Director of the Personnel Policies Division of the Office of the Surgeon General, Department of the Army, from 1976 until 1978. Mr. Muzzio received his M.A. in Health Care Administration from Baylor University in 1967 and his B.A. in Public Health from San Jose State College in 1956.

Ilene R. Baylinson has served as the President of the Company's Disability Services Division since 1995 and as Chief Operating Officer from 1991 to 1995. She has more than 17 years of experience in health and human services program administration. After obtaining her B.A. from John Hopkins University in 1978, Ms. Baylinson worked in a variety of positions for Koba Associates, Inc. of Washington, D.C., including Senior Vice President for Corporate Management, Marketing and Operations from 1989 until her departure and Corporate Vice President/Director, Law and Justice Division from 1985 through 1991.

Edward F. Hilz has served as the Company's Chief Information Officer and President of the Company's Information Technology Division since 1992 and has over 18 years of experience in the areas of research and development, telecommunications, health, marketing, finance and data center management. From 1987 until joining the Company, Mr. Hilz served as Chief Operating Officer of Nationwide Remittance Centers of McLean, Virginia. Previously, Mr. Hilz had worked in a variety of capacities for Martin Marietta Data Systems, Inc. since 1980. Mr. Hilz received a B.S. in Business Administration and Computer Sciences from the University of Baltimore in 1969.

David A. Hogan has served as the President of the Company's Child Support Division since 1994 and served as a Vice President of the division from 1993 until 1994. Prior to joining the Company, Mr. Hogan spent 23 years working in numerous positions for the Washington State Department of Social and Health Services including five years as the State's Child Support Director. Mr. Hogan also served one year as the President of the National Child Support Directors Association. Mr. Hogan received his J.D. from the University of Puget Sound in 1976 and his B.A. from Western Washington University in 1970.

John P. Lau, Sr. has served as the President of the Company's International Division since 1993 and served as President of the Company's Advanced Systems Division from 1989 until 1993. From 1961 until 1988,

Mr. Lau worked in a variety of government and private health care systems organizations in technical, managerial and executive positions. Most recently, Mr. Lau was a Vice President of Modern Psychiatric Systems in Rockville, Maryland in 1988 and 1989 and served from 1968 through 1988 as Consultant to the President of Creative SocioMedics Corporation. Mr. Lau received his M.S. in Physics from Fairleigh Dickinson University in 1968 and his B.S. in Physics from St. Peter's College, Jersey City, New Jersey in 1965.

Holly A. Payne has served in various executive capacities at the Company since 1987 and as President of the Company's Welfare Reform Division since 1995. Ms. Payne has over 21 years of human services programs experience. From 1983 until she joined the Company, Ms. Payne was a Program Manager at Electronic Data Systems Corporation in Bethesda, Maryland and from 1978 until 1983 she worked in several capacities for the Departments of Social Services in Prince William and Fairfax Counties in Virginia. Ms. Payne received her M.S.W. from West Virginia University in 1978 and her B.S. in Family Services from Northern Illinois University in 1975.

BOARD OF DIRECTORS

The Company's Amended and Restated Articles of Incorporation, to be filed concurrently with the closing of this offering, provide for a classified board of directors consisting of three classes, with each class being as nearly equal in number of directors as possible. The Board of Directors currently consists of seven members. The Company expects to increase the size of the Board of Directors within 90 days after the closing of this offering and to fill the newly created seats on the Board of Directors with at least two independent directors.

The term of one class of Directors expires, and their successors are elected for a term of three years, at each annual meeting of the Company's shareholders. The Company has designated two Class I directors (Donna J. Muldoon and Robert Muzzio), two Class II directors (Russell A. Beliveau and Susan D. Pepin) and three Class III directors (David V. Mastran, Raymond B. Ruddy and Lynn P. Davenport). These Class I, Class II and Class III directors will serve until the annual meetings of shareholders to be held in 1998, 1999 and 2000, respectively, and until their respective successors are duly elected and qualified, or until their earlier resignation or removal. The Amended and Restated Articles of Incorporation provide that directors may be removed only for cause by a majority of shareholders. There are no family relationships among any of the directors or executive officers.

Each of Raymond B. Ruddy and David V. Mastran, who will together hold % of the outstanding Common Stock of the Company after giving effect to this offering, has agreed to vote his shares in favor of the election of the other to the Board of Directors, as long as each of such shareholders owns or controls at least 20% of the Company's outstanding Common Stock. See "Agreements with Executives."

BOARD COMMITTEES

The Company's Board of Directors has standing Audit and Compensation Committees but does not have a Nominating Committee. The selection of nominees for the Board of Directors may be made either by the entire Board of Directors or, subject to certain notice provisions contained in the Company's Bylaws, by any shareholder entitled to vote for the election of directors.

The Audit Committee, consisting of Mr. Beliveau and Ms. Pepin was formed in January 1997 and has not held any meetings. The primary function of the Audit Committee is to assist the Board of Directors in the discharge of its duties and responsibilities by providing the Board with an independent review of the financial health of the Company and of the reliability of the Company's financial controls and financial reporting systems. The Audit Committee reviews the general scope of the Company's annual audit, the fees charged by the Company's independent accountants and other matters relating to internal control systems. The Company intends to appoint two independent directors to the Audit Committee.

The Compensation Committee determines the compensation to be paid to all executive officers of the Company, including the Chief Executive Officer. The Compensation Committee also administers the Company's 1997 Equity Incentive Plan, including the grant of stock options and other awards under the

Equity Plan. The Compensation Committee, consisting of Dr. Mastran and Mr. Ruddy, was also formed in January, 1997 and has not held any meetings. The Company intends to appoint two independent directors to the Compensation Committee or to a separate committee that will administer executive officer compensation.

1997 DIRECTOR STOCK OPTION PLAN

All of the directors who are not employees of the Company or of any subsidiary of the Company (the "Eligible Directors") are currently eligible to participate in the Company's 1997 Director Stock Option Plan (the "Director Plan"). Upon the closing of the Company's initial public offering and upon any subsequent election or re-election of an Eligible Director, such director is automatically granted an option to purchase 2,000 shares of Common Stock for each year of the term of office for which such director has been elected (the "Options"). The Options become exercisable with respect to 2,000 shares on the date of grant, and if such Option is for more than 2,000 shares, such Option shall become exercisable as to 2,000 shares on the next, or each of the next two annual meetings of shareholders of the Company, as the case may be. The Options have a term of ten years and an exercise price payable in cash or shares of Common Stock. The exercise price for Options granted under the Director Plan is equal to the last sale price for the Common Stock on the business day immediately preceding the date of grant, as reported on the Nasdaq National Market.

EXECUTIVE COMPENSATION

The following table sets forth certain information concerning compensation paid with respect to services rendered in the fiscal year ended September 30, 1996 to the Company's Chief Executive Officer and four most highly compensated executive officers of the Company, whose total salary for such fiscal year exceeded $100,000 (collectively, the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

ANNUAL

NAME AND PRINCIPAL POSITION	COMPENSATION(1) SALARY	BONUS(2)	ALL OTHER COMPENSATION(3)
<S>	<C>	<C>	<C>
David V. Mastran..... President and Chief Executive Officer	$311,538	$190,039	--
Raymond B. Ruddy..... Chairman of the Board, Vice President of the Company, President of Consulting Services	300,000	177,165	$ 12,000
Ilene R. Baylinson..... President of Disability Services Division	181,731	200,175(4)	6,375
Lynn P. Davenport..... President of Human Services Division	212,884	246,067(4)	6,063
Susan D. Pepin..... President of Systems Planning and Integration Division	184,358	212,883(4)	7,374
</TABLE>			

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(1) In accordance with the rules of the Securities and Exchange Commission, other compensation in the form of perquisites and other personal benefits has been omitted in those instances where the aggregate amount of such perquisites and other personal benefits constituted less than the lesser of $50,000 or 10% of the total amount of annual salary and bonus for the executive officer for the year ended September 30, 1996.

(2) Bonuses earned for the year ended September 30, 1996 were paid on September 30, 1996 for Mr. Ruddy and Ms. Baylinson, on October 21, 1996 for Dr. Mastran, and on December 19, 1996 for Mr. Davenport and Ms. Pepin.

(3) The figures in this column represent the amount contributed by the Company to the employee under the Company's 401(k) Plan.

(4) Excludes rights to purchase shares of Common Stock at the price of per share granted to Ms. Baylinson, Mr. Davenport and Ms. Pepin as part of their compensation for the year ended September 30, 1996. Such purchase rights applied to 34,650, 110,000 and 110,000 shares for Ms. Baylinson, Mr. Davenport and Ms. Pepin, respectively. These executives surrendered their purchase rights in exchange for options granted on January 31, 1997 under the 1997 Equity Incentive Plan exercisable for the same number of shares at an exercise price of per share.

STOCK PLANS

1997 Equity Incentive Plan. The Company's 1997 Equity Incentive Plan (the "Equity Plan") authorizes the grant of incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and non-qualified stock options for the purchase of an aggregate of 1,000,000 shares (subject to adjustment for stock splits and similar capital changes) of Common Stock to employees of the Company and, in the case of non-qualified stock options, to consultants of the Company or any Affiliate (as defined in the Equity Plan) capable of contributing to the Company's performance. Grants of options under the Equity Plan and all questions of interpretations with respect to the Equity Plan are determined by the Board of Directors of the Company. The Board of Directors has appointed the Compensation Committee to administer the Equity Plan. As of the date of this Prospectus, options to purchase 403,975 shares had been granted under the Equity Plan.

1997 Employee Stock Purchase Plan. The Company has also adopted an employee stock purchase plan (the "Purchase Plan") under which employees may purchase shares of Common Stock at a discount from fair market value. There are 500,000 shares of Common Stock reserved for issuance under the Purchase Plan. To date, no shares of Common Stock have been issued under the Purchase Plan. The Purchase Plan is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Code. Rights to purchase Common Stock under the Purchase Plan are granted at the discretion of the Compensation Committee, which determines the frequency and duration of individual offerings under the Plan and the dates on which stock may be purchased. Eligible employees participate voluntarily and may withdraw from any offering at any time before stock is purchased. Participation terminates automatically upon termination of employment. The purchase price per share of Common Stock in an offering is 85% of the lesser of its fair market value at the beginning of the offering period or on the applicable exercise date and may be paid through payroll deductions, periodic lump sum payments or a combination of both. The Purchase Plan terminates on January 31, 2007. No shares have been or will be issued under the Purchase Plan until after the closing of this offering.

401(K) PLAN

The Company has a 401(k) savings and retirement plan (the "401(k) Plan") which covers substantially all employees of the Company. The 401(k) Plan allows participants to agree to certain salary deferrals which the Company allocates to the participants' plan account. These amounts may not exceed statutorily

mandated annual limits set forth in the Internal Revenue Code of 1986, as amended. During the Company's most recent fiscal year, the Company matched employee contributions to the 401(k) Plan dollar-for-dollar for the first four percent of the employee's gross salary contributed to the plan per calendar year.

AGREEMENTS WITH EXECUTIVES

Before the closing of this offering, the Company will have entered into Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreements with Dr. Mastran, Mr. Ruddy, Mr. Beliveau, Ms. Baylinson, Ms. Pepin and Mr. Davenport (each, an "Executive Agreement") pursuant to which each individual will agree to serve as an officer of the Company. Pursuant to the terms of the Executive Agreements, the officer will be entitled to a base salary and a year end bonus consistent with the Company's past practices. The initial base salary for each of Dr. Mastran, Mr. Ruddy, Mr. Beliveau, Ms. Baylinson, Ms. Pepin and Mr. Davenport will be $350,000, $350,000, $237,500, $182,000, $220,000 and $250,000, respectively. The term of the employment obligation under each Executive Agreement will be four years subject to the right of the Company to terminate each officer if the officer breaches any material duty or obligation to the Company or engages in certain other proscribed conduct. Each Executive Agreement also will provide that the officer will not compete with the Company for four years and will maintain the Company's trade secrets in strict confidence. In addition, the Executive Agreements will restrict the ability of each officer to sell or transfer shares of Common Stock of the Company held by such officer during a four year period following this offering and will grant to the officer certain piggyback registration rights with respect to such shares. See "Shares Eligible for Future Sale."

In the Executive Agreements with each of Raymond B. Ruddy and David V. Mastran, such executives will agree to vote their shares in favor of the election of the other to the Board of Directors, as long as each of such executives owns or controls at least 20% of the outstanding Common Stock. In addition, Mr. Ruddy will agree in his Executive Agreement to vote his shares of Common Stock in a manner consistent with instructions received from Dr. Mastran during the four year period commencing on the closing of this offering.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee was not in existence prior to January 1997. Accordingly, Dr. Mastran and Messrs. Ruddy and Beliveau consulted one another regarding executive officer compensation matters, with Dr. Mastran retaining sole responsibility for any and all final decisions.

CERTAIN TRANSACTIONS

In January 1995, the Company loaned to Russell A. Beliveau, President of Government Operations Group and a Director of the Company, the aggregate principal amount of $64,860, evidenced by an interest bearing promissory note. The note was repaid in full in September 1996.

In May 1995, the Company entered into a Stock Purchase Agreement with Raymond B. Ruddy, under which the parties agreed that the Company will purchase up to 2,878,040 of Mr. Ruddy's shares of Common Stock over a four year period, subject to various conditions including an election by Mr. Ruddy after each fiscal year end to demand such sale. This agreement will terminate upon completion of this offering.

In March, 1996, the Company loaned to Lynn P. Davenport, President of Human Services Division, the aggregate principal amount of $85,000, evidenced by an interest bearing promissory note. The note was repaid in full in January 1997.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of Common Stock immediately prior to this offering, and as adjusted to reflect the sale of the shares offered hereby, by: (i) each person known by the Company to own beneficially five percent or more of the outstanding shares of Common Stock; (ii) each of the Company's directors; (iii) each of the Named Executive Officers; (iv) each Selling Shareholder; and (v) all directors and executive officers of the Company as a group. The Company believes that each person named below has sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by such holder, subject to community property laws where applicable. Unless otherwise indicate, each of the Company's shareholders has an address in care of the Company's principal executive offices.

<TABLE>
<CAPTION>

	BENEFICIAL OWNERSHIP PRIOR TO		BENEFICIAL OWNERSHIP

NAME	OFFERING(1)(2) NUMBER OF SHARES	PERCENT	NUMBER OF SHARES BEING OFFERED(2)	AFTER OFFERING(1) NUMBER OF SHARES	PERCENT
<S>	<C>	<C>	<C>	<C>	<C>
David V. Mastran	6,050,000	54.5%			
Raymond B. Ruddy	4,088,370	36.8			
Russell A. Beliveau	253,000	2.3			
F. Arthur Nerret	4,125	*			
Ilene R. Baylinson	48,400	*			
Lynn P. Davenport	343,200	3.1			
Donna J. Muldoon	116,325	1.0			
Susan D. Pepin	288,200	2.6			
Robert J. Muzzio	143,550	1.3			
All Directors and Executive Officers as a group (9 persons)	11,335,170	99.6			
Paul G. Buckley(3)	1,100	*			
William F. Dinneen	6,050	*			
Kevin Dorney	15,675	*			
Edward F. Hilz	4,950	*			
David A. Hogan	11,000	*			
John P. Lau, Sr	11,550	*			
Alice Meana	4,125	*			
Holly A. Payne	10,450	*			
Philip A. Richardson	15,675	*			
Robert L. Sarno	4,950	*			
Catherine Tracy	4,125	*			
Michael C. Truby	9,075	*			

</TABLE>

- ---

* Less than 1%

(1) Applicable percentage of ownership prior to this offering is based upon 11,109,945 shares of Common Stock outstanding. For ownership after completion of this offering, applicable percentage ownership is based on shares of Common Stock outstanding and assumes no exercise of the Underwriters' over-allotment option. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, and includes voting and investment power with respect to the shares shown as beneficially owned. Number of shares of Common Stock deemed beneficially owned by any person includes outstanding shares of Common Stock held by such person and any shares of Common Stock issuable upon exercise of stock options held by such person exercisable within 60 days. Upon the closing of this offering, each of the following Selling Shareholders will beneficially own fully exercisable options to purchase that number of shares of Common Stock set forth after his or her respective name:

Ms. Baylinson, 34,650; Mr. Beliveau, 12,100; Mr. Davenport, 110,000; Mr. Dinneen, 2,750; Mr. Dorney, 8,800; Mr. Hilz, 2,200; Mr. Hogan, 6,050; Mr. Lau, 5,225; Ms. Meana, 2,200; Ms. Muldoon, 3,575; Mr. Muzzio, 3,575; Mr. Nerret, 1,925; Ms. Payne, 3,575; Ms. Pepin, 110,000; Mr. Richardson, 8,880; Mr. Sarno, 2,200; Ms. Tracy, 2,750; and Mr. Truby, 3,575. All directors and executive officers as a group are deemed to beneficially own an aggregate of shares of Common Stock issuable upon the exercise of options which will be fully exercisable within 60 days.

(2) If the over-allotment option is exercised in full, each of the following Selling Shareholders will sell that number of additional shares of Common Stock set forth after his or her respective name equal to an aggregate of shares of Common Stock: Ms. Baylinson, ; Mr. Beliveau, ; Mr. Buckley, ; Mr. Davenport, ; Mr. Dinneen, ; Mr. Dorney, ; Mr. Hilz, ; Mr. Hogan, ; Mr. Lau, ; Dr. Mastran, ; Ms. Meana, ; Ms. Muldoon, ; Mr. Muzzio, ; Mr. Nerret, ; Ms. Payne, ; Ms. Pepin, ; Mr. Richardson, ; Mr. Ruddy, ; Mr. Sarno, ; Ms. Tracy, ; and Mr. Truby, .

(3) Mr. Buckley's address is 34 Keeling Road, Wakefield, MA 01880.

DESCRIPTION OF CAPITAL STOCK

The following summary describes the material terms of the Company's Common Stock. Such summary is subject to, and qualified in its entirety by, applicable law and the provisions of the Company's Amended and Restated Articles of Incorporation (the "Restated Articles") and the Company's Amended and Restated By-Laws (the "Restated By-Laws"), each to be effective immediately prior to the closing of this offering and both of which are included as exhibits to the Registration Statement of which this Prospectus is a part. See "Additional Information." The authorized capital stock of the Company consists of 30,000,000 shares of Common Stock, no par value per share, of which 11,109,945 shares were

outstanding immediately prior to this offering.

COMMON STOCK

Holders of Common Stock are entitled to one vote for each share held on all matters submitted to a vote of shareholders and do not have cumulative voting rights. Accordingly, holders of a majority of the outstanding shares of Common Stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of funds legally available therefor. Upon the liquidation, dissolution or winding-up of the Company, holders of Common Stock are entitled to receive ratably the net assets of the Company available for distribution after the payment of all debts and other liabilities of the Company. Holders of Common Stock have no preemptive, subscription, redemption or conversion rights. The outstanding shares of Common Stock are, and the shares offered hereby will be, when issued and paid for, fully paid and nonassessable. The rights, preferences and privileges of holders of Common Stock are subject to, and may adversely be affected by, the rights of holders of shares of any series of Preferred Stock that the Company may authorize, designate and issue in the future.

Prior to this offering the outstanding Common Stock was held of record by 21 shareholders. After giving effect to the issuance of the shares of Common Stock offered by the Company (assuming no exercise of the Underwriters' overallotment option), there will be shares of Common Stock outstanding.

LIMITATION OF LIABILITY

The Restated By-Laws limit the liability of the Company's directors and officers to the maximum extent permitted by Virginia law. Thus, the directors and officers of the Company shall not be personally liable to the Company or its shareholders for any breach of any duty based upon any act or omission, except for an act or omission; (i) resulting from such person's willful misconduct; or (ii) in knowing violation of criminal law or any federal or state securities law.

ANTI-TAKEOVER PROVISIONS OF THE ARTICLES OF INCORPORATION AND BY-LAWS

The Restated Articles prohibit the Company's shareholders from taking any action, or consenting to any action, by unanimous written consent without a meeting. The Company's Restated Articles also provide that the directors of the Company shall be classified into three classes, with staggered three-year terms. See "Management -- Board of Directors." Any director may be removed only for cause upon the affirmative vote of at least a majority of the shares entitled to vote for the election of directors.

The Company's Restated By-Laws provide that for nominations for the Board of Directors or for other business to be properly brought by a shareholder before a meeting of shareholders, the shareholder must first have given timely notice thereof in writing to the Chairman of the Board, if any, the President or the Secretary of the Company. To be timely, a notice must be delivered to or mailed and received not less than 45 days before the meeting of the shareholders; provided, however, that if less than 60 days notice or prior public disclosure of the date of the meeting is given to shareholders, notice by the shareholder, to be timely, must be received no later than the close of business on the 15th day following the day on which such notice or public disclosure of the meeting date was made. The notice must contain, among other things, certain information about the shareholder delivering the notice and, as applicable, background information about each nominee or a description of the proposed business to be brought before the meeting. The Company's Restated By-Laws

also provide that special meetings of shareholders may be called only by the President or a majority of the Board of Directors of the Company. These provisions could have the effect of delaying, until the next annual shareholders meeting, holder actions that are favored by the holders of a majority of the outstanding voting securities of the Company.

The foregoing provisions could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, control of the Company.

ANTI-TAKEOVER PROVISIONS OF VIRGINIA LAW

Restrictions on Affiliated Transactions. The Virginia Stock Corporation Act (the "VSCA") requires the approval of certain material transactions (an "Affiliated Transaction") between a Virginia corporation and any beneficial holder of more than 10% of any class of its outstanding voting shares (an "Interested Shareholder") by the other holders of voting shares. Affiliated Transactions include any merger, share exchange or material disposition of corporate assets not in the ordinary course of business involving an Interested Shareholder, any dissolution of the corporation proposed by or on behalf of an

Interested Shareholder, or any reclassification, including reverse stock splits, recapitalizations or mergers of the corporation with its subsidiaries which increases the percentage of voting shares owned beneficially by an Interested Shareholder by more than 5%.

These provisions were designed to deter certain takeovers of Virginia corporations. In addition, the statute provides that, by affirmative vote of a majority of the voting shares other than shares owned by any Interested Shareholder, a corporation can adopt an amendment to its articles of incorporation or bylaws providing that the Affiliated Transactions provisions shall not apply to the corporation. On February , 1997, the Company, by action of its shareholders, adopted such an amendment to its Articles of Incorporation. The amendment will become effective eighteen months after the date of its adoption. Any subsequent amendment eliminating the election not to be governed by this statute would not restrict an Affiliated Transaction between the Company and an Interested Shareholder existing at the time of such subsequent amendment.

Voting Restrictions Arising from Control Share Acquisitions. The VSCA also contains provisions governing "Control Share Acquisitions." These provide that shares of a Virginia public issuer acquired in a transaction that would cause the voting strength of the acquiring person and its associates to meet or exceed any of three thresholds (20%, 33 1/3% or 50%) have no voting rights unless granted by a majority vote of shares not owned by the acquiring person or any officer or employee-director of the Virginia public issuer. An acquiring person may require the Virginia public issuer to hold a special meeting of shareholders to consider the matter within 50 days of the request. The Company has "opted out" of the Control Share Acquisitions provisions.

Fiduciary Duty of Directors. The provisions of the VSCA governing Affiliated Transactions and those governing Control Share Acquisitions explicitly provide a statutory standard of care for directors, which applies to all aspects of a Board's actions in responding to a tender offer. Specifically, the VSCA states that a director shall discharge his duties as a director in accordance with his good faith business judgment of the best interests of the corporation, and, in determining the best interests of the corporation, a director may consider the possibility that those interests may best be served by the continued independence of the corporation.

TRANSFER AGENT

The transfer agent and registrar for the Common Stock is .

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, the Company will have shares of Common Stock outstanding, assuming no exercise of the Underwriters' over-allotment option or of any other outstanding options, warrants or other rights to purchase Common Stock. Of these shares, the shares sold in this offering will be freely tradable, without restriction or further registration under the Securities Act, except for shares purchased by "affiliates" of the Company as that term is defined in Rule 144 under the Securities Act. In general, affiliates include directors, executive officers and holders of 10% or more of the outstanding Common Stock.

The remaining outstanding shares of Common Stock are owned by existing shareholders and are deemed "Restricted Shares" under Rule 144. These may not be resold, except pursuant to an effective registration statement or an applicable exemption from registration. Upon expiration of the 180 day lock-up agreements described below, shares will be eligible for sale under Rules 144 and 701.

In general, under Rule 144, as currently in effect, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned Restricted Shares for at least two years from the later of the date such Restricted Shares were acquired from the Company and (if applicable) the date they were acquired from an affiliate, is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of 1% of the then outstanding shares of Common Stock or the average weekly trading volume in the public market during the four calendar weeks preceding such sale. Since the Restricted Shares were acquired in connection with the stockholder's employment pursuant to an exemption from registration under Rule 701 of the Securities Act, but for the lock-up agreements discussed below such Restricted Shares would be eligible for sale under Rule 144 90 days after the effective date of this offering regardless of when such Restricted Shares were acquired. Except in the case of Restricted Shares held by persons other than affiliates for more than three years, sales under Rule 144 are also subject to certain requirements as to the manner of sale. In addition, sales of Restricted Shares and any other shares of Common Stock held by affiliates under Rule 144 are subject to notice of sale, the availability of public information concerning the Company and volume limitations.

The Company's directors and executive officers and its existing

shareholders have agreed that they will not, without the prior consent of Donaldson, Lufkin & Jenrette Securities Corporation offer to sell, sell, contract to sell, grant any options to sell or otherwise dispose of or require the Company to file with the Commission a registration statement under the Act to register any shares of Common Stock during the 180-day period following the effective date of the Registration Statement. In addition, pursuant to the Executive Agreements, Dr. Mastran, Mr. Ruddy, Mr. Beliveau, Ms. Baylinson, Ms. Pepin and Mr. Davenport have agreed for the four year period commencing at the closing of this offering not to offer, sell, assign, grant a participation in, pledge or otherwise transfer any of their respective shares of Common Stock of the Company without the prior written consent of the Company other than: (i) to certain permitted transferees; (ii) as may be required by applicable federal or state law or regulation; or (iii) pursuant to a registration of such shares. Because these agreements will be between the Company and each executive officer and may be waived by the Company at any time, investors should not rely on the stock restrictions contained therein.

At the completion of this offering, Dr. Mastran, Mr. Ruddy, Mr. Beliveau, Ms. Baylinson, Ms. Pepin and Mr. Davenport (the "Rightsholders"), will be entitled to certain piggyback rights with respect to registration under the Securities Act, for resale to the public, of an aggregate of shares of Common Stock (collectively, the "Registrable Shares") under the terms of each Rightsholder's Executive Agreement with the Company. If the Company proposes to register shares of Common Stock in an underwritten offering under the Securities Act, the Rightsholders will be entitled to include Registrable Shares in such registration, subject to certain conditions and limitations, which include the right of the managing underwriter of any such offering to exclude Registrable Shares from such registration; provided, however, that the Registrable Shares shall not be reduced to less than an amount equal to 25% of the total number of shares to be registered

The Company plans to file registration statements under the Securities Act to register 1,000,000, 100,000 and 500,000 shares of Common Stock issuable under the Equity Plan, the Director Plan and the Stock Purchase Plan, respectively. Upon registration, such shares are eligible for immediate resale upon exercise, subject, in the case of affiliates, to the volume and notice requirements of Rule 144.

No prediction can be made as to the effect, if any, that sales of additional shares or the availability of such additional shares for sale will have on the market price of the Common Stock. No assurance can be given, however, that sales of substantial amounts of Common Stock in the public market will not have an adverse impact on the market price for the Common Stock. See "Risk Factors -- Shares Eligible for Future Sale."

UNDERWRITING

Subject to certain terms and conditions of the Underwriting Agreement, the underwriters named below (the "Underwriters"), for whom Donaldson, Lufkin & Jenrette Securities Corporation and Lehman Brothers Inc. are acting as Representatives (the "Representatives"), have severally agreed to purchase from the Company and the Selling Shareholders, and the Company and the Selling Shareholders have agreed severally to sell to each of the Underwriters, the number of shares of Common Stock (the "Shares") set forth opposite their respective names at the initial public offering price per share less the underwriting discounts and commissions set forth on the cover of this Prospectus.

<TABLE>
<CAPTION>

UNDERWRITERS	NUMBER OF SHARES
<S>	<C>
Donaldson, Lufkin & Jenrette Securities Corporation.....	
Lehman Brothers Inc.....	
Total.....	

</TABLE>

The Underwriting Agreement provides that the obligations of the several Underwriters to purchase the Shares are subject to approval of certain legal matters by their counsel and to certain other conditions. If any of the Shares are purchased by the Underwriters pursuant to the Underwriting Agreement, the Underwriters are obligated to purchase all Shares (other than those covered by

the over-allotment option described below).

The Company and the Selling Shareholders have been advised by the Underwriters that they propose to offer the Shares to the public initially at the price to the public set forth on the cover page of this Prospectus and to certain dealers at such price, less a concession not in excess of $ per Share. The Underwriters may allow, and such dealers may re-allow, a concession not in excess of $ per Share to certain other dealers. After this offering, the offering price and other selling terms may be changed by the Underwriters.

Pursuant to the Underwriting Agreement, certain Selling Shareholders have granted to the Underwriters an option, exercisable not later than 30 calendar days from the date of the Underwriting Agreement, to purchase up to an aggregate of additional Shares at the initial offering price set forth on the cover page of this Prospectus, less the underwriting discounts and commissions, solely to cover over-allotments.

To the extent that the Underwriters exercise such option, each of the Underwriters will have a firm commitment to purchase approximately the same percentage of the option shares as the number of Shares to be purchased by it shown in the above table bears to the total number of Shares shown in the above table, and the Selling Shareholders will be obligated, pursuant to the option, to sell such shares to the Underwriters. The Underwriters may exercise such option only to cover over-allotments made in connection with the sale of the Shares. If purchased, the Underwriters will sell such additional shares on the same terms as those on which the Shares are being offered.

The Underwriting Agreement contains covenants of indemnity among the Underwriters, the Company and the Selling Shareholders against certain civil liabilities, including liabilities under the Securities Act.

The Company and each of its shareholders, executive officers and directors who will own in the aggregate shares of Common Stock after this offering (assuming no exercise of the Underwriters' over-allotment option), each have agreed that during the 180-day period after the date of this Prospectus they will not,

without the prior written consent of Donaldson, Lufkin & Jenrette Securities Corporation, sell, offer to sell, contract to sell, grant any options to purchase or otherwise dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, other than the Shares, except that the Company may issue shares upon the exercise of stock options granted prior to the execution of the Underwriting Agreement, and may grant additional options under the Equity Plan, provided that, without the prior written consent of Donaldson, Lufkin & Jenrette Securities Corporation, such options shall not be exercisable during such period.

The Representatives have informed the Company and the Selling Shareholders that the Underwriters do not intend to confirm sales to any discretionary accounts without prior specific written approval of the client.

Prior to this offering, there has been no public market for the shares of Common Stock. The initial public offering price will be negotiated among the Company, the Selling Shareholders and the Representatives. Among the factors to be considered in determining the initial public offering price of the Common Stock, in addition to prevailing market conditions, are the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuations of companies in related businesses.

LEGAL MATTERS

The validity of the shares of Common Stock offered hereby will be passed upon for the Company by Palmer & Dodge LLP, Boston, Massachusetts. Certain legal matters in connection with this offering will be passed upon for the Underwriters by Winston & Strawn, Chicago, Illinois.

EXPERTS

The financial statements of the Company as of September 30, 1995 and 1996 and for each of the three years in the period ended September 30, 1996 included in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon appearing elsewhere herein, and are included in reliance on such report given upon the authority of such firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-1 (the "Registration Statement") under the Securities Act, with respect to the shares of Common Stock offered hereby. This Prospectus does not contain all of the information set

forth in the Registration Statement and the exhibits and schedules thereto. For further information with respect to the Company and the Common Stock offered hereby, reference is made to the Registration Statement and the exhibits and schedules thereto. Statements made in this Prospectus as to the contents of any contract, agreement or other document filed as an exhibit to the Registration Statement are not necessarily complete, and in each such instance reference is made to the copy of such document filed as an exhibit to the Registration Statement, each such statement being deemed qualified in its entirety by such reference. A copy of the Registration Statement may be inspected without charge at the principal office of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, and copies of all or any part thereof may be obtained from the Commission upon the payment of certain fees prescribed by the Commission. Such reports and other information can also be reviewed through the Commission's Web site on the Internet (http://www.sec.gov).

"Helping Government Serve the People" and MAXSTAR are trademarks of the Company. All other trademarks and registered trademarks used in this Prospectus are the property of their respective owners.

MAXIMUS, INC.

INDEX TO FINANCIAL STATEMENTS

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<CAPTION>

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
MAXIMUS, Inc.

We have audited the accompanying balance sheets of MAXIMUS, Inc. as of September 30, 1995 and 1996 and the related statements of income, changes in redeemable common stock and retained earnings, and cash flows for each of the three years in the period ended September 30, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MAXIMUS, Inc. at September 30, 1995 and 1996 and the results of its operations and its cash flows for each of the three years in the period ended September 30, 1996, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

Washington, D.C.
February 7, 1997

MAXIMUS, INC.

BALANCE SHEETS
(DOLLARS IN THOUSANDS)

<TABLE>

<CAPTION>

	SEPTEMBER 30,		DECEMBER 31,	PRO FORMA DECEMBER 31,
	1995	1996	1996	1996
			(UNAUDITED)	(UNAUDITED -- NOTE 3)
<S>	<C>	<C>	<C>	<C>
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,502	$ 2,326	$ 4,164	$ 4,164
Short-term investments	--	1,007	1,007	1,007
Accounts receivable, net	15,941	25,352	29,937	29,937
Costs and estimated earnings in excess of billings	776	2,949	4,847	4,847
Prepaid expenses and other current assets	354	605	604	604
Total current assets	19,573	32,239	40,559	40,559
Property and equipment at cost:				
Land	662	662	662	662
Building and improvements	1,627	1,676	1,679	1,679
Office furniture and equipment	913	1,206	1,212	1,212
Leasehold improvements	188	188	188	188
	3,390	3,732	3,741	3,741
Less: Accumulated depreciation and amortization	(810)	(1,096)	(1,166)	(1,166)
Total property and equipment, net	2,580	2,636	2,575	2,575
Other assets	517	618	722	722
Total assets	$22,670	$35,493	$ 43,856	$ 43,856
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 2,200	$ 2,043	$ 4,415	$ 4,415
Accrued compensation and benefits	793	1,912	2,829	2,829
Billings in excess of costs and estimated earnings	3,118	5,208	6,527	6,527
Income taxes payable	41	19	46	46
Deferred income taxes	237	357	387	1,090
Dividend payable	--	--	--	17,500
Total current liabilities	6,389	9,539	14,204	32,407
Deferred income taxes	--	--	--	4,584
Commitments and contingencies (Notes 6, 9 and 10)				
Redeemable common stock:				
No par value; 30,000,000 shares authorized; 11,210,870, 11,453,145, 11,453,145 shares issued and outstanding, at redemption amount	10,575	16,757	18,790	--
Shareholders' equity:				
Common stock, no par value; 30,000,000 shares authorized; 11,453,145 pro forma shares issued and outstanding, at stated amount	--	--	--	6,865
Retained earnings	5,706	9,197	10,862	--
Total shareholders' equity	5,706	9,197	10,862	6,865
Total liabilities and shareholders' equity	$22,670	$35,493	$ 43,856	$ 43,856

</TABLE>

See notes to financial statements.

MAXIMUS, INC.

STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

	YEARS ENDED SEPTEMBER 30,			THREE MONTHS ENDED DECEMBER 31,	
	1994	1995	1996	1995	1996
				(UNAUDITED)	(UNAUDITED)
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	$29,860	$51,963	$103,113	$16,700	$37,244
Cost of revenues	21,716	36,071	78,429	12,027	29,534
Gross profit	8,144	15,892	24,684	4,673	7,710
Selling, general and administrative expenses	6,979	9,078	13,104	2,742	4,039
Income from operations	1,165	6,814	11,580	1,931	3,671
Interest and other income	80	169	264	53	84

Income before income taxes.....	1,245	6,983	11,844	1,984	3,755
Provision (benefit) for income taxes.....	(5)	124	225	40	57
Net income.....	$ 1,250	$ 6,859	$ 11,619	$ 1,944	$ 3,698
Pro forma data (Unaudited -- Note 3)					
Historical income before income taxes.....			$ 11,844		$ 3,755
Pro forma income tax expense.....			4,738		1,502
Pro forma net income.....			$ 7,106		$ 2,253
Pro forma net income per share.....			$ 0.59		$ 0.19
Shares used in computing pro forma net income per share.....			12,078		12,113

See notes to financial statements.

MAXIMUS, INC.

STATEMENTS OF CHANGES IN REDEEMABLE COMMON STOCK AND RETAINED EARNINGS

(DOLLARS IN THOUSANDS)

	REDEEMABLE COMMON STOCK	RETAINED EARNINGS
Balance at September 30, 1993.....	$ 6,971	$ 2,484
Purchase of redeemable common stock from employees.....	(293)	--
Issuance of redeemable common stock to employees.....	148	--
Net income.....	--	1,250
Adjustment to redemption value of redeemable common stock.....	63	(63)
S Corporation distributions.....	--	(750)
Balance at September 30, 1994.....	6,889	2,921
Purchase of redeemable common stock from employees.....	(548)	--
Issuance of redeemable common stock to employees.....	277	--
Net income.....	--	6,859
Adjustment to redemption value of redeemable common stock.....	3,957	(3,957)
S Corporation distributions.....	--	(117)
Balance at September 30, 1995.....	10,575	5,706
Issuance of redeemable common stock to employees.....	229	--
Net income.....	--	11,619
Adjustment to redemption value of redeemable common stock.....	5,953	(5,953)
S Corporation distributions.....	--	(2,175)
Balance at September 30, 1996.....	16,757	9,197
Net income (unaudited).....	--	3,698
Adjustment to redemption value of redeemable common stock (unaudited).....	2,033	(2,033)
Balance at December 31, 1996 (unaudited).....	$ 18,790	$ 10,862

See notes to financial statements.

MAXIMUS, INC.

STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	YEARS ENDED SEPTEMBER 30,			THREE MONTHS ENDED DECEMBER 31,	
	1994	1995	1996	1995 (UNAUDITED)	1996 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income.....	$ 1,250	$ 6,859	$11,619	$ 1,944	$ 3,698
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation.....	172	168	307	51	70

(DOLLARS IN THOUSANDS, EXCEPT SHARE AMOUNTS)

Other	145	(134)	(22)	--	--
Changes in assets and liabilities:					
Accounts receivable, net	(3,162)	(6,646)	(9,411)	(1,454)	(4,585)
Costs and estimated earnings in excess of billings	195	1,587	(2,173)	(1,379)	(1,898)
Prepaid expenses and other current assets	(166)	245	(251)	(68)	1
Other assets	(189)	(124)	(101)	(27)	(104)
Accounts payable	(271)	1,680	(157)	455	2,372
Accrued compensation and benefits	109	161	1,119	1,194	917
Billings in excess of costs and estimated earnings	2,405	(1,154)	2,090	771	1,319
Income taxes payable	(23)	41	(22)	(34)	27
Deferred income taxes	(20)	62	120	74	30
Net cash provided by operating activities	445	2,745	3,118	1,527	1,847
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property and equipment	(317)	(180)	(348)	(60)	(9)
Purchase of short-term investments	--	--	(1,000)	--	--
Net cash used in investing activities	(317)	(180)	(1,348)	(60)	(9)
CASH FLOWS FROM FINANCING ACTIVITIES:					
S Corporation distributions	(750)	(117)	(2,175)	(104)	--
Redeemable common stock purchased	(293)	(548)	--	--	--
Redeemable common stock issued	148	277	229	114	--
Net cash provided by (used in) financing activities	(895)	(388)	(1,946)	10	--
Net increase (decrease) in cash and cash equivalents	(767)	2,177	(176)	1,477	1,838
Cash and cash equivalents, beginning of year	1,092	325	2,502	2,502	2,326
Cash and cash equivalents, end of year	$ 325	$ 2,502	$ 2,326	$ 3,979	$ 4,164

</TABLE>

See notes to financial statements.

1. DESCRIPTION OF BUSINESS

MAXIMUS, Inc. (the "Company") provides a wide range of program management and consulting services to federal, state and local government health and human services agencies. The Company conducts its operations through two groups. The Government Operations Group administers and manages government health and human services programs, including welfare-to-work and job readiness, child support enforcement, managed care enrollment and disability services. The Consulting Group provides health and human services planning, information technology consulting, strategic program evaluation, program improvement, communications planning and assistance in identifying and collecting previously unclaimed federal welfare revenues.

The Company operates predominantly in the United States. Revenues from foreign-based projects were less than 10% for the year ended September 30, 1996.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a description of the Company's more significant accounting policies.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes, in particular, estimates used in the earnings recognition process. Actual results could differ from those estimates.

Revenue Recognition

The Company generates revenues under various arrangements, generally long-term contracts under which revenues are based on costs incurred plus a negotiated fee, a fixed price or various performance-based criteria. Revenues for cost-plus contracts are recorded as costs are incurred and include a pro

rata amount of the negotiated fee. Revenues on long-term fixed price and performance-based contracts are recognized as costs are incurred. The timing of billing to clients varies based on individual contracts and often differs from the period of revenue recognition. These differences are included in costs and estimated earnings in excess of billings and billings in excess of costs and estimated earnings.

Management reviews the financial status of its contracts periodically and adjusts revenues to reflect the current expectations on realization of costs and estimated earnings in excess of billings. Provisions for estimated losses on incomplete contracts are provided in full in the period in which such losses become known. The Company has various fixed price and performance-based contracts that may generate profit in excess of the Company's expectations. The Company recognizes additional revenue and profit in these situations after management concludes that substantially all of the contractual risks have been eliminated, which generally is at task or contract completion.

Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Short-Term Investments

Short-term investments consist of interest bearing investments with maturities of less than one year but greater than three months when purchased. These investments are readily convertible to cash and are stated at fair value.

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method based on estimated useful lives of 32 years for the Company's building and between three and ten years for office furniture and equipment. Amortization of leasehold improvements is provided using the straight-line method over the lesser of the life of the improvement or the remaining term of the lease.

Income Taxes

Effective October 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (SFAS 109). The cumulative effect of the change in accounting principle was not material and is included in the provision for income taxes for the year ended September 30, 1994. Under SFAS 109, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse.

The Company and its shareholders have elected to be treated as an S corporation under the Internal Revenue Code. Under the provisions of the tax code, the Company's shareholders include their pro rata share of the Company's income in their personal income tax returns. Accordingly, the Company was not subject to federal and most state income taxes during the periods presented. The Company currently anticipates completing an initial public offering of its common stock in 1997 (the "IPO"), which will result in the termination of the Company's S corporation status.

Fair Value of Financial Instruments

The Company considers the recorded value of its financial assets and liabilities, which consist primarily of cash and cash equivalents, short-term investments, accounts receivable and accounts payable, to approximate the fair value of the respective assets and liabilities at September 30, 1995 and 1996.

Interim Financial Information

The financial statements as of December 31, 1996 and for the three months ended December 31, 1995 and 1996 are unaudited and have been prepared on the same basis as the audited financial statements included herein. In the opinion of management, the unaudited financial statements include all adjustments, consisting only of normal recurring items, necessary to present fairly the periods indicated. Results of operations for the interim period ended December 31, 1996 are not necessarily indicative of the results for the full fiscal year.

3. PRO FORMA INFORMATION (UNAUDITED)

Pro Forma Balance Sheet

The pro forma balance sheet of the Company as of December 31, 1996 reflects

the declaration of a dividend payable to the shareholders, a reclassification of redeemable common stock to reflect elimination of the Company's obligation to purchase its common shares from the shareholders, and the net deferred tax liability which would have been recorded by the Company if its S corporation status was terminated at that date.

The Company will pay a dividend to its shareholders in connection with the IPO. The dividend (estimated at $17,500) will be paid in part from available cash and in part from proceeds of the offering.

Upon completion of the IPO, the Company's obligation to purchase common shares from its shareholders will terminate. Accordingly, amounts classified as redeemable common stock will be reclassified into shareholders' equity.

The pro forma net deferred tax liability represents the tax effect of the cumulative differences between the financial reporting and income tax basis of certain assets and liabilities as of December 31, 1996. The actual net deferred tax liability recorded will be adjusted to reflect the effect of the Company's operations for the period through the date immediately preceding the termination of its S corporation status.

The Company's income currently taxable to its shareholders as an S corporation has been determined under a cash basis of accounting through September 30, 1996. In the year the Company completes the IPO, it will be required to begin reporting its taxable income on an accrual basis. The cumulative deferred tax obligation for the difference between cash and accrual income will be settled over four years. The Company plans to elect the accrual basis of accounting beginning October 1, 1996, and accordingly, one-fourth of the taxable income related to the cash versus accrual accounting difference will be allocated to the Company's shareholders. The significant items comprising the Company's pro forma net deferred tax liability as of December 31, 1996 are as follows:

<TABLE>

<S>	<C>
PRO FORMA DEFERRED TAX ASSETS-CURRENT:	
Liabilities for costs deductible in future periods	$ 410
Billings in excess of costs and estimated earnings	2,731
Total pro forma deferred tax assets	3,141
PRO FORMA DEFERRED TAX LIABILITIES-CURRENT:	
Cash versus accrual accounting	2,292
Costs and estimated earnings in excess of billings	1,939
Total pro forma deferred tax liabilities	4,231
Pro forma net deferred tax liability-current	1,090
PRO FORMA DEFERRED TAX LIABILITY-NON-CURRENT:	
Cash versus accrual accounting	4,584
Total pro forma net deferred tax liability	$5,674

</TABLE>

Pro Forma Statements of Income

Upon the closing of the IPO, the Company will terminate its status as an S corporation and will be subject to federal and state income taxes thereafter. Accordingly, the unaudited pro forma data shown on the statements of income includes an adjustment to reflect income tax expense as if the Company had been a C corporation at an estimated combined effective income tax rate of 40%.

In the period the IPO is completed the Company will recognize two significant charges against income. As described above, completion of the IPO will result in the termination of the Company's S corporation status, and the Company will recognize the cumulative deferred tax liability at that time by a charge against income. Based on the pro forma deferred tax liability as of December 31, 1996, the one-time income statement charge would be approximately $5,300.

As discussed in Note 9, in January 1997 the Company issued options to employees to acquire the Company's common stock at a formula price based on book value. Upon completion of the IPO, the Company will recognize a charge against income for the difference between the IPO price and the formula price for all

options outstanding. Assuming an IPO price of $ per share, the charge to compensation expense would be approximately $5,500, net of the related income tax benefit, if any.

Pro Forma Net Income Per Share

The pro forma net income per share presented in the accompanying statements of income have been computed giving effect to the assumed issuance, as of the beginning of the pro forma periods presented, of the number of shares of Common Stock necessary to: (i) replace equity to be distributed as a result of the S corporation dividend to the extent such amount exceeds earnings since January 1, 1996; and (ii) give effect to options issued in January 1997 to purchase Common Stock of the Company.

4. COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Uncompleted contracts consist of the following components:

<TABLE>
<CAPTION>

	BALANCE SHEET CAPTION	
	COSTS AND ESTIMATED EARNINGS IN EXCESS OF BILLINGS	BILLINGS IN EXCESS OF COSTS AND ESTIMATED EARNINGS
<S>	<C>	<C>
September 30, 1995:		
Costs and estimated earnings	$ 29,702	$48,661
Billings	28,926	51,779
	$ 776	$ 3,118
September 30, 1996:		
Costs and estimated earnings	$ 89,893	$60,489
Billings	86,944	65,697
	$ 2,949	$ 5,208

</TABLE>

Costs and estimated earnings in excess of billings relate primarily to performance-based contracts which provide for billings based on attainment of results specified in the contract and differences between actual and provisional billing rates on cost-based contracts.

5. CREDIT FACILITIES

The Company has a $10 million revolving line of credit with a bank for borrowings and letters of credit. Borrowings under this line bear interest at LIBOR plus 2% and are secured by the Company's accounts receivable. Borrowings are limited to 90 percent of eligible accounts receivable. At September 30, 1995 and 1996, the Company had letters of credit outstanding amounting to $2,139 and $1,210, respectively. There were no outstanding borrowings under the line of credit facility. The Company is required to meet certain conditions on net worth and to maintain certain financial ratios. The credit facility is renewable in March 1997.

6. LEASES

The Company leases office space under various operating leases, the majority of which contain clauses permitting cancellation upon certain conditions. Terms of these leases provide for certain minimum payments as well as increases in lease payments based upon the operating cost of the facility and the consumer price index. Rent expense for the years ended September 30, 1994, 1995 and 1996 was $602, $1,150 and $2,282, respectively.

Minimum future payments under these leases are as follows:

<TABLE>
<CAPTION>

YEARS ENDED SEPTEMBER 30,	
<S>	<C>
1997	$3,021
1998	2,826
1999	1,558
2000	801

2001	565
Thereafter	138
	$8,909

</TABLE>

7. EMPLOYEE 401(K) PLAN

The Company has a 401(k) plan for the benefit of all employees who meet certain eligibility requirements. In the year ended September 30, 1996, the Company implemented a program to match employee contributions. The plan also allows management to make discretionary contributions. The Company made no contributions to the plan during the years ended September 30, 1994 and 1995. During the year ended September 30, 1996, the Company contributed $574 to the plan.

8. INCOME TAXES

The tax provision (benefit) consists of the following state taxes for those states in which the Company, rather than the shareholders, is liable for income taxes:

<TABLE>
<CAPTION>

	YEARS ENDED SEPTEMBER 30,		
	1994	1995	1996
<S>	<C>	<C>	<C>
Current tax expense	$ 15	$ 62	$105
Deferred tax expense (benefit)	(20)	62	120
	$ (5)	$124	$225

</TABLE>

No federal income taxes have been recorded due to the Company's S corporation status. See Note 3. Deferred tax liabilities resulting from temporary differences at September 30, 1995 and 1996 are primarily related to use of the cash basis of accounting for income taxes reported in certain states and differences related to revenue recognition. Cash paid for income taxes during the years ended September 30, 1994, 1995 and 1996 was $67, $9 and $110, respectively.

9. SHAREHOLDERS' EQUITY

Redeemable Common Stock

The Shareholders' Agreement, dated January 1996, obligates the Company to purchase all shares offered for sale by the Company's shareholders at a formula price based on the book value of the Company. In addition, shareholders are obligated to sell and the Company is obligated to purchase at the formula price all of the shares owned by the shareholders upon the shareholder's death, disability or termination of employment. Accordingly, the redemption obligation is reflected as redeemable common stock in the accompanying balance sheets. The Company has insurance polices totaling approximately $18,000 on the lives of its two major shareholders that may be used to fund this obligation.

Agreement with Major Shareholder

In May 1995, the Company entered into a Stock Purchase Agreement with one of its shareholders. Under this agreement, the parties agreed that the Company will purchase up to 2,878,040 of its shares owned by the shareholder over a four year period, subject to various conditions including an election by the shareholder after each fiscal year end to demand such sale. Under this agreement, sales will be transacted at the formula price referred to above. This agreement will terminate upon completion of the IPO.

Employee Stock Purchases and Options

The Company entered into agreements at various times with certain employees that provided for the employee to purchase common stock of the Company at the formula price. During the years ended September 30, 1994, 1995 and 1996 the Company sold 126,500, 231,000 and 242,275 shares, respectively, under these arrangements.

In January 1997, the Company issued options to various employees to purchase 403,975 shares of the Company's common stock at the formula price.

These options are exercisable at completion of the IPO. The options terminate on June 30, 1997 in the event the IPO has not been completed by that date. If the IPO is completed, the options will have a term of 10 years. These options were granted in exchange for stock purchase rights awarded pursuant to certain pre-existing compensation arrangements with certain of the Company's key employees.

Stock Split

In December 1995, the Company effected a 10 for 1 stock split. On February 3, 1997, the Company's shareholders approved an amendment to the Company's articles of incorporation to increase the number of authorized shares to 30,000,000, to eliminate the par value of common stock and to effect an 11 for 1 split of the common stock. Amounts for all periods have been adjusted to reflect the effects of these changes.

10. COMMITMENTS AND CONTINGENCIES

Litigation

On February 3, 1997, the Company was named as a third party defendant by Network Six, Inc. ("Network Six") in a legal action brought by the State of Hawaii against Network Six. Network Six alleges that the Company is liable to Network Six on various grounds and seeks $60 million in damages. The Company believes Network Six's claims are without merit and intends to vigorously defend this action.

The Company believes this action will not have a material adverse effect on its financial condition or results of operations and has not accrued for any loss related to this claim.

The Company also is involved in various other legal proceedings in the ordinary course of its business. In the opinion of management, these proceedings involve amounts that would not have a material effect on the financial position or results of operations of the Company if such proceedings were disposed of unfavorably.

DCAA Audits

A substantial portion of payments to the Company from U.S. Government agencies is subject to adjustments upon audit by the Defense Contract Audit Agency (DCAA). Audits through 1993 have been completed with no material adjustments. In the opinion of management, the audits of subsequent years are not expected to have a material adverse effect on the Company's financial position or results of operations.

11. CONCENTRATIONS OF CREDIT RISK AND MAJOR CUSTOMERS

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts. To date, these financial instruments have been derived from contract revenues earned primarily from federal, state and local agencies located in the United States. At September 30, 1995 and 1996, $8,260 and $14,815, respectively, of the Company's accounts receivable were due from the U.S. Government. Revenues under contracts with various agencies of the United States Government were $7,480, $17,851 and $61,317 for the years ended September 30, 1994, 1995 and 1996, respectively. Of these amounts, $2,943, $14,314 and $56,530 for the years ended September 30, 1994, 1995 and 1996, respectively, were revenues of the government operations segment. As a result of legislation that eliminated certain Social Security Administration program benefits, a contract with the U.S. Government that contributed $56.5 million of contract revenues for the year ended September 30, 1996 was terminated by the United States Government and is expected to conclude in February 1997.

12. BUSINESS SEGMENTS

The following table provides certain financial information for each business segment:

<TABLE>
<CAPTION>

	1994	1995	1996
<S>	<C>	<C>	<C>
Revenues:			
Government Operations	$14,723	$31,265	$ 77,211
Consulting	15,137	20,698	25,902
	$29,860	$51,963	$103,113

Income(loss) from operations:			
Government Operations	$(1,878)	$ 1,636	$ 4,936
Consulting	3,043	5,178	6,644
	$ 1,165	$ 6,814	$ 11,580
Identifiable assets:			
Government Operations	$ 5,642	$ 8,962	$ 19,369
Consulting	6,488	8,416	9,910
Corporate	3,417	5,292	6,214
	$15,547	$22,670	$ 35,493
Capital expenditures:			
Government Operations	$ 203	$ 2	$ 4
Consulting	14	19	73
Corporate	100	159	271
	$ 317	$ 180	$ 348
Depreciation and amortization:			
Government Operations	$ 15	$ 5	$ 99
Consulting	17	17	27
Corporate	140	146	181
	$ 172	$ 168	$ 307

</TABLE>

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NO DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY OF THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SHARES BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING THE OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR SALE MADE HEREUNDER SHALL CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANYTIME SUBSEQUENT TO ITS DATE.

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<TABLE>
<CAPTION>

</TABLE>

UNTIL , 1997 (25 DAYS AFTER THE COMMENCEMENT OF THIS OFFERING), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN

ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

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- ----------

- ----------
- ----------

SHARES

[MAXIMUS LOGO]

COMMON STOCK

PROSPECTUS

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

LEHMAN BROTHERS

, 1997

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- ----------

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The estimated expenses to be paid by the Registrant in connection with this offering are as follows:

<TABLE>

<S>	<C>
SEC registration fee	$ 24,546
Nasdaq National Market fee	50,000
NASD filing fee and expenses	8,600
Blue Sky fees and expenses	15,000
Legal fees and expenses	200,000
Accounting fees and expenses	150,000
Printing and engraving expenses	150,000
Transfer Agent and Registrar fees	10,000
Miscellaneous expenses	141,854
TOTAL	$750,000

</TABLE>

All of the above figures, except the SEC registration fee and NASD filing fee, are estimates.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Registrant's Restated Articles of Incorporation provide that the Registrant's directors and officers shall be indemnified to the full extent required or permitted by the VSCA, including the advance of expenses, and that other employees and agents shall be indemnified to such extent as shall be authorized by the Board of Directors or the Bylaws of the Registrant and as shall be permitted by law.

Sections 13.1-697 and 13.1-702 of the VSCA permit the Registrant to indemnify an individual made party to a proceeding because he was a director, officer, employee or agent of the Registrant against liability incurred in the proceeding if (1) he conducted himself in good faith, (2) he believed, in the case of conduct in his official capacity, that such conduct was in the Registrant's best interests, or, in all other cases, that such conduct was at least not opposed to the Registrant's best interests, and (3) he had no reasonable cause to believe, in the case of a criminal proceeding, that his conduct was unlawful; provided, however, no indemnification shall be permitted (1) in connection with a proceeding by or in the right of the Registrant in which the individual is adjudged liable to the Registrant, or (2) in connection with any other proceeding charging improper personal benefit to such individual in which the individual is adjudged liable on the basis that personal benefit was improperly received by such individual. Under sections 13.1-698 and 13.1-702 of the VSCA, unless limited by its Articles of Incorporation, the Registrant shall indemnify a director or officer who entirely prevails in the defense of any proceeding to which he was a party because he is or was a director or officer against reasonable expenses incurred.

The Registrant carries Directors' and Officers' insurance which covers its directors and officers against certain liabilities they may incur when acting in their capacity as directors or officers of the Registrant.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

(a) Issuances of Common Stock.

Since February 1, 1994, the Registrant has issued and sold the unregistered securities described below. In each case, the number of shares issued and sold reflects a 10-for-1 stock split effected in December 1995 and an 11-for-1 stock split effected February 3, 1997.

On October 1, 1994 the Registrant sold 110,000 shares of Common Stock to Gene DeLucia for an aggregate purchase price of $64,860.

In October 1994, the Registrant sold 77,000 shares of Common Stock to Susan D. Pepin for a purchase price of $45,402.

In January 1995 and October 1995, the Registrant sold 110,000 and 11,000 shares of Common Stock to Russell A. Beliveau for purchase prices of $64,860 and $10,376, respectively.

In January 1996, the Registrant sold an aggregate of 121,275 shares of Common Stock to certain of the Registrant's employees for an aggregate purchase price of $114,438.

(b) Grants and Exercises of Stock Options.

In January 1997, pursuant to the Registrant's 1997 Equity Incentive Plan (the "Plan"), the Registrant granted to certain employees options to purchase an aggregate of 403,975 shares of Common Stock at an exercise price per share of $ exercisable on the closing of the initial public offering. The options expire (i) on June 30, 1997, in the event that the initial public offering has not closed on or prior to that date, or (ii) the earlier of (x) the termination of each respective option holder's employment with the Registrant or (y) ten years from the date of issuance. All of such options are outstanding and none have been exercised, and 596,025 shares of Common Stock remain available for future grant under the Plan.

No underwriter was engaged in connection with the foregoing sales of securities. Sales of Common Stock to employees have been made in reliance upon the exemption for the registration requirements afforded by Section 4(2) of the Securities Act and Rule 701 thereunder as sales of an issuer's securities pursuant to a written contract relating to the compensation of such individuals. The Registrant has reason to believe that all of the foregoing purchasers were familiar with or had access to information concerning the operations and financial condition of the Registrant, and all of those individuals acquired shares for investment and not with a view to the distribution thereof. At the time of issuance, all of the foregoing shares of Common Stock were deemed to be restricted securities for the purposes of the Securities Act, and the certificates representing such securities bore legends to that effect.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of Exhibits

The following Exhibits are filed herewith:

<TABLE>
<CAPTION>

EXHIBIT NUMBER	EXHIBIT
1.1	Form of Underwriting Agreement.
3.1	Articles of Incorporation of the Registrant as amended through February 10, 1997.
3.2	Form of Amended and Restated Articles of Incorporation of Registrant, as proposed to be amended and restated.
3.3	By-laws of the Registrant.
3.4	Form of Amended and Restated By-laws of Registrant, as proposed to be amended and restated.
*4.1	Specimen Common Stock Certificate.
*5.1	Opinion of Palmer & Dodge LLP with respect to the legality of the securities being registered.
10.1	1997 Equity Incentive Plan.
10.2	1997 Director Stock Option Plan.
10.3	1997 Employee Stock Purchase Plan.
10.4	Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreement by and between the Registrant and David V. Mastran to be executed at the closing of the offering.
10.5	Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreement by and between the Registrant and Raymond B. Ruddy to be executed at the closing of the offering.

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	EXHIBIT
<C>	<S>
10.6	Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreement by and between the Registrant and Rusell A. Beliveau to be executed at the closing of the offering.
10.7	Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreement by and between the Registrant and Susan D. Pepin to be executed at the closing of the offering.
10.8	Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreement by and between the Registrant and Ilene R. Baylinson to be executed at the closing of the offering.
10.9	Executive Employment, Non-Compete, Confidentiality and Stock Restriction Agreement by and between the Registrant and Lynn P. Davenport to be executed at the closing of the offering.
10.10	Form of Indemnification Agreement by and between the Registrant and each of the directors of the Registrant.
10.11	Letter Agreement dated June 29, 1995, as amended by the Letter Amendment dated April 10, 1996, between the Registrant and Crestar Bank with respect to a $10 million line of credit, and the Letter Amendment dated February 10, 1997.
11	Statement re Computation of Pro Forma Net Income Per Share.
23.1	Consent of Ernst & Young LLP, independent auditors.
*23.2	Consent of Palmer & Dodge LLP (included in Exhibit 5.1).
24	Powers of Attorney (included on the signature pages attached hereto).
27	Financial Data Schedule.

</TABLE>

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* To be filed by amendment.

(b) Financial Statement Schedules

None.

ITEM 17. UNDERTAKINGS

(a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described under "Item 14 -- Indemnification of Directors and Officers" above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes:

(1) to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser;

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

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

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the city of McLean, Commonwealth of Virginia, on the 11th day of February, 1997.

MAXIMUS, INC.

By: /s/ DAVID V. MASTRAN

David V. Mastran
Chief Executive Officer

POWER OF ATTORNEY

Each undersigned person hereby constitutes and appoints David V. Mastran, F. Arthur Nerret and Lynnette C. Fallon and each of them with full power of substitution and full power to act without the other, as his true and lawful attorney-in-fact and agent, with full power to sign any and all amendments to this Registration Statement on Form S-1 of MAXIMUS, Inc., and to file the same with the Securities and Exchange Commission, including any and all post-effective amendments and any subsequent Registration Statement for the same offering which may be filed under Rule 462(b) and to execute all other documents and take all other actions on behalf of such undersigned person as may be necessary or advisable in connection with the registration of the shares covered by this Registration Statement under the Securities Act of 1933, as amended, hereby ratifying and confirming all that said attorneys-in-fact may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities indicated.

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<S>	<C>	<C>
/s/ DAVID V. MASTRAN David V. Mastran	President, Chief Executive Officer and Director (Principal Executive Officer)	February 11, 1997
/s/ RAYMOND B. RUDDY Raymond B. Ruddy	Chairman of the Board of Directors	February 11, 1997
/s/ F. ARTHUR NERRET F. Arthur Nerret	Chief Financial Officer (Principal Financial and Accounting Officer)	February 11, 1997
/s/ RUSSELL A. BELIVEAU Russell A. Beliveau	Director	February 11, 1997
/s/ LYNN P. DAVENPORT Lynn P. Davenport	Director	February 11, 1997
/s/ ROBERT J. MUZZIO Robert J. Muzzio	Director	February 11, 1997
/s/ DONNA J. MULDOON Donna J. Muldoon	Director	February 11, 1997
/s/ SUSAN D. PEPIN Susan D. Pepin	Director	February 11, 1997

</TABLE>

EXHIBIT 1.1

W&S DRAFT
1/23/97

Shares

MAXIMUS, INC.

Common Stock

UNDERWRITING AGREEMENT

_____, 1997

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
LEHMAN BROTHERS INC.
As representatives of the
several underwriters named in
Schedule I hereto
c/o Donaldson, Lufkin & Jenrette
Securities Corporation
277 Park Avenue
New York, New York 10172

Dear Sirs and Mesdames:

MAXIMUS, Inc., a Virginia corporation (the "Company"), and the stockholders of the Company named in Schedule II hereto, (collectively, the "Selling Stockholders"), severally propose to sell an aggregate of shares of common stock, $.01 par value of the Company (the "Firm Shares"), to the several underwriters named in Schedule I hereto (the "Underwriters"). The Firm Shares consist of shares to be issued and sold by the Company and outstanding shares to be sold by the Selling Stockholders. The Selling Stockholders also propose to sell to the several Underwriters not more than additional shares of common stock, $.01 par value of the Company (the "Additional Shares"), if requested by the Underwriters as provided in Section 2 hereof. The Firm Shares and the Additional Shares are herein collectively called the Shares. The shares of common stock of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the Common Stock. The Company and the Selling Stockholders are hereinafter collectively called the Sellers.

1. REGISTRATION STATEMENT AND PROSPECTUS. The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively called the "Act"), a registration statement on Form S-1 (File No. 333-_____) including a prospectus relating to the Shares, which may be amended. The registration statement as amended at the time when it becomes effective, including a registration statement (if any) filed pursuant to Rule 462(b) under the Act increasing the size of the offering registered under the Act and information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 43OA under the Act, is hereinafter referred to as the Registration Statement; and the prospectus in the form first used to confirm sales of Shares is hereinafter referred as the Prospectus.

2. AGREEMENTS TO SELL AND PURCHASE. On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, (i) the Company agrees to issue and sell Firm Shares, (ii) each Selling Stockholder agrees, severally and not jointly, to sell the number of Firm Shares set forth opposite such Selling Stockholder's name in Schedule II hereto and (iii) each Underwriter agrees, severally and not jointly, to purchase from each Seller at a price per share of $_____ (the "Purchase Price") the number of Firm Shares (subject to such adjustments to eliminate fractional shares as you may determine) which bears the same proportion to the total number of Firm Shares to be sold by such Seller as the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto bears to the total number of Firm Shares.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, (i) certain of the Selling Stockholders agree, severally and not jointly, to sell up to the number of

Additional Shares set forth opposite such Selling Stockholder's name in Schedule II hereto and (ii) the Underwriters shall have the right to purchase, severally and not jointly, up to an aggregate of Additional Shares from those Selling Stockholders who have agreed to sell Additional Shares, at the Purchase Price. Additional Shares may be purchased solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. The Underwriters may exercise their right to purchase Additional Shares in whole or in part from time to time by giving written notice thereof to the Company within 30 days after the date of this Agreement. You shall give any such notice on behalf of the Underwriters and such notice shall specify the aggregate number of Additional Shares to be purchased pursuant to such exercise and the date for payment and delivery thereof. The date specified in any such notice shall be a business day (i) no earlier than the Closing Date (as hereinafter defined), (ii) no later than ten business days after such notice has been given and (iii) no earlier than two business days after such notice has been given. The maximum number of Additional Shares to be purchased from each such Selling Stockholder is set forth on Schedule II hereto. If less than the maximum number of Additional Shares are to be purchased hereunder, each of such Selling Stockholders, severally and not jointly, agrees to sell to the Underwriters the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) which bears the same proportion to the total number of Additional

Shares to be purchased by the Underwriters as the maximum number of Additional Shares to be sold by each of such Selling Stockholders bears to the total number of Additional Shares. If any Additional Shares are to be purchased, each Underwriter, severally and not jointly, agrees to purchase from such Selling Stockholders the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) which bears the same proportion to the total number of Additional Shares to be purchased from such Selling Stockholders as the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I bears to the total number of Firm Shares.

The Sellers hereby agree, severally and not jointly, and the Company shall, concurrently with the execution of this Agreement, deliver an agreement executed by (i) each of the directors and officers of the Company who is not a Selling Stockholder and (ii) each stockholder of the Company who is not a Selling Stockholder, pursuant to which each such person agrees not to offer, sell, contract to sell, pledge, grant any option to purchase, or otherwise dispose of any common stock of the Company or any securities convertible into or exercisable or exchangeable for such common stock or in any other manner transfer all or a portion of the economic consequences associated with the ownership of any such common stock, except to the Underwriters pursuant to this Agreement, for a period of 180 days after the date of the Prospectus without the prior written consent of Donaldson, Lufkin & Jenrette Securities Corporation. Notwithstanding the foregoing, during such period (i) the Company may grant stock options pursuant to the Company's existing stock option plan described in the Prospectus and (ii) the Company may issue shares of its common stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof.

3. TERMS OF PUBLIC OFFERING. The Sellers are advised by you that the Underwriters propose (i) to make a public offering of their respective portions of the Shares as soon after the effective date of the Registration Statement as in your judgment is advisable and (ii) initially to offer the Shares upon the terms set forth in the Prospectus.

4. DELIVERY AND PAYMENT. Delivery to the Underwriters of and payment for the Firm Shares shall be made at 10:00 A.M., New York City time, on the third or fourth business day following the date of the initial public offering unless otherwise permitted by the Commission pursuant to Rule 15c6-1 of the Securities Exchange Act of 1934, as amended (the 'Exchange Act")(the "Closing Date"), at such place outside the State of New York as you shall designate. The Closing Date and the location of delivery of and the form of payment for the Firm Shares may be varied by agreement between you and the Sellers.

Delivery to the Underwriters of and payment for any Additional Shares to be purchased by the Underwriters shall be made at such place as you shall designate at 10:00 A.M., New York City time, on the date specified in the applicable exercise notice given by you

pursuant to Section 2 (an "Option Closing Date"). Any such Option Closing Date and the location of delivery of and the form of payment for such Additional Shares may be varied by agreement between you and the Company.

Certificates for the Shares shall be registered in such names and issued in such denominations as you shall request in writing not later than two full business days prior to the Closing Date or an option Closing Date, as the case may be. Such certificates shall be made available to you for inspection not later than 9:30 A.M., New York City time, on the business day next preceding the Closing Date or an Option Closing Date, as the case may be. Certificates in definitive form evidencing the Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, with any transfer taxes thereon duly paid by the respective Sellers, for the respective accounts of the several Underwriters, against payment of the Purchase Price therefor by wire transfer of same day funds to the order of the applicable Sellers.

5. AGREEMENTS OF THE COMPANY. The Company agrees with you:

(a) To use its best efforts to cause the Registration Statement to become effective at the earliest possible time.

(b) To advise you promptly and, if requested by you, to confirm such advice in writing, (i) when the Registration Statement has become effective and when any post-effective amendment to it becomes effective, (ii) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of the suspension of qualification of the Shares for offering or sale in any jurisdiction, or the initiation of any proceeding for such purposes, and (iv) of the happening of any event during the period referred to in paragraph (e) below which makes any statement of a material fact made in the Registration Statement or the Prospectus untrue or which requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements therein not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, the Company will make every reasonable effort to obtain the withdrawal or lifting of such order at the earliest possible time.

(c) To furnish to you, without charge, two (2) signed copies of the Registration Statement as first filed with the Commission and of each amendment to it, including all exhibits, and to furnish to you and each Underwriter designated by you such number of conformed copies of the Registration Statement as so filed and of each amendment to it, without exhibits, as you may reasonably request.

(d) Not to file any amendment or supplement to the Registration Statement, whether before or after the time when it becomes effective, or to make any amendment or supplement to the Prospectus of which you shall not previously have been advised or to which you shall reasonably object; and to prepare and file with the Commission, promptly upon your reasonable request, any amendment to the Registration Statement or supplement to the Prospectus which may be necessary or advisable in connection with the distribution of the Shares by you, and to use its best efforts to cause the same to become promptly effective.

(e) promptly after the Registration Statement becomes effective, and from time to time thereafter for such period as in the opinion of counsel for the Underwriters a prospectus is required by law to be delivered in connection with sales by an Underwriter or a dealer, to furnish to each Underwriter and dealer as many copies of the Prospectus (and of any amendment or supplement to the Prospectus) as such Underwriter or dealer may reasonably request.

(f) If during the period specified in paragraph (e) any event shall occur as a result of which, in the opinion of counsel for the Underwriters it becomes necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Prospectus to comply with any law, forthwith to prepare and file with the Commission an appropriate amendment or supplement to the Prospectus so that the statements in the Prospectus, as so amended or supplemented, will not in the light of the circumstances when it is so delivered, be misleading, or so that the Prospectus will comply with law, and to furnish to each Underwriter and to such dealers as you shall specify, such number of copies thereof as such Underwriter or dealers may reasonably request.

(g) Prior to any public offering of the Shares, to cooperate with you and counsel for the Underwriters in connection with the registration or qualification of the Shares for offer and sale by the several Underwriters and

by dealers under the state securities or Blue Sky laws of such jurisdictions as you may request, to continue such qualification in effect so long as required for distribution of the Shares and to file such consents to service of process or other documents as may be necessary in order to effect such registration or qualification.

(h) To mail and make generally available to its stockholders as soon as reasonably practicable an earnings statement covering a period of at least twelve months after the effective date of the Registration Statement (but in no event commencing later than 90 days after such date) which shall satisfy the provisions of Section II(a) of the Act, and to advise you in writing when such statement has been so made available.

(i) During the period of five years after the date of this Agreement, (i) to mail as soon as reasonably practicable after the

end of each fiscal year to the record holders of its Common Stock a financial report of the Company and its subsidiaries on a consolidated basis (and a similar financial report of all unconsolidated subsidiaries, if any), all such financial reports to include a consolidated balance sheet, a consolidated statement of operations, a consolidated statement of cash flows and a consolidated statement of stockholders' equity as of the end of and for such fiscal year, together with comparable information as of the end of and for the preceding year, certified by independent certified public accountants, and (ii) to mail and make generally available as soon as practicable after the end of each quarterly period (except for the last quarterly period of each fiscal year) to such holders, a consolidated balance sheet, a consolidated statement of operations and a consolidated statement of cash flows (and similar financial reports of all unconsolidated subsidiaries, if any) as of the end of and for such period, and for the period from the beginning of such year to the close of such quarterly period, together with comparable information for the corresponding periods of the preceding year.

(j) During the period referred to in paragraph (i), to furnish to you as soon as available a copy of each report or other publicly available information of the Company mailed to the holders of Common Stock or filed with the Commission and such other publicly available information concerning the Company and its subsidiaries as you may reasonably request.

(k) To pay all costs, expenses, fees and taxes incident to (i) the preparation, printing, filing and distribution under the Act of the Registration Statement (including financial statements and exhibits), each preliminary prospectus and all amendments and supplements to any of them prior to or during the period specified in paragraph (e), (ii) the printing and delivery of the Prospectus and all amendments or supplements to it during the period specified in paragraph (e), (iii) the printing and delivery of this Agreement, the Preliminary and Supplemental Blue Sky Memoranda and all other agreements, memoranda, correspondence and other documents printed and delivered in connection with the offering of the Shares (including in each case any disbursements of counsel for the Underwriters relating to such printing and delivery), (iv) the registration or qualification of the Shares for offer and sale under the securities or Blue Sky laws of the several states (including in each case the fees and disbursements of counsel for the Underwriters relating to such registration or qualification and memoranda relating thereto), (v) filings and clearance with the National Association of Securities Dealers, Inc. in connection with the offering (including the fees and disbursements of counsel for the Underwriters relating to such filings and clearance), (vi) the listing of the Shares on the Nasdaq National Market, (vii) furnishing such copies of the Registration Statement, the Prospectus and all amendments and supplements thereto as may be requested for use in connection with the offering or sale of the Shares by the Underwriters or 5 by dealers to whom Shares may be sold and (viii) the performance by the Sellers of their other obligations under this Agreement.

(1) To use its best efforts to maintain the inclusion of the Common Stock in the Nasdaq National Market (or on a national securities exchange) for a period of five years after the effective date of the Registration Statement.

(m) To use its best efforts to do and perform all things required or necessary to be done and performed under this Agreement by the Company prior to

the Closing Date or any Option Closing Date, as the case may be, and to satisfy all conditions precedent to the delivery of the Shares.

6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to each Underwriter that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) (i) Each part of the Registration Statement, when such part became effective, did not contain and each such part, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Act and (iii) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph (b) do not apply to statements or omissions in the Registration Statement or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Act, and each Registration Statement filed pursuant to Rule 462(b) under the Act, if any, complied when so filed in all material respects with the Act; and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the Commonwealth of Virginia and has the corporate power and authority to carry on its business as it is currently being conducted and to own, lease and operate its properties, and is duly qualified and is in good standing as a foreign corporation authorized to do business in each jurisdiction in which the nature of its business or its

ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Company.

(e) All the outstanding shares of capital stock of the Company (including the Shares to be sold by the Selling Stockholders) have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive or similar rights; and the Shares to be issued and sold by the Company hereunder have been duly authorized and, when issued and delivered to the Underwriters against payment therefor as provided by this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(f) The authorized capital stock of the Company, including the Common Stock, conforms as to legal matters to the description thereof contained in the Prospectus.

(g) The Company is not in violation of its charter or by-laws or in default in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any other agreement, indenture or instrument material to the conduct of the business of the Company to which the Company is a party or by which the Company or its property is bound.

(h) The execution, delivery and performance of this Agreement, compliance by the Company with all the provisions hereof and the consummation of the transactions contemplated hereby will not require any consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body (except as such may be required under the securities or Blue Sky laws of the various states) and will not conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter or by-laws of the Company or any agreement, indenture or other instrument to which the Company is a party or by which the Company or its property is bound, or violate or conflict with any laws, administrative regulations or rulings or court decrees applicable to the Company or its

property.

(i) Except as otherwise set forth in the Prospectus, there are no material legal or governmental proceedings pending to which the Company is a party or of which any of its property is the subject, and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated. No contract or document of a character required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement is not so described or filed as required.

(j) The Company has not violated any foreign, federal, state or local law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances

or wastes, pollutants or contaminants ("Environmental Laws"), nor any federal or state law relating to discrimination in the hiring, promotion or pay of employees nor any applicable federal or state wages and hours laws, nor any provisions of the Employee Retirement Income Security Act or the rules and regulations promulgated thereunder, which in each case might result in any material adverse change in the business, prospects, financial condition or results of operation of the Company.

(k) The Company has such permits, licenses, franchises and authorizations of governmental or regulatory authorities ("permits"), including, without limitation, under any applicable Environmental Laws, as are necessary to own, lease and operate its properties and to conduct its business; the Company has fulfilled and performed all of its material obligations with respect to such permits and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such permit; and, except as described in the Prospectus, such permits contain no restrictions that are materially burdensome to the Company.

(l) Except as otherwise set forth in the Prospectus or such as are not material to the business, prospects, financial condition or results of operation of the Company, the Company has good and marketable title, free and clear of all liens, claims, encumbrances and restrictions except liens for taxes not yet due and payable, to all property and assets described in the Registration Statement as being owned by it. All leases to which the Company is a party are valid and binding and no default has occurred or is continuing thereunder which might result in any material adverse change in the business, prospects, financial condition or results of operation of the Company and the Company enjoys peaceful and undisturbed possession under all such leases to which it is a party as lessee with such exceptions as do not materially interfere with the use made by the Company.

(m) The Company maintains reasonably adequate insurance.

(n) Ernst & Young LLP are independent public accountants with respect to the Company as required by the Act.

(o) The Company owns or possesses adequate rights with respect to the use of all trade secrets, know-how, propriety techniques, including processes and substances, trademarks, service marks, trade names and copyrights (collectively, "Intellectual Property") described or referred to in the Prospectus as owned or used by it, or which are necessary for the conduct of its business as described in the Prospectus, other than Intellectual Property the lack of which would not reasonably be expected to result in any material adverse change in the business, prospects, financial condition or results of operation of the Company and no such rights as are material to the business and prospectus of the Company expire or are subject to termination at the election of another party without cause or the Company's consent at a time or under circumstances which would result in any material adverse change in

the business, prospects, financial condition or results of operation of the Company. The Company has not received any notice of infringement of or conflict with asserted rights of others with respect to any patents, patent rights, inventions, trade secrets, know-how, proprietary techniques, including processes and substances, trademarks, service marks, trade names or copyrights which would result in any material adverse change in the business, prospects, financial condition or results of operation of the Company.

(p) The Company is not involved in any labor dispute which, either individually or in the aggregate, would reasonably be expected to result in any material adverse change in the business, prospects, financial condition or results of operation of the Company, nor, to the knowledge of the Company, is any such dispute threatened.

(q) The financial statements, together with related schedules and notes forming part of the Registration Statement and the Prospectus (and any amendment or supplement thereto), present fairly the consolidated financial position, results of operations and changes in financial position of the Company and its subsidiaries on the basis stated in the Registration Statement at the respective dates or for the respective periods to which they apply; such statements and related schedules and notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein; and the other financial and statistical information and data set forth in the Registration Statement and the Prospectus (and any amendment or supplement thereto) is, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of the Company. The pro forma financial statements and data set forth in the Prospectus present fairly in all material respects the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma information, have been properly compiled on the pro forma basis described therein, and, in the opinion of the Company, the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate under the circumstances.

(r) The Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(s) No holder of any security of the Company has any right to require registration of shares of Common Stock or any other security of the Company.

(t) The Company has complied with all provisions of Section 517.075, Florida Statutes (Chapter 92-198, Laws of Florida).

(u) The Company has filed a registration statement pursuant to Section 12(g) of the Exchange Act, to register the Common Stock, has filed an application to list the Shares on the Nasdaq National

Market, and has received notification that the listing has been approved, subject to notice of issuance.

(v) There are no outstanding subscriptions, rights, warrants, options, calls, convertible securities, commitments of sale or liens related to or entitling any person to purchase or otherwise to acquire any shares of the capital stock of, or other ownership interest in, the Company or any subsidiary thereof except as otherwise disclosed in the Registration Statement.

(w) Except as disclosed in the Prospectus, there are no business relationships or related party transactions required to be disclosed therein by Item 404 of Regulation S-K of the Commission.

(x) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(y) All material tax returns required to be filed by the Company in any jurisdiction have been filed, other than those filings being contested in good faith, and all material taxes, including withholding taxes, penalties and interest, assessments, fees and other charges due pursuant to such returns or pursuant to any assessment received by the Company have been paid, other than those being contested in good faith and for which adequate reserves have been provided.

7. REPRESENTATIONS AND WARRANTIES OF THE SELLING STOCKHOLDERS. Each Selling Stockholder severally represents and warrants to each Underwriter that:

(a) Such Selling Stockholder is the lawful owner of the Shares to be sold by such Selling Stockholder pursuant to this Agreement and has, and on the Closing Date (and Option Closing Date, if applicable) will have, good and clear title to such Shares, free of all restrictions on transfer, liens, encumbrances, security interests and claims whatsoever.

(b) Upon delivery of and payment for such Shares pursuant to this Agreement, good and clear title to such Shares will pass to the Underwriters, free of all restrictions on transfer, liens, encumbrances, security interests and claims whatsoever.

(c) Such Selling Stockholder has, and on the Closing Date will have, full legal right, power and authority to enter into this Agreement and the Custody Agreement between the Selling Stockholders and , as Custodian (the "Custody Agreement") and to

sell, assign, transfer and deliver such Shares in the manner provided herein and therein, and this Agreement and the Custody Agreement have been duly authorized, executed and delivered by such Selling Stockholder and each of this Agreement and the Custody Agreement is a valid and binding agreement of such Selling Stockholder enforceable in accordance with its terms, except as rights to indemnity and contribution hereunder may be limited by applicable law.

(d) The power of attorney signed by such Selling Stockholder appointing _____ and _____ , or either one of them, as his attorney-in-fact to the extent set forth therein with regard to the transactions contemplated hereby and by the Registration Statement and the Custody Agreement has been duly authorized, executed and delivered by or on behalf of such SelLing Stockholder and is a valid and binding instrument of such Selling Stockholder enforceable in accordance with its terms, and, pursuant to such power of attorney, such Selling Stockholder has authorized _____ and _____ , or either one of them, to execute and deliver on his behalf this Agreement and any other document necessary or desirable in connection with transactions contemplated hereby and to deliver the Shares to be sold by such Selling Stockholder pursuant to this Agreement.

(e) Such Selling Stockholder has not taken, and will not take, directly or indirectly, any action designed to, or which might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares pursuant to the distribution contemplated by this Agreement, and other than as permitted by the Act, the Selling Stockholder has not distributed and will not distribute any prospectus or other offering material in connection with the offering and sale of the Shares.

(f) The execution, delivery and performance of this Agreement by such Selling Stockholder, compliance by such Selling Stockholder with all the provisions hereof and the consummation of the transactions contemplated hereby will not require any consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body (except as such may be required under the Act, state securities laws or Blue Sky laws) and will not conflict with or constitute a breach of any of the terms or provisions of, or a default under, organizational documents of such Selling Stockholder, if not an individual, or any agreement, indenture or other instrument to which such Selling Stockholder is a party or by which such Selling Stockholder or property of such Selling Stockholder is bound, or violate or conflict with any laws, administrative regulation or ruling or court decree applicable to such Selling Stockholder or property of such Selling Stockholder.

(g) (i) To the knowledge of such Selling Stockholder, the representations and warranties of the Company set forth in Section 6 hereof are true and correct and (ii) such parts of the Registration Statement under the caption "Principal and Selling

Stockholders" which specifically relate to such Selling Stockholder do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of circumstances under which they were made, not misleading.

(h) At any time during the period described in paragraph 5(e) hereof, if there is any change in the information referred to in paragraph 7(g) above, the

Selling Stockholders will immediately notify you of such change.

8. Indemnification. (a) The Company and each Selling Stockholder, jointly and severally, agree to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all S losses, claims, damages, liabilities and judgments caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or judgments are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriters furnished in writing to the Company by or on behalf of any Underwriter through you expressly for use therein. Notwithstanding the foregoing, the aggregate liability of any Selling Stockholder pursuant to the provisions of this paragraph shall be limited to an amount equal to, in the aggregate, the sum of (i) the purchase price received by such Selling Stockholder from the sale of such Selling Stock-holder's Shares hereunder and (ii) such Selling Stockholder's proportionate share of the S Corporation Dividend (as defined in the Prospectus); provided, however, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages and liabilities and judgments purchased Shares, or any person controlling such Underwriter, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Shares to such person, and if the Prospectus (as so amended and supplemented) would have cured the defect giving rise to such loss, claim, damage, liability or judgment.

(b) In case any action shall be brought against any Underwriter or any person controlling such Underwriter, based upon any preliminary prospectus, the Registration Statement or the Prospectus or any amendment or supplement thereto and with respect to which indemnity may be sought against the Company and the

Selling Stockholders, such Underwriter shall promptly notify the Company and the Selling Stockholders in writing and the Company and the Selling Stockholders shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses. Any Underwriter or any such controlling person shall have the right to employ separate counsel in any such action and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the employment of such counsel has been specifically authorized in writing by the Company, (ii) the Company and the Selling Stockholders shall have failed to assume the defense and employ counsel or (iii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Company or any Selling Stockholder, as the case may be, and such Underwriter or such controlling person shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Company or the Selling Stockholders, as the case may be (in which case the Company and the Selling Stockholders shall not have the right to assume the defense of such action on behalf of such Underwriter or such controlling person, it being understood, however, that the Company and the Selling Stockholders shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all such Underwriters and controlling persons, which firm shall be designated in writing by Donaldson, Lufkin & Jenrette Securities Corporation and that all such fees and expenses shall be reimbursed as they are incurred). A Seller shall not be liable for any settlement of any such action effected without the written consent of such Seller but if settled with the written consent of such Seller, such Seller agrees to indemnify and hold harmless any Underwriter and any such controlling person from and against any loss or liability by reason of such settlement. Notwithstanding the immediately preceding sentence, if in any case where the fees and expenses of counsel are at the expense of the indemnifying party and an indemnified party shall have requested the indemnifying party to reimburse the indemnified party for such fees and expenses of counsel as incurred, such indemnifying party agrees that it shall be liable for any settlement of any action effected without its written consent if (i) such settlement is entered into more than ten business days after the receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall have failed to

reimburse the indemnified party in accordance with such request for reimbursement prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified

party from all liability on claims that are the subject matter of such proceeding.

(c) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement, any person controlling the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, each Selling Stockholder and each person, if any, controlling such Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Sellers to each Underwriter but only with reference to information relating to such Underwriter furnished in writing by or on behalf of such Underwriter through you expressly for use in the Registration Statement, the Prospectus or any preliminary prospectus. In case any action shall be brought against the Company, any of its directors, any such officer or any person controlling the Company or any Selling Stockholder or any person controlling such Selling Stockholder based on the Registration Statement, the Prospectus or any preliminary prospectus and in respect of which indemnity may be sought against any Underwriter, the Underwriter shall have the rights and duties given to the Sellers (except that if any Seller shall have assumed the defense thereof) such Underwriter shall not be required to do so, but may employ separate counsel therein and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such Underwriter), and the Company, its directors, any such officers and any person controlling the Company and the Selling Stockholders and any person controlling such Selling Stockholders shall have the rights and duties given to the Underwriter, by Section 8(b) hereof.

(d) If the indemnification provided for in this Section 8 is unavailable to an indemnified party in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities and judgments (i) in such proportion as is appropriate to reflect the relative benefits received by the Sellers on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Sellers and the Underwriters in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative benefits received by the Sellers and the Underwriters shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Sellers, and the total underwriting discounts and commissions received by the Underwriters, bear to the total price to the public of the Shares in each case as set forth in the table on the cover page of the Prospectus. The relative fault of the Sellers and the Underwriters shall be determined by reference to, among other

things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Sellers and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or judgments referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such

action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section II(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective number of Shares purchased by each of the Underwriters hereunder and not joint.

(e) Each Seller hereby designates MAXIMUS, Inc., 1356 Beverly Road, McLean, Virginia 22101 (a Virginia Corporation), as its authorized agent, upon which process may be served in any action, suit or proceeding which may be instituted in any state or federal court in the State of New York by any Underwriter or person controlling an Underwriter asserting a claim for indemnification or contribution under or pursuant to this Section 8, and each Seller will accept the jurisdiction of such court in such action, and waives, to the fullest extent permitted by applicable law, any defense based upon lack of personal jurisdiction or venue. A copy of any such process shall be sent or given to such Seller at the address for notices specified in Section 13 hereof.

9. CONDITIONS OF UNDERWRITERS OBLIGATIONS. The several obligations of the Underwriters to purchase the Firm Shares under this Agreement are subject to the satisfaction of each of the following conditions:

(a) All the representations and warranties of the Company contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if made on and as of the Closing Date.

(b) The Registration Statement shall have become effective not later than 5:00 P.M.(and in the case of a Registration Statement filed under Rule 462(b) of the Act, not later than 10:00 p.m.), New York City time, on the date of this Agreement or at such later date and time as you may approve in writing, and at the Closing Date no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been commenced or shall be pending before or contemplated by the Commission.

(c) (i) Since the date of the latest balance sheet included in the Registration Statement and the Prospectus, there shall not have been any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, affairs or business prospects, whether or not arising in the ordinary course of business, of the Company, (ii) since the date of the latest balance sheet included in the Registration Statement and the Prospectus there shall not have been any change, or any development involving a prospective material adverse change, in the capital stock or in the long-term debt of the Company from that set forth in the Registration Statement and Prospectus, (iii) the Company and its subsidiaries shall have no liability or obligation, direct or contingent, which is material to the Company and its subsidiaries, taken as a whole, other than those reflected in the Registration Statement and the Prospectus and (iv) on the Closing Date you shall have received a certificate dated the Closing Date, signed by David V. Mastran and Raymond B. Ruddy, in their capacities as the Chief Executive Officer and Chairman of the Board and President of Consulting Services respectively, of the Company, confirming the matters set forth in paragraphs (a), (b), and (c) of this Section 9.

(d) All the representations and warranties of the Selling Stockholders contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if made on and as of the Closing Date and you shall have received a certificate to such effect, dated the Closing Date, from each Selling Stockholder.

(e) You shall have received on the Closing Date an opinion (satisfactory to you and counsel for the Underwriters), dated the Closing Date, of Palmer & Dodge LLP counsel for the Company and the Selling Stockholders, to the effect that:

(i) the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the Commonwealth of Virginia and has the corporate power and authority required to carry on its business as it is currently being conducted and to own, lease and operate its properties;

(ii) the Company is duly qualified and is in good standing as a foreign corporation authorized to do business in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where

the failure to be so qualified would not have a material adverse effect on the Company;

(iii) all the outstanding shares of Common Stock (including the Shares to be sold by the Selling Stockholders) have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive or similar rights;

(iv) the Shares to be issued and sold by the Company hereunder have been duly authorized, and when issued and delivered to the Underwriters against payment therefor as provided by this Agreement, will have been validly issued and will be fully paid and non-assessable, and the issuance of such Shares is not subject to any preemptive or similar rights;

(v) this Agreement has been duly authorized, executed and delivered by the Company and each of the Selling Stockholders and is a valid and binding agreement of the Company and each Selling Stockholder enforceable in accordance with its terms (except as rights to indemnity and contribution hereunder may be limited by applicable law);

(vi) the authorized capital stock of the Company, including the Common Stock, conforms as to legal matters to the description thereof contained in the Prospectus;

(vii) the Registration Statement has become effective under the Act no stop order suspending its effectiveness has been issued and no proceedings for that purpose are, to the knowledge of such counsel, pending before or contemplated by the Commission;

(viii) the statements under the captions "Risk Factors - Certain Anti-Takeover Effects, and - Shares Eligible for Future Sale", "Management - Compensation Plans", "Description of Capital Stock", "Shares Eligible for Future Sale", and "Underwriting" in the Prospectus and Items 14 and 15 of Part II of the Registration Statement insofar as such statements constitute a summary of legal matters documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings;

(ix) the Company is not in violation of its charter or by-laws and, to the best of such counsel's knowledge after due inquiry, the Company is not in default in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any other agreement, indenture or instrument material to the conduct of the business of the Company, to which the Company is a party or by which the Company or its property is bound;

(x) the execution, delivery and performance of this Agreement by the Company and each Selling Stockholder, compliance by the Company and each Selling Stockholder with all the provisions hereof and the consummation of the transactions contemplated hereby will not require any consent, approval, authorization or other

order of any court, regulatory body, administrative agency or other governmental body (except as such may be required under the Act or other securities or Blue Sky laws) and will not conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter or by-laws of the Company or the organizational documents of any Selling Stockholder that is not an individual or any agreement, indenture or other instrument to which the Company or any Selling Stockholder is a party or by which the Company or any Selling Stockholder or their respective properties are bound, or violate or conflict with any laws, administrative regulations or rulings or court decrees applicable to the Company or any Selling Stockholder or their respective properties;

(xi) after due inquiry, such counsel does not know of any legal or governmental proceeding pending or threatened to which the Company is a party or to which any of its property is subject which is required to be described in the Registration Statement or the Prospectus and is not so described, or of any contract or other document which is required to be described in the Registration

Statement or the Prospectus or is required to be filed as an exhibit to the Registration Statement which is not described or filed as required;

(xii) to the best of such counsel's knowledge, after due inquiry, the Company has not violated any Environmental Laws, nor any federal or state law relating to discrimination in the hiring, promotion or pay of employees nor any applicable federal or state wages and . hours laws, nor any provisions of the Employee Retirement Income Security Act or the rules and regulations promulgated thereunder, which in each case might result in any material adverse change in the business, prospects, financial condition or results of operation of the Company;

(xiii) the Company has such permits, licenses, franchises and authorizations of governmental or regulatory authorities ("permits"), including, without limitation, under any applicable Environmental Laws, as are necessary to own, lease and operate its properties and to conduct its business in the manner described in the Prospectus; to the best of such counsel's knowledge, after due inquiry, the Company and each of its subsidiaries has fulfilled and performed all of its material obligations with respect to such permits and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such permit, subject in each case to such qualification as may be set forth in the Prospectus; and, except as described in the Prospectus, such permits contain no restrictions that are materially burdensome to the Company;

(xiv) the Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(xv) to the best of such counsel's knowledge, after due inquiry, no holder of any security of the Company has any right to

require registration of shares of Common Stock or any other security of the Company;

(xvi) to the best of such counsel's knowledge, after due inquiry, all leases to which the Company is a party are valid and binding and no default has occurred or is continuing thereunder that might result in any material adverse change in the business, prospects, financial condition or results of operation of the Company, and the Company enjoys peaceful and undisturbed possession under all such leases to which it is a party as lessee with such exceptions as do not materially interfere with the use made by the Company;

(xvii) (1) the Registration Statement (including any Registration Statement filed under 462(b) of the Act, if any) and the Prospectus and any supplement or amendment thereto (except for financial statements as to which no opinion need be expressed) comply as to form in all material respects with the Act, and (2) such counsel believes that (except for financial statements, as aforesaid) the Registration Statement and the prospectus included therein at the time the Registration Statement became effective did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that the Prospectus, as amended or supplemented, if applicable (except for financial statements, as aforesaid) does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xviii) the Custody Agreement has been duly authorized, executed and delivered by each Selling Stockholder and is a valid and binding agreement of such Selling Stockholder enforceable in accordance with its terms;

(xix) each Selling Stockholder has full legal right, power and authority, and any approval required by law (other than any approval imposed by the applicable state securities and Blue Sky laws) to sell, assign, transfer and deliver the Shares to be sold by him in the manner provided in this Agreement and the Custody Agreement;

(xx) each Selling Stockholder has good and clear title to the certificates for the Shares to be sold by such Selling Stockholder and upon delivery thereof, pursuant hereto and payment therefore good and clear title will pass to the Underwriters, severally, free of all restrictions on transfer, liens, encumbrances, security interests and claims whatsoever; and

(xxi) the power of attorney signed by each Selling Stockholder appointing _____ and _____, or either of them, as his attorney- in-fact to the extent set forth therein with regard to the

transactions contemplated hereby and by the Registration Statement has been duly authorized, executed and delivered by or on behalf of each Selling Stockholder and are valid and binding instruments of such Selling Stockholder enforceable in

accordance with its terms, and pursuant to such power of attorney, each of the Selling Stockholders has authorized _____ and _____, or either of them, to execute and deliver on their behalf this Agreement and any other document necessary or desirable in connection with transactions contemplated hereby and to deliver the Shares to be sold by them pursuant to this Agreement.

In giving such opinion with respect to the matters covered by clause (xvii) such counsel may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification except as specified.

The opinion of Palmer & Dodge LLP described in paragraph (e) above shall be rendered to you at the request of the Company or one or more of the Selling Stockholders, as the case may be, and shall so state therein.

(f) You shall have received on the Closing Date an opinion, dated the Closing Date, of Winston & Strawn, counsel for the Underwriters, as to the matters referred to in clauses (v), (vi) (but only with respect to the Company), (viii), (ix) (but only with respect to the statements under the captions "Description of Capital Stock" and "Underwriting") and (xviii) of the foregoing paragraph (e). In giving such opinion with respect to the matters covered by clause (xvii) such counsel may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification except as specified.

(g) You shall have received a letter on and as of the Closing Date, in form and substance satisfactory to you, from Ernst & Young LLP, independent public accountants, with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus and substantially in the form and substance of the letter delivered to you by Ernst & Young LLP on the date of this Agreement.

(h) The Company and the Selling Stockholders shall not have failed at or prior to the Closing Date to perform or comply with any of the agreements herein contained and required to be performed or complied with by the Company and the Selling Stockholders at or prior to the Closing Date.

(i) You shall have received on the Closing Date from each Selling Stockholder a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof). The several obligations of the Underwriters to purchase any Additional Shares hereunder are subject to the delivery to you on the

applicable Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of such Additional Shares and other matters related to the issuance of such Additional Shares.

10. EFFECTIVE DATE OF AGREEMENT AND TERMINATION. This Agreement shall become effective upon the later of (i) execution of this Agreement and (ii) when notification of the effectiveness of the Registration Statement has been released by the Commission.

This Agreement may be terminated at any time prior to the Closing Date by you by written notice to the Sellers if any of the following has occurred: (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus, any material adverse change or development involving a prospective material adverse change in the condition, financial or otherwise, of the Company or the earnings, affairs, or business prospects of the Company, whether or not arising in the ordinary course of business, which would, in your judgment, make it impracticable to market the Shares on the terms and in

the manner contemplated in the Prospectus, (ii) any outbreak or escalation of hostilities or other national or international calamity or crisis or change in economic conditions or in the financial markets of the United States or elsewhere that, in your judgment, is material and adverse and would, in your judgment, make it impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus, (iii) the suspension or material limitation of trading in securities on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market or limitation on prices for securities on any such exchange or the Nasdaq National Market, (iv) the enactment, publication, decree or other promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which in your opinion materially and adversely affects, or will materially and adversely-affect, the business-or operations of the Company, (v) the declaration of a banking moratorium by either federal or New York State authorities or (vi) the taking of any action by any federal, state or local government or agency in respect of its monetary or fiscal affairs which in your opinion has a material adverse effect on the financial markets in the United States.

If on the Closing Date or on an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase the Firm Shares or Additional Shares, as the case may be; which it or they have agreed to purchase hereunder on such date and the aggregate number of Firm Shares or Additional Shares, as the case may be, which such defaulting Underwriter or Underwriters, as the case may be, agreed but failed or refused to purchase is not more than one-tenth of the total number of Shares to be purchased on such date by all Underwriters, each non-defaulting Underwriter shall be obligated severally, in the proportion which the number of Firm Shares set forth opposite its name in Schedule I bears to the total number of Firm Shares which all the non-defaulting Underwriters, as the case may be, have

agreed to purchase, or in such other proportion as you may specify, to purchase the Firm Shares or-Additional Shares, as the case may be, which such defaulting Underwriter or Underwriters, as the case may be, agreed but failed or refused to purchase on such date; provided that in no event shall the number of Firm Shares or Additional Shares, as the case may be, which any Underwriter has agreed to purchase pursuant to Section 2 hereof be increased pursuant to this Section 10 by an amount in excess of one-ninth of such number of Firm Shares or Additional Shares, as the case may be, without the written consent of such Underwriter. If on the Closing Date or on an Option Closing Date, as the case may be, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares, or Additional Shares, as the case may be, and the aggregate number of Firm Shares or Additional Shares, as the case may be, with respect to which such default occurs is more than one-tenth of the aggregate number of Shares to be purchased on such date by all Underwriters and arrangements satisfactory to you and the applicable Sellers for purchase of such Shares are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter and the applicable Sellers. In any such case which does not result in termination of this Agreement, either you or the Sellers shall have the right to postpone the Closing Date or the applicable Option Closing Date, as the case may be, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and the Prospectus or any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of any such Underwriter under this Agreement.

11. AGREEMENTS OF THE SELLING STOCKHOLDERS. Each Selling Stockholder severally agrees with you and the Company:

(a) To pay or to cause to be paid all transfer taxes with respect to the Shares to be sold by such Selling Stockholder; and

(b) To take all reasonable actions in cooperation with the Company and the Underwriters to cause the Registration Statement to become effective at the earliest possible time, to do and perform all things to be done and performed under this Agreement prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Shares pursuant to this Agreement.

12. MISCELLANEOUS. Notices given pursuant to any provision of this Agreement shall be addressed as follows: (a) if to the Company to _____, c/o MAXIMUS, INC., 1356 Beverly Road, McLean, Virginia 22101 (b) if to the Selling Stockholders, to [NAME OF ATTORNEY-IN-FACT] c/o [ADDRESS OF ATTORNEY-IN-FACT] and (c) if to any Underwriter or to you, to you c/o Donaldson, Lufkin & Jenrette Securities Corporation, 277 Park Avenue, New York, New York 10172, Attention: Syndicate Department, or in any case to such other address as the person to be notified may have requested in writing.

The respective indemnities, contribution agreements, representations, warranties, covenants and other statements of the Selling Stockholders, the Company, its officers and directors and of the several Underwriters set forth in or made pursuant to this Agreement shall remain operative and in full force and effect, and will survive delivery of and payment for the Shares, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or by or on behalf of the Sellers, the officers or directors of the Company or any controlling person of the Sellers, (ii) acceptance of the Shares and payment for them hereunder and (iii) termination of this Agreement.

If this Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the Sellers to comply with the terms or to fulfill any of the conditions of this Agreement, the Sellers agree to reimburse the several Underwriters for all out-of-pocket expenses (including the fees and disbursements of counsel) reasonably incurred by them.

Except as otherwise provided, this Agreement has been and is made solely for the benefit of and shall be binding upon the Sellers, the Underwriters, any controlling persons referred to herein and their respective successors and assigns, all as and to the extent provided in this Agreement, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include a purchaser of the Shares from any of the several Underwriters merely because of such purchase.

This Agreement shall be governed and construed in accordance with the laws of the State of New York.

This Agreement may be signed in various counterparts which together shall constitute one and the same instrument.

Please confirm that the foregoing correctly sets forth the agreement between the Company, the Selling Stockholders and the several Underwriters.

Very truly yours,

MAXIMUS, INC.

By

Title:

THE SELLING STOCKHOLDERS NAMED
IN SCHEDULE II HERETO

By

Attorney-in-fact

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
LEHMAN BROTHERS INC.

Acting severally on behalf of
themselves and the several
Underwriters named in
Schedule I hereto

By DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

By

SCHEDULE I

Underwriter	Number of Firm Shares to be Purchased
Donaldson, Lufkin & Jenrette Securities Corporation	
Lehman Brothers Inc.	
Total	

SCHEDULE II

Selling Stockholders

Name	Number of Firm Shares Being Sold	Maximum Number of Additional Shares Subject to Sale
David V. Mastran		
Raymond B. Ruddy		
Russell A. Beliveau		
F. Arthur Nerret		
Ilene R. Baylinson		
Lynn P. Davenport		
Donna J. Muldoon		
Susan D. Pepin		
Robert Muzzio		
Paul G. Buckley		
William F. Dinneen		
Kevin Dorney		
Edward F. Hilz		
David A. Hogan		
John P. Lau, Sr.		
Alice Meana		
Holly Payne		
Philip A. Richardson		
Robert L. Sarno		
Catherine Tracy		
Michael C. Truby		

Exhibit 3.1

ARTICLES OF INCORPORATION

OF

MAXIMUS, INC.

We hereby associate to form a stock corporation under the provisions of Chapter 1 of Title 13.1 of the Code of Virginia 1950, as amended, and to that end set forth the following:

1. The name of the Corporation is Maximus, Inc.

2. The Corporation is organized for the following purposes:

(a) To provide consulting work for both private and governmental entitles.

(b) To have all those powers recited in Sections 13.1-3, 13.1-3.1, and 13.1-4, Code of Virginia.

(c) To carry on business of any character whatsoever that is not prohibited by law or required to be stated in these articles.

3. The aggregate number of shares which the Corporation shall have the authority to issue and the par value per share are as follows:

Class	Number of Shares	Par Value Per Share
Common Stock	100,000	50(cent)

4. The post office address of the initial registered office of the Corporation is 501 Chesapeake Drive, Great Falls, Virginia. The county in which the initial registered office is located is Fairfax County, Virginia. The name of the initial registered agent is David V. Mastran, who is a resident of Virginia and a director of the corporation and whose business address is the same as the address of the initial registered office of the corporation.

5. The number of directors constituting the initial Board of Directors is two, either or both of whom will initially own all of the shares of the Corporation, and whose names and addresses are as follows:

Name	Address
David V. Mastran	501 Chesapeake Drive Great Falls, Virginia
Shelley S. Mastran	501 Chesapeake Drive Great Falls, Virginia

6. The names and addresses of the incorporators are:

Name	Address
David V. Mastran	501 Chesapeake Drive Great Falls, Virginia
Shelley S. Mastran	501 Chesapeake Drive Great Falls, Virginia
James W. Haley, Jr.	910 Princess Anne Street Fredericksburg, Virginia

Dated: September 14, 1975

/s/ David V. Mastran

DAVID V. MASTRAN

/s/ Shelley S. Mastran

SHELLEY S. MASTRAN

/s/ James W. Haley, Jr.

JAMES W. HALEY, JR.

STATE OF VIRGINIA
COUNTY OF FAIRFAX, to wit:

The foregoing instrument was acknowledged before me this 14th day of September, 1975, by David V. Mastran and Shelley S. Mastran.

My commission expires:

12 Feb 1979 /s/ John G. Bays
- ---
Notary Public

STATE OF VIRGINIA
CITY OF FREDERICKSBURG, to wit:

The foregoing instrument was acknowledged before me this 11th day of September, 1975, by James W. Haley, Jr.

My commission expires:

May 17, 1978 /s/ Lorna M. Keller
- ---
Notary Public

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
MAXIMUS, INC.

PURSUANT TO SECTION 13.1-710
OF
VIRGINIA CORPORATION LAW

We, the undersigned being respectively the president and secretary of MAXIMUS, Inc. ("the Corporation") do hereby certify as follows:

1. The name of the Corporation is the MAXIMUS, Inc.

2. The text of the amendment adopted, replacing Article 3 in its entirety, is:

3. The aggregate number of shares which the Corporation shall have authority to issue and the par value per share are as follows:

Class	Number of Shares	Par Value Per Share
Common Stock	110,000	50(cent)

3. The date of the amendment's adoption is December 22, 1986.

4. The amendment was adopted by shareholders owning more than ninety percent of the stock in the Corporation.

IN WITNESS WHEREOF, we have made and subscribed these articles this 22nd day of December, 1986.

/s/ David V. Mastran

President

/s/ Shelley S. Mastran

Secretary

ATTEST: /s/ Shelley S. Mastran
/s/ Alice Luituri

SEAL:

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION

MAXIMUS, INC.

Pursuant to Section 13.1-710 of the 1950 Code of Virginia, as amended, the undersigned certify as follows:

1. The name of the Corporation is: MAXIMUS, Inc.

2. Article 1 of the Articles of Incorporation of the corporation is amended to change the name of the corporation from Maximus, Inc. to: MAXIMUS, Inc.

3. Article 3 of the Articles of Incorporation of the corporation is amended to change each issued and unissued authorized share of common stock of the Corporation into ten shares of such common stock and the par value per share of such common stock is reduced from $0.50 per share to $0.10 per share. To reflect the increased number of authorized shares of the Corporation's common stock and the reduced par value per share of such shares, Article 3 of the Articles of Incorporation is restated as follows:

3. The aggregate number of shares which the Corporation shall have authority to issue and the par value per share are as follows:

Class	Number of Shares	Par Value Per Share
Common	1,100,000	$0.10

4. The Corporation has adopted the following procedures to implement the stock split described in Article 3 above.

(a) NOTICE. Promptly after the acceptance of these Articles of Amendment of its Articles of Incorporation by the Virginia State Corporation Commission, the Chief Executive Officer of the Corporation shall cause a notice to be prepared and sent to shareholders of record as of September 1,

1995, advising such shareholders of the procedures to be followed to exchange existing stock certificates for new certificates reflecting the change in shares. The notice shall include a copy of this Plan of Reorganization and such other materials as the Chief Executive Officer shall deem appropriate to facilitate the exchange of certificates.

(b) EXCHANGE. Upon surrender of existing certificates for the Corporation's currently issued common stock, shareholders shall be issued a certificate for ten shares of common stock for each share of common stock owned by such shareholders. Certificates surrendered for exchange shall be delivered to the Corporation's Secretary at the corporate headquarters located at 1356 Beverly Road, McLean, Virginia 22041, Attention: Donna Muldoon, Secretary.

(c) LOST CERTIFICATES. In case of the loss, theft or apparent destruction of a share certificate, the shareholder shall submit an Affidavit to the Corporation, in such form as the Corporation shall require, setting forth the fact of such loss, theft or apparent destruction. The Board of Directors of the Corporation shall review all such affidavits and may, in its discretion, (i) require that any shareholder seeking the issue of a new certificate based upon a lost, stolen or apparently destroyed certificate provide the Corporation with an indemnity bond or other surety indemnifying the Corporation from any loss arising as a result of such lost, mutilated or apparently destroyed certificate and (ii) satisfy any other reasonable

requirement deemed necessary or advisable by the Board of Directors.

5. The date of the amendment's adoption was November 30, 1995.

6. The amendment was adopted by unanimous consent of the shareholders of the Corporation.

MAXIMUS, Inc.

By: /s/ Raymond B. Ruddy

Raymond B. Ruddy
Chairman of the Board of Directors

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
MAXIMUS, INC.

Pursuant to Section 13.1-710 of the Stock Corporation Act under Chapter 9 of the Code of Virginia, as amended, the undersigned certifies as follows:

1. The name of the Corporation is MAXIMUS, Inc.

2. Article 3 of the Articles of Incorporation of the corporation is hereby amended to read in its entirety as follows:

"3. The Corporation is authorized to issue 30,000,000 Shares of Common Stock.

The pre-emptive rights granted by Section 13.1-651 of the Virginia Stock Corporation Act, or any other provision of law, are expressly denied to any Shareholders of this Corporation."

3. Upon the effectiveness of these Articles of Amendment to the Articles of Incorporation, each issued and outstanding share of Common Stock of the Corporation shall thereby be divided into eleven (11) validly issued, fully paid, and nonassessable shares of Common Stock of the Corporation. There shall not be any change in the number of shares authorized by reason of such division or split, except as set forth in Article 3 of the Corporation's Articles of Incorporation as amended above. No notice of such filing and effectiveness of these Articles of Amendment shall be required to be given to any Shareholder of the Corporation. Each certificate representing shares of Common Stock held by any Shareholder prior to such filing and effectiveness shall be deemed for all purposes to represent the number of shares stated on the face of such certificate multiplied by eleven (11). Upon the request of any Shareholder to exchange such certificate for a new certificate or to transfer shares, the Corporation shall make such exchange or transfer in accordance with the By-laws of the Corporation, taking into account the stock division or split effected by these Articles of Amendment.

4. This amendment was adopted by the unanimous written consent of the Board of Directors dated March 31, 1997 and submitted for approval by the Shareholders of the Corporation in accordance with Chapter 9 of the Code of the Commonwealth of Virginia (the "Meeting"). By unanimous written consent dated February 3, 1997, the Shareholders of the Corporation approved this amendment. No shares of any other class of stock were outstanding and entitled to vote.

MAXIMUS, Inc.

By: /s/ F. Arthur Nerret

Name: F. Arthur Nerret
Title: Chief Financial Officer

Exhibit 3.2

FORM OF
AMENDED AND RESTATED
ARTICLES OF INCORPORATION

OF

MAXIMUS, INC.

The undersigned, pursuant to Section 13.1-711 of the Stock Corporation Act under Chapter 9 of Title 13.1 of the Code of Virginia, states as follows:

FIRST: The name of the Corporation is MAXIMUS, Inc.

SECOND: The Corporation is authorized to issue 30,000,000 shares of Common Stock.

The preemptive rights granted by Section 13.1-651 of the Virginia Stock Corporation Act, or any other provision of law, are expressly denied to any Shareholder of this Corporation.

Subject to the provisions of any applicable law or of the by-laws of the Corporation, as from time to time amended, the holders of outstanding shares of Common Stock shall have exclusive voting rights for the election of directors and for all other purposes, each holder of record of shares of Common Stock being entitled to one vote for each share of Common Stock standing in his name on the books of the Corporation.

The holders of Common Stock shall be entitled to receive such dividends from time to time as may be declared by the Board of Directors out of any funds of the Corporation legally available for the payment of such dividends.

In the event of the liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, the holders of Common Stock shall be entitled to share ratably according to the number of shares of Common stock held by them in all assets of the Corporation available for distribution to its Shareholders.

Subject to the provisions of these Articles of Incorporation and except as otherwise provided by law, the shares of stock of the Corporation, regardless of class, may be issued for such consideration and for such corporate purposes as the Board of Directors may from time to time determine.

THIRD: The rights granted by Section 13.1-728 of the Virginia Stock Corporation Act, or any other provision of law pertaining to Control Share Acquisitions shall not apply to the Corporation.

FOURTH: The Affiliated Transactions Article, also known as Section 13.1-725 et seq. of the Virginia Stock Corporation Act shall not apply to the Corporation.

FIFTH: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Virginia Stock Corporation Act.

SIX: The address of the registered office of the Company in the Commonwealth of Virginia is 1356 Beverly Road, McLean, Virginia in the County of Fairfax. The name of its registered agent at such address is David V. Mastran. Mr. Mastran is a director and resident of the Commonwealth of Virginia.

SEVENTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation:

1. Any vote or votes authorizing liquidation of the Corporation or proceedings for its dissolution may provide, subject to the rights of creditors and the rights expressly provided for particular classes or series of stock, for the distribution among the Shareholders of the Corporation of the assets of the Corporation as provided herein, wholly or in part or in kind, whether such assets be in cash or other property, and may authorize the Board of Directors of the Corporation to determine the valuation of the different assets of the Corporation for the purpose of such liquidation and may divide or authorize the Board of Directors to divide such assets or any part thereof among the Shareholders of the Corporation, in such manner that every Shareholder will receive a proportionate amount in value (determined as provided herein) of cash or property of the Corporation upon such liquidation or dissolution even though each Shareholder may not receive a strictly proportionate part of each such asset.

2. If at any time the Corporation shall have a class of stock registered pursuant to the provisions of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for so long as such class is registered, the directors shall be divided into three classes, as nearly equal in number as the then total number of directors constituting the entire Board permits, with the term of office of one class expiring each year. The initial Class I directors elected by the Shareholders of the Corporation shall hold office for a term expiring at the first annual meeting of Shareholders after such registration of the Company's Stock; the initial Class II directors elected by the Shareholders of the Corporation shall hold office for a term expiring at the second annual meeting of Shareholders after such registration of the Company's Stock; and the initial Class III directors elected by the Shareholders of the Corporation shall hold office for a term expiring at the third annual meeting of Shareholders after such registration of the Company's Stock. At each such annual meeting of Shareholders and at each annual meeting thereafter, successors to the class of directors whose term expires at that meeting shall be elected for a term expiring at the third annual meeting following their election and until their successors shall be elected and qualified, subject to prior death, resignation, retirement or removal. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no event will a decrease in the number of directors shorten the term of any incumbent director. This Section 2 of Article SEVENTH may not be amended, revised or revoked, in whole or in part, except by the affirmative vote of the holders of 80% of the voting power of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for the purposes of this Article SEVENTH as one class of stock.

3. Each director chosen to fill a vacancy in the Board of Directors shall be elected to complete the term of office of the director who is being succeeded. In the case of

any election of a new director to fill a directorship created by an enlargement of the Board, the Board shall in such election assign the class of directors to which such additional director is being elected, and each director so elected shall hold office for the same term as the other members of the class to which the director is assigned.

4. At any special meeting of the Shareholders called at least in part for the purpose, any director or directors may, by the affirmative vote of the holders of at least a majority of the stock entitled to vote for the election of directors, be removed from office for cause. Upon the registration of the Company's Stock under the Exchange Act, and as long as so registered, the provisions of this subsection shall be the exclusive method for the removal of directors. This Section 4 of Article SEVENTH may not be amended, revised or revoked, in whole or in part, except by the affirmative vote of the holders of 80% of the voting power of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for the purposes of this Article SEVENTH as one class of stock.

5. The Corporation shall indemnify (A) its directors and officers, whether serving the Corporation or at its request any other entity, to the full extent required or permitted by the Virginia Stock Corporation Act now or hereafter in force, including the advance of expenses under the procedures and to the full extent permitted by law and (B) other employees and agents to such extent as shall be authorized by the Board of Directors or the Corporation's by-laws and be permitted by law. The foregoing rights of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled. The Board of Directors may take such action as is necessary to carry out these indemnification provisions. No amendment of the charter of the Corporation or repeal of any of its provisions shall limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

6. A director of the Corporation shall not be personally liable to the Corporation or its Shareholders for monetary damages for breach of fiduciary duty as a director, to the fullest extent permitted by Section 13.1-692.1(B) of the Virginia Stock Corporation Act or any other provisions of applicable law. If the Virginia Stock Corporation Act is amended after approval by the Shareholders of this Article SEVENTH to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Virginia Stock Corporation Act as so amended from time to time.

Any repeal or modification of this Article SEVENTH shall not increase the personal liability of any director of this Corporation for any act or occurrence taking place before such repeal or modification, nor otherwise adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

8. Meetings of Shareholders may be held anywhere within or without the Commonwealth of Virginia. The books of the Corporation may be kept outside the Commonwealth of Virginia at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the Corporation.

EIGHTH: If at any time the Corporation shall have a class of stock registered pursuant to the provisions of the Exchange Act, for so long as such class is registered, no action required to be taken or that may be taken at any annual or special meeting of Shareholders of the Corporation may be taken by written consent without a meeting, and the power of Shareholders to consent in writing, without a meeting, to the taking of any action shall be specifically denied.

This Article EIGHTH may not be amended, revised or revoked, in whole or in part, except by the affirmative vote of the holders of 80% of the voting power of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for the purposes of this Article EIGHTH as one class of stock.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provisions contained in these Amended and Restated Articles of Incorporation in the manner now or hereafter prescribed by statute, and all rights conferred upon Shareholders are granted subject to this reservation.

IN WITNESS WHEREOF, the undersigned have duly executed these Amended and Restated Articles of Incorporation in the name and on behalf of MAXIMUS, Inc. on the _____ day of _____, 1997 and the statements contained herein are affirmed as true under penalties of perjury.

Name:
Title:

ATTESTED:

- ---
Name:
Title:

Exhibit 3.3

BY-LAWS

OF

MAXIMUS, INC.

ARTICLE I - OFFICES

The office of the Corporation shall be located in the City and State designated in the Articles of Incorporation. The Corporation may also maintain offices at such other places within or without the United States as the Board of Directors may, from time to time, determine.

ARTICLE II - MEETING OF SHAREHOLDERS

Section 1 - Annual Meetings:

The annual meeting of the shareholders of the Corporation shall be held within five months after the close of the fiscal year of the Corporation, for the purpose of electing directors, and transacting such other business as may properly come before the meeting.

Section 2 - Special Meetings:

Special meetings of the shareholders may be called at any time by the Board of Directors or by the President, and shall be called by the President or the Secretary at the written request of the holders of ten per cent (10%) of the shares then outstanding and entitled to vote thereat, or as otherwise required under the provisions of the Business Corporation Act.

Section 3 - Place Of Meetings:

All meetings of shareholders shall be held at the principal office of the Corporation, or at such other places as shall be designated in the notices or waivers of notice of such meetings.

Section 4 - Notice Of Meetings:

(a) Written notice of each meeting of shareholders, whether annual or special, stating the time when and place where it is to be held, shall be served either personally or by mail, not less than ten or more than fifty days before the meeting, upon each shareholder of record entitled to vote at such meeting, and to any other shareholder to whom the giving of notice may be required by law. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called, and shall indicate that it is being issued by, or at the direction of, the person or persons calling the meeting. If, at any meeting, action is proposed to be taken that would, if taken, entitle shareholders to receive payment for their shares pursuant to the Business Corporation Act, the notice of such meeting shall include a statement of that purpose and to that effect. If mailed, such notice shall be directed to each such shareholder at his address, as it appears on the records of the shareholders of the Corporation, unless he shall have previously

filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other address,in which case, it shall be mailed to the address designated in such request.

(b) Notice of any meeting need not be given to any person who may become a shareholder of record after the mailing of such notice and prior to the meeting, or to any shareholder who attends such meeting, in person or by proxy, or to any shareholder who, in person or by proxy, submits a signed waiver of notice either before or after such meeting. Notice of any adjourned meeting of shareholders need not be given, unless otherwise required by statute.

Section 5 - Quorum:

(a) Except as otherwise provided herein, or by statute, or in the Articles of Incorporation (such Articles and any amendments thereof being hereinafter collectively referred to as the "Articles of Incorporation"), at all meetings of shareholders of the Corporation, the presence at the commencement of such meetings in person or by proxy of shareholders holding of record a majority of the total number of shares of the Corporation then issued and outstanding and

entitled to vote, shall be necessary and sufficient to constitute a quorum for the transaction of any business. The withdrawal of any shareholder after the commencement of a meeting shall have no effect on the existence of a quorum, after a quorum has been established at such meeting.

(b) Despite the absence of a quorum at any annual or special meeting of shareholders, the shareholders, by a majority of the votes cast by the holders of shares entitled to vote thereon, may adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum had been present.

Section 6 - Voting:
- ------------------

(a) Except as otherwise provided by statute or by the Articles of Incorporation, any corporate action, other than the election of directors to be taken by vote of the shareholders, shall be authorized by a majority of votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

(b) Except as otherwise provided by statute or by the Articles of Incorporation, at each meeting of shareholders, each holder of record of shares of the Corporation entitled to vote thereat, shall be entitled to one vote for each share registered in his name on the books of the Corporation.

(c) Each shareholder entitled to vote or to express consent or dissent without a meeting, may do so by proxy; provided, however, that the instrument authorizing such proxy to act shall have been executed in writing by the shareholder himself, or by his attorney-in-fact thereunto duly authorized in writing. No proxy shall be valid after the expiration of eleven months from the date of its execution, unless the persons executing it shall have specified therein the length of time it is to continue in force. Such instrument shall be exhibited to the Secretary at the meeting and shall be filed with the records of the Corporation.

(d) Any resolution in writing, signed by all of the shareholders entitled to vote thereon, shall be and constitute action by such shareholders to the effect therein expressed, with the same force and effect as if the same had been duly passed by unanimous vote at a duly called meeting of shareholders and such resolution so signed shall be inserted in the Minute Book of the Corporation under its proper date.

ARTICLE III - BOARD OF DIRECTORS

Section 1 - Number, Election And Term Of Office:
- --

(a) The number of the directors of the Corporation shall be two (2), unless and until otherwise determined by vote of a majority of the entire Board of Directors. The number of Directors shall not be less than three, unless all of the outstanding shares are owned beneficially and of record by less than three shareholders, in which event the number of directors shall not be less than the number of shareholders.

(b) Except as may otherwise be provided herein or in the Articles of Incorporation, the members of the Board of Directors of the Corporation, who need not be shareholders, shall be elected by a majority of the votes cast at a meeting of shareholders, by the holders of shares entitled to vote in the election.

(c) Each director shall hold office until the annual meeting of the shareholders next succeeding his election, and until his successor is elected and qualified, or until his prior death, resignation or removal.

Section 2 - Duties And Powers:
- ------------------------------

The Board of Directors shall be responsible for the control and management of the affairs, property and interests of the Corporation, and may exercise all powers of the Corporation, except as are in the Articles of Incorporation or by statute expressly conferred upon or reserved to the shareholders.

Section 3 - Annual and Regular Meetings; Notice:
- --

(a) A regular annual meeting of the Board of Directors shall be held immediately following the annual meeting of the shareholders, at the place of such annual meeting of shareholders.

(b) The Board of Directors, from time to time, may provide by resolution for the holding of other regular meetings of the Board of Directors, and may fix the time and place thereof.

(c) Notice of any regular meeting of the Board of Directors shall not be required to be given and, if given, need not specify the purpose of the meeting; provided, however, that in case the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be given to each director who shall not have been present at the meeting at which such action was taken within the time limited, and in the manner set forth in paragraph (b) of Section 4 of

this Article III, with respect to special meetings, unless such notice shall be waived in the manner set forth in paragraph (c) of such Section 4.

Section 4 - Special Meetings; Notice:
- -------------------------------------

(a) Special Meetings of the Board of Directors shall be held whenever called by the President or by one of the directors, at such time and place as may be specified in the respective notices or waivers of notice thereof.

(b) Notice of special meetings shall be mailed directly to each director, addressed to him at his residence or usual place of business, at least two (2) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegram, radio or cable, or shall be delivered to him personally or given to him orally, not later than the day before the day on which the meeting is to be held. A notice, or waiver of notice, except as required by Section 8 of this Article III, need not specify the purpose of the meeting.

(c) Notice of any special meeting shall not be required to be given to any director who shall attend such meeting without protesting prior thereto or at its commencement, the lack of notice to him, or who submits a signed waiver of notice, whether before or after the meeting. Notice of any adjourned meeting shall not be required to be given.

Section 5 - Chairman:
- ---------------------

At all meetings of the Board of Directors, the Chairman of the Board, if any and if present, shall preside. If there shall be no Chairman, or he shall be absent, then the President shall preside, and in his absence, a Chairman chosen by the Directors shall preside.

Section 6 - Quorum and Adjournments:
- ------------------------------------

(a) At all meetings of the Board of Directors, the presence of a majority of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws.

(b) A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

Section 7 - Manner of Acting:
- -----------------------------

(a) At all meetings of the Board of Directors, each director present shall have one vote, irrespective of the number of shares of stock, if any, which he may hold.

(b) Except as otherwise provided by statute, by the Articles of Incorporation, or by these By-Laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the

act of the Board of Directors. Any action authorized, in writing, by all of the directors entitled to vote thereon and filed with the minutes of the corporation shall be the act of the Board of Directors with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board.

Section 8 - Vacancies:
- ----------------------

Any vacancy in the Board of Directors occurring by reason of an increase in the number of directors, or by reason of the death, resignation, disqualification, removal (unless a vacancy created by the removal of a director by the shareholders shall be filled by the shareholders at the meeting at which the removal was effected) or inability to act of any director, or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the remaining directors, though less than a quorum, at any regular meeting or

special meeting of the Board of Directors called for that purpose.

Section 9 - Resignation:
- ------------------------

Any director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 10 - Removal:
- ---------------------

Any director may be removed with or without cause at any time by the shareholders, at a special meeting of the shareholders called for that purpose, and may be removed for cause by action of the Board.

Section 11 - Salary:
- --------------------

No stated salary shall be paid to directors, as such, for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 12 - Contracts:
- -----------------------

(a) No contract or other transaction between this Corporation and any other Corporation shall be impaired, affected or invalidated, nor shall any director be liable in any way by reason of the fact that any one or more of the directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other Corporation, provided that such facts are disclosed or made known to the Board of Directors.

(b) Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Corporation, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors, and provided that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such director) of

a majority of a quorum, notwithstanding the presence of any such director at the meeting at which such action is taken. Such director or directors may be counted in determining the presence of a quorum at such meeting. This Section shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory or otherwise) applicable thereto.

Section 13 - Committees:
- ------------------------

The Board of Directors, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members an executive committee and such other committees, and alternate members thereof, as they deem desirable, each consisting of three or more members, with such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board.

ARTICLE IV - OFFICERS

Section 1 - Number, Qualifications, Election and Term of Office:
- ---

(a) The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such other officers, including a Chairman of the Board of Directors, and one or more Vice Presidents, as the Board of Directors may from time to time deem advisable. Any officer other than the Chairman of the Board of Directors may be, but is not required to be, a director of the Corporation. Any two or more offices may be held by the same person, except the offices of President and Secretary.

(b) The officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board following the annual meeting of shareholders.

(c) Each officer shall hold office until the annual meeting of the Board of Directors next succeeding his election, and until his successor shall have been

elected and qualified, or until his death, resignation or removal.

Section 2 - Resignation:
- ------------------------

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

Section 3 - Removal:
- --------------------

Any officer may be removed, either with or without cause, and a successor elected by the Board at any time.

Section 4 - Vacancies:
- ----------------------

A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by the Board of Directors.

Section 5 - Duties of Officers:
- -------------------------------

Officers of the Corporation shall, unless otherwise provided by the Board of Directors, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may be set forth in these By-Laws, or may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Corporation.

Section 6 - Sureties and Bonds:
- -------------------------------

In case the Board of Directors shall so require, any officer, employee or agent of the Corporation shall execute to the Corporation a bond in such sum, and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his hands.

Section 7 - Shares of Other Corporations:
- ---

Whenever the Corporation is the holder of shares of any other corporation, any right or power of the Corporation as such shareholder (including the attendance, acting and voting at shareholders' meetings and execution of waivers, consents, proxies or other instruments) may be exercised on behalf of the Corporation by the President, any Vice President, or such other person as the Board of Directors may authorize.

ARTICLE V - SHARES OF STOCK

Section 1 - Certificate of Stock:
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(a) The certificates representing shares of the Corporation shall be in such form as shall be adopted by the Board of Directors, and shall be numbered and registered in the order issued. They shall bear the holder's name and the number of shares, and shall be signed by (i) the Chairman of the Board or the President or a Vice President, and (ii) the Secretary, or any Assistant Secretary, and may bear the corporate seal.

(b) No certificate representing shares shall be issued until the full amount of consideration therefor has been paid, except as otherwise permitted by law.

(c) The Board of Directors may authorize the issuance of certificates for fractions of a share which shall entitle the holder to exercise voting rights, receive dividends and participate in liquidating distributions, in proportion to the fractional holdings; or it may authorize the payment in cash of the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined; or it may authorize the issuance, subject to such conditions as may be

permitted by law, of scrip in registered or bearer form

over the signature of an officer or agent of the Corporation, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a shareholder, except as therein provided.

Section 2 - Lost or Destroyed Certificates:

The holder of any certificate representing shares of the Corporation shall immediately notify the Corporation of any loss or destruction of the certificate representing the same. The Corporation may issue a new certificate in the place of any certificate theretofore issued by it, alleged to have been lost or destroyed. On production of such evidence of loss or destruction as the Board of Directors in its discretion may require, the Board of Directors may, in its discretion, require the owner of the lost or destroyed certificate, or his legal representatives, to give the Corporation a bond in such sum as the Board may direct, and with such surety or sureties as may be satisfactory to the Board, to indemnify the Corporation against any claims, loss, liability or damage it may suffer on account of the issuance of the new certificate. A new certificate may be issued without requiring any such evidence or bond when, in the judgment of the Board of Directors, it is proper so to do.

Section 3 - Transfers of Shares:

(a) Transfers of shares of the Corporation shall be made on the share records of the Corporation only by the holder of record thereof, in person or by his duly authorized attorney, upon surrender for cancellation of the certificate or certificates representing such shares, with an assignment or power of transfer endorsed thereon or delivered therewith duly executed, with such proof of the authenticity of the signature and of authority to transfer and of payment of transfer taxes as the Corporation or its agents may require.

(b) The Corporation shall be entitled to treat the holder of record of any share or shares as the absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law.

Section 4 - Record Date:

In lieu of closing the share records of the Corporation, the Board of Directors may fix, in advance, a date not exceeding fifty days, nor less than ten days, as the record date for the determination of shareholders entitled to receive notice of, or to vote at, any meeting of shareholders, or to consent to any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividends, or allotment of any rights, or for the purpose of any other action. If no record date is fixed, the record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day on which the meeting is held; the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the resolution of the directors relating thereto is adopted. When a determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders has been made as provided for herein, such

determination shall apply to any adjournment thereof, unless the directors fix a new record date for the adjourned meeting.

ARTICLE VI - DIVIDENDS

Subject to applicable law, dividends may be declared and paid out of any funds available therefor, as often, in such amounts, and at such time or times as the Board of Directors may determine.

ARTICLE VII - FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time, subject to applicable law.

ARTICLE VIII - CORPORATE SEAL

The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board of Directors.

ARTICLE IX - AMENDMENTS

Section 1 - By Shareholders:

All by-laws of the Corporation shall be subject to alteration or repeal, and new by-laws may be made, by a majority vote of the shareholders at the time entitled to vote in the election of directors.

Section 2 - By Directors:

The Board of Directors shall have power to make, adopt, alter, amend and repeal, from time to time, by-laws of the Corporation; provided, however, that the shareholders entitled to vote with respect thereto as in this Article IX above-provided may alter, amend or repeal by-laws made by the Board of Directors, except that the Board of Directors shall have no power to change the quorum for meetings of shareholders or of the Board of Directors, or to change any provisions of the by-laws with respect to the removal of directors or the filling of vacancies in the Board resulting from the removal by the shareholders. If any by-laws regulating an impending election of directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of shareholders for the election of directors, the by-law so adopted, amended or repealed, together with a concise statement of the changes made.

The undersigned certify the foregoing By-Laws have been adopted as the first By-Laws of the Corporation, in accordance with the requirements of the Business Corporation Act.

Dated: October 1, 1975 /s/ David V. Mastran

Exhibit 3.4

FORM OF
AMENDED AND RESTATED
BY-LAWS
OF
MAXIMUS, INC.

Adopted by the Board of Directors on January 31, 1997,
Effective _____ __, 1997

ARTICLE I

SHAREHOLDERS

SECTION 1. PLACE OF MEETINGS. All meetings of Shareholders shall be held at the principal office of the Corporation or at such other place as may be named in the notice.

SECTION 2. ANNUAL MEETING. The annual meeting of Shareholders for the election of directors and the transaction of such other business as may properly come before the meeting shall be held on such date and at such hour and place as the directors or an officer designated by the directors may determine.

SECTION 3. SPECIAL MEETINGS. Special meetings of the Shareholders may be called at any time by the President or a majority of the Board of Directors.

SECTION 4. NOTICE OF MEETINGS. Except where some other notice is required by law, written notice of each meeting of Shareholders, stating the place, date and hour thereof, shall be given by the Secretary under the direction of the Board of Directors or the President, not less than ten (10) nor more than sixty (60) days before the date fixed for such meeting, to each Shareholder of record entitled to vote at such meeting, except that notice of a Shareholders' meeting to act on an amendment of the Articles of Incorporation, a plan of merger or share exchange, a proposed sale of assets (other than in the regular course of business), or the dissolution of the Corporation shall be given not less than twenty-five (25) nor more than sixty (60) days before the date fixed for such meeting. Notice shall be given personally to each Shareholder or left at his or her residence or usual place of business or mailed postage prepaid and addressed to the Shareholder at his or her address as it appears upon the records of the Corporation. In case of the death, absence, incapacity or refusal of the Secretary, such notice may be given by a person designated either by the Secretary or by the person or persons calling the meeting or by the Board of Directors. A Shareholder may waive such notice in writing, whether before or after the time stated therein. Attendance of a person at a meeting of Shareholders shall constitute a waiver of notice of such meeting, except when the Shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Shareholders need be specified in any written waiver of notice. Except as required by statute, notice of any adjourned meeting of the Shareholders shall not be required if the new date, time or place is announced at the meeting before adjournment.

SECTION 5. RECORD DATE. The Board of Directors may fix in advance a record date for the determination of the Shareholders entitled to notice of or to vote at any meeting of Shareholders, or for the purpose of any other lawful action. Such record date shall not be more than 70 days before the date of such meeting or other action to which such record date relates. If no record date is fixed, the record date for determining Shareholders entitled to notice of or to vote at a meeting of Shareholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held, and the record date for determining Shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose. A determination of Shareholders of record entitled to notice of or to vote at a meeting of Shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

SECTION 6. NOMINATION OF DIRECTORS. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors at any annual or special meeting of Shareholders. Nominations of persons for election as directors may be made only by or at the direction of the Board of Directors, or by any Shareholder entitled to vote for the election of directors at the meeting in compliance with the notice procedures set forth in this Section 6. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to

the Chairman of the Board, if any, the President or the Secretary. To be timely, a Shareholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 45 days before the meeting; PROVIDED, HOWEVER, that if less than 60 days' notice or prior public disclosure of the date of the meeting is given or made to Shareholders, notice by the Shareholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such Shareholder's notice shall set forth (a) as to each person whom the Shareholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation that are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, or any successor provision thereto; and (b) as to the Shareholder giving the notice, (i) the name and record address of such Shareholder and (ii) the class and number of shares of capital stock of the Corporation that are beneficially owned by such Shareholder.

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

SECTION 7. ADVANCE NOTICE OF BUSINESS AT ANNUAL MEETINGS. At any annual meeting of the Shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be brought properly before an annual meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction

of the President or the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) properly brought before the meeting by a Shareholder. In addition to any other applicable requirements, for business to be brought properly before an annual meeting by a Shareholder, the Shareholder must have given timely notice thereof in writing to the Chairman of the Board, if any, the President or the Secretary. To be timely, a Shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 45 days before the meeting; PROVIDED, HOWEVER, that if less than 60 days' notice or prior public disclosure of the date of the meeting is given or made to Shareholders, notice by the Shareholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A Shareholder's notice shall set forth as to each matter the Shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the Shareholder proposing such business, (iii) the class and number of shares of the Corporation that are beneficially owned by the Shareholder and (iv) any material interest of the Shareholder in such business.

Notwithstanding anything in these by-laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 7, PROVIDED, HOWEVER, that nothing in this Section 7 shall be deemed to preclude discussion by any Shareholder of any business properly brought before the annual meeting in accordance with said procedure.

The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the foregoing procedure, and if the chairman should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 8. VOTING LIST. The officer who has charge of the stock ledger of the Corporation shall make or have made, at least 10 days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at such meeting, arranged by voting group and within each voting group by class or series of shares and showing the address of each Shareholder and the number of shares registered in the name of each Shareholder. Such list shall be open to the examination of any Shareholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days before the meeting, at the registered office of the Corporation or at its principal office or at the office of its transfer agent or registrar. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Shareholder who is present. The stock ledger shall be prima facie evidence as to who are the Shareholders entitled to examine the stock ledger, the list required by this section or the books of the

Corporation, or to vote at any meeting of Shareholders.

SECTION 9. QUORUM OF SHAREHOLDERS. At any meeting of the Shareholders, the holders of a majority in interest of all stock issued and outstanding and entitled to vote upon a question to be considered at the meeting, present in person or represented by proxy, shall constitute a quorum for the consideration of such question, but in the absence of a quorum a

smaller group may adjourn any meeting from time to time. When a quorum is present at any meeting, action on a matter by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, except where a different vote is required by law or by the Articles of Incorporation. Any election by Shareholders shall be determined by a plurality of the vote cast by the Shareholders entitled to vote at the election.

SECTION 10. PROXIES AND VOTING. Unless otherwise provided in the Articles of Incorporation, each Shareholder shall at every meeting of the Shareholders be entitled to one vote in person or by proxy for each share of the capital stock held of record by such Shareholder, but no proxy shall be voted or acted upon after eleven months from its date, unless said proxy expressly provides for a longer period. Persons holding stock in a fiduciary capacity shall be entitled to vote the shares so held, and persons whose stock is pledged shall be entitled to vote unless in the transfer by the pledgor on the books of the Corporation the pledgee shall have been expressly empowered to vote thereon, in which case only the pledgee or the pledgee's proxy may represent said stock and vote thereon. Shares of the capital stock of the Corporation belonging to the Corporation or to another Corporation, a majority of whose shares entitled to vote in the election of directors is owned by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes.

SECTION 11. CONDUCT OF MEETING. Meetings of the Shareholders shall be presided over by one of the following officers in the order specified and if present and acting: the Chairman of the Board, if any, the Vice Chairman of the Board, if any, the President, a Vice-President (and, in the event there be more than one person in any such office, in the order of their seniority), or, if none of the foregoing is in office and present and acting, a chairman designated by the Board of Directors or, in the absence of such designation, a chairman chosen by the Shareholders at the meeting. The Secretary of the Corporation, if present, or an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present the chairman of the meeting shall appoint a secretary of the meeting.

The Board of Directors may adopt such rules, regulations and procedures for the conduct of the meeting of Shareholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgement of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, (i) the establishment of an agenda or order of business for the meeting, (ii) rules and procedures for maintaining order at the meeting and the safety of those present, (iii) limitations on attendance at or participation in the meeting to Shareholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine, (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof, and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of Shareholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE II

DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the Corporation that are not by law required to be exercised by the Shareholders. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

SECTION 2. NUMBER; ELECTION; TENURE AND QUALIFICATION. Subject to any restrictions contained in the Articles of Incorporation, the number of directors that shall constitute the whole Board shall be fixed by resolution of the Board of Directors but in no event shall be less than one. The directors shall be elected in the manner provided in the Articles of Incorporation, by such Shareholders as have the right to vote thereon. The number of directors may be increased or decreased by action of the Board of Directors. Directors need not be Shareholders of the Corporation.

SECTION 3. ENLARGEMENT OF THE BOARD. Subject to any restrictions contained in the Articles of Incorporation, the number of the Board of Directors may be increased at any time, such increase to be effective immediately unless otherwise specified in the resolution, by vote of a majority of the directors then in office.

SECTION 4. VACANCIES. Unless and until filled by the Shareholders and except as otherwise determined by the Board of Directors in establishing a series of Preferred Stock as to directors elected by the holders of such series, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board and an unfilled vacancy resulting from the removal of any director, may be filled by vote of a majority of the directors then in office although less than a quorum, or by the sole remaining director. Each director so chosen to fill a vacancy shall serve for a term determined in the manner provided in the Articles of Incorporation. When one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective. If at any time there are no directors in office, then an election of directors may be held in accordance with the Virginia Stock Corporation Act.

SECTION 5. RESIGNATION. Any director may resign at any time upon written notice to the Corporation. Such resignation shall take effect at a later time specified therein, or if no time is specified, at the time of its receipt by the Chairman of the Board, if any, the President or the Secretary.

SECTION 6. REMOVAL. Directors may be removed from office only as provided in the Articles of Incorporation. The vacancy or vacancies created by the removal of a director may be filled by the Shareholders at the meeting held for the purpose of removal or, if not so filled, by the directors in the manner provided in Section 4 of this Article II.

SECTION 7. COMMITTEES. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of two or more directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. The Board of Directors shall have the power to change the members of any such committee at any time, to fill vacancies therein and to discharge any such committee, either with or without cause, at any time.

Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors or in these by-laws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

A majority of all the members of any such committee may fix its rules of procedure, determine its action and fix the time and place, whether within or without the Commonwealth of Virginia, of its meetings and specify what notice thereof, if any, shall be given, unless the Board of Directors shall otherwise by resolution provide. Each committee shall keep regular minutes of its meetings and make such reports as the Board of Directors may from time to time request.

SECTION 8. MEETINGS OF THE BOARD OF DIRECTORS. Regular meetings of the Board of Directors may be held without call or formal notice at such places either within or without the Commonwealth of Virginia and at such times as the Board may by vote from time to time determine. A regular meeting of the Board of Directors may be held without call or formal notice immediately after and at the same place as the annual meeting of the Shareholders, or any special meeting of the Shareholders at which a Board of Directors is elected.

Special meetings of the Board of Directors may be held at any place either within or without the Commonwealth of Virginia at any time when called by the Chairman of the Board, if any, the President, the Secretary or two or more directors. Reasonable notice of the time and place of a special meeting shall be given to each director unless such notice is waived by attendance or by written waiver in the manner provided in these by-laws for waiver of notice by Shareholders. Notice may be given by, or by a person designated by, the

Secretary, the person or persons calling the meeting, or the Board of Directors. No notice of any adjourned meeting of the Board of Directors shall be required. In any case it shall be deemed sufficient notice to a director to send notice by mail at least seventy-two hours, or by telegram or fax at least forty-eight hours, before the meeting, addressed to such director at his or her usual or last known business or home address.

Directors or members of any committee may participate in a meeting of the Board of Directors or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

SECTION 9. QUORUM AND VOTING. A majority of the total number of directors shall constitute a quorum, except that when a vacancy or vacancies exist in the Board, a majority of

the directors then in office (but not less than one-third of the total number of the directors) shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting from time to time. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except where a different vote is required by law, by the Articles of Incorporation or by these by-laws.

SECTION 10. COMPENSATION. The Board of Directors may fix fees for their services and for their membership on committees, and expenses of attendance may be allowed for attendance at each meeting. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity, as an officer, agent or otherwise, and receiving compensation therefor.

SECTION 11. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting and without notice if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or of such committee.

ARTICLE III

OFFICERS

SECTION 1. TITLES. The officers of the Corporation shall consist of a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, who may include without limitation a Chairman of the Board, a Vice-Chairman of the Board and one or more Vice-Presidents, Assistant Treasurers or Assistant Secretaries.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at its first meeting following the annual meeting of the Shareholders. Each officer shall hold office until his or her successor is elected and qualified, unless a different term is specified in the vote electing such officer, or until his or her earlier death, resignation or removal.

SECTION 3. QUALIFICATION. Unless otherwise provided by resolution of the Board of Directors, no officer, other than the Chairman or Vice-Chairman of the Board, need be a director. No officer need be a Shareholder. Any number of offices may be held by the same person, as the directors shall determine.

SECTION 4. REMOVAL. Any officer may be removed, with or without cause, at any time, by resolution adopted by the Board of Directors.

SECTION 5. RESIGNATION. Any officer may resign by delivering a written resignation to the Corporation at its principal office or to the Chairman of the Board, if any, the President or the Secretary. Such resignation shall be effective upon receipt or at such later time as may be specified therein.

SECTION 6. VACANCIES. The Board of Directors may at any time fill any vacancy occurring in any office for the unexpired portion of the term and may leave unfilled for such period as it may determine any office other than those of President, Treasurer and Secretary.

SECTION 7. POWERS AND DUTIES. The officers of the Corporation shall have such powers and perform such duties as are specified herein and as may be conferred upon or assigned to them by the Board of Directors and shall have such additional powers and duties as are incident to their office except to the extent that resolutions of the Board of Directors are inconsistent therewith.

SECTION 8. PRESIDENT AND VICE-PRESIDENTS. Except to the extent that such duties are assigned by the Board of Directors to the Chairman of the Board, or in the absence of the Chairman or in the event of his or her inability or refusal to act, the President shall be the chief executive officer of the Corporation and shall have general and active management of the business of the Corporation and general supervision of its officers, agents and employees, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall preside at each meeting of the Shareholders and the Board of Directors unless a Chairman or Vice-Chairman of the Board is elected by the Board and is assigned the duty of presiding at such meeting.

The Board of Directors may assign to any Vice-President the title of Executive Vice-President, Senior Vice-President or any other title selected by the Board of Directors. In the absence of the President or in the event of his or her inability or refusal to act, the duties of the President shall be performed by the Executive Vice-President, if any, Senior Vice President, if any, or Vice President, if any, in that order (and, in the event there be more than one person in any such office, in the order of their seniority), and when so acting, such officer shall have all the powers of and be subject to all the restrictions upon the President.

SECTION 9. SECRETARY AND ASSISTANT SECRETARIES. The Secretary shall attend all meetings of the Board of Directors and of the Shareholders and record all the proceedings of such meetings in a book to be kept for that purpose, shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board of Directors, shall maintain a stock ledger and prepare lists of Shareholders and their addresses as required and shall have custody of the corporate seal, which the Secretary or any Assistant Secretary shall have authority to affix to any instrument requiring it and attest by any of their signatures. The Board of Directors may give general authority to any other officer to affix and attest the seal of the Corporation.

Any Assistant Secretary may, in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, perform the duties and exercise the powers of the Secretary.

SECTION 10. TREASURER AND ASSISTANT TREASURERS. The Treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by or pursuant to resolution of the Board of Directors. The Treasurer shall disburse

the funds of the Corporation as may be ordered by the Board of Directors, the Chairman of the Board, if any, or the President, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board, if any, the President and the Board of Directors, at its regular meetings or whenever they may require it, an account of all transactions and of the financial condition of the Corporation.

Any Assistant Treasurer may, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer.

SECTION 11. BONDED OFFICERS. The Board of Directors may require any officer to give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors upon such terms and conditions as the Board of Directors may specify, including without limitation a bond for the faithful performance of the duties of such officer and for the restoration to the Corporation of all property in his or her possession or control belonging to the Corporation.

SECTION 12. SALARIES. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors or any committee thereof appointed for the purpose.

ARTICLE IV

STOCK

SECTION 1. CERTIFICATES OF STOCK. One or more stock certificates, signed by the Chairman or Vice-Chairman of the Board of Directors or by the President or a

Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, shall be issued to each Shareholder certifying the number of shares owned by the Shareholder in the Corporation. Any or all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature shall have been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Each certificate for shares of stock that are subject to any restriction on transfer pursuant to the Articles of Incorporation, the by-laws, applicable securities laws, or any agreement among any number of Shareholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

SECTION 2. TRANSFERS OF SHARES OF STOCK. Subject to the restrictions, if any, stated or noted on the stock certificates, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of

signature as the Corporation or its transfer agent may reasonably require. The Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to that stock, regardless of any transfer, pledge or other disposition of that stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these by-laws.

SECTION 3. LOST CERTIFICATES. A new stock certificate may be issued in the place of any certificate theretofore issued by the Corporation and alleged to have been lost, stolen, destroyed or mutilated, upon such terms in conformity with law as the Board of Directors shall prescribe. The directors may, in their discretion, require the owner of the lost, stolen, destroyed or mutilated certificate, or the owner's legal representatives, to give the Corporation a bond, in such sum as they may direct, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft, destruction or mutilation of any such certificate, or the issuance of any such new certificate.

SECTION 4. FRACTIONAL SHARE INTERESTS. The Corporation may, but shall not be required to, issue fractions of a share. If the Corporation does not issue fractions of a share, it shall (i) arrange for the disposition of fractional interests by those entitled thereto, (ii) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or (iii) issue scrip in registered or bearer form, which shall entitle the holder to receive a full share upon the surrender of such scrip aggregating a full share. A certificate for a fractional share shall, but scrip shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the Corporation in the event of liquidation. The Board of Directors may cause scrip to be issued subject to the conditions that they shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the conditions that the shares for which scrip are exchangeable may be sold by the Corporation and the proceeds thereof distributed to the holders of scrip, or subject to any other conditions that the Board of Directors may impose.

SECTION 5. DIVIDENDS. Subject to the provisions of the Articles of Incorporation, the Board of Directors may, out of funds legally available therefor, at any regular or special meeting, declare dividends upon the capital stock of the Corporation as and when they deem expedient.

ARTICLE V

INDEMNIFICATION

SECTION 1. PROCEDURE. Any indemnification, or payment of expenses in advance of the final disposition of any proceeding, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer entitled to seek indemnification under the Corporation's Articles of Incorporation (the "Indemnified Party"). The right to indemnification and advances hereunder shall be enforceable by the Indemnified Party in any court of competent jurisdiction, if (i) the Corporation denies such request, in whole or in

part, or (ii) no disposition thereof is made within 60 days. The Indemnified Party's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be reimbursed by the Corporation. It shall be a defense to any action for advance for expenses that (a) a determination has been made that the facts then known to those making the determination would preclude indemnification or (b) the Corporation has not received both (i) an undertaking as required by law to repay such advances in the event it shall ultimately be determined that the standard of conduct has not been met and (ii) a written affirmation by the Indemnified Party of such Indemnified Party's good faith belief that the standard of conduct necessary for indemnification by the Corporation has been met.

SECTION 2. EXCLUSIVITY, ETC. The indemnification and advance of expenses provided by the Articles of Incorporation and these by-laws shall not be deemed exclusive of any other rights to which a person seeking indemnification or advance of expenses may be entitled under any law (common or statutory), or any agreement, vote of Shareholders or disinterested directors or other provision that is consistent with law, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, shall continue in respect of all events occurring while a person was a director or officer after such person has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification and advance of expenses under the Articles of Incorporation and hereunder shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this by-law is in effect. Nothing herein shall prevent the amendment of this by-law, provided that no such amendment shall diminish the rights of any person hereunder with respect to events occurring or claims made before its adoption or as to claims made after its adoption in respect of events occurring before its adoption. Any repeal or modification of this by-law shall not in any way diminish any rights to indemnification or advance of expenses of such director or officer or the obligations of the Corporation arising hereunder with respect to events occurring, or claims made, while this by-law or any provision hereof is in force.

SECTION 3. SEVERABILITY; DEFINITIONS. The invalidity or unenforceability of any provision of this Article V shall not affect the validity or enforceability of any other provision hereof. The phrase "this by-law" in this Article V means this Article V in its entirety.

ARTICLE VI

GENERAL PROVISIONS

SECTION 1. FISCAL YEAR. Except as otherwise designated from time to time by the Board of Directors, the fiscal year of the Corporation shall begin on the first day of October and end on the last day of September.

SECTION 2. CORPORATE SEAL. The corporate seal shall be in such form as shall be approved by the Board of Directors. The Secretary shall be the custodian of the seal, and a duplicate seal may be kept and used by each Assistant Secretary and by any other officer the Board of Directors may authorize.

SECTION 3. ARTICLES OF INCORPORATION. All references in these by-laws to the Articles of Incorporation shall be deemed to refer to the Articles of Incorporation of the Corporation, as in effect from time to time.

SECTION 4. EXECUTION OF INSTRUMENTS. The President, the Treasurer and the Secretary shall have power to execute and deliver on behalf and in the name of the Corporation any instrument requiring the signature of an officer of the Corporation, including deeds, contracts, mortgages, bonds, notes, debentures, checks, drafts and other orders for the payment of money. In addition, the Board of Directors, the President, the Treasurer and the Secretary may expressly delegate such powers to any other officer or agent of the Corporation.

SECTION 5. VOTING OF SECURITIES. The President, the Treasurer and the Secretary, and each other person authorized by the Board of Directors, each acting singly, may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this Corporation (with or without power of substitution) at any meeting of Shareholders or owners of other interests of

any other Corporation or organization the securities of which may be held by this Corporation. In addition, the Board of Directors, the President and the Treasurer may expressly delegate such powers to any other officer or agent of the Corporation.

SECTION 6. EVIDENCE OF AUTHORITY. A certificate by the Secretary, an Assistant Secretary or a temporary secretary as to any action taken by the Shareholders, directors, a committee or any officer or representative of the Corporation shall, as to all persons who rely on the certificate in good faith, be conclusive evidence of that action.

SECTION 7. TRANSACTIONS WITH INTERESTED PARTIES. No contract or transaction between the Corporation and one or more of the directors or officers, or between the Corporation and any other Corporation, partnership, association or other organization in which one or more of the directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for that reason or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors that authorizes the contract or transaction or solely because the vote of any such director is counted for such purpose, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or such committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Shareholders; or

(3) The contract or transaction is fair to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee of the Board of Directors or the Shareholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee that authorizes the contract or transaction.

SECTION 8. BOOKS AND RECORDS. The books and records of the Corporation shall be kept at such places within or without the Commonwealth of Virginia as the Board of Directors may from time to time determine.

ARTICLE VII

AMENDMENTS

SECTION 1. BY THE BOARD OF DIRECTORS. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

SECTION 2. BY THE SHAREHOLDERS. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of the holders of a majority of votes properly cast at any regular meeting of Shareholders, or at any special meeting of Shareholders, provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

EXHIBIT 10.1

MAXIMUS, INC.

1997 EQUITY INCENTIVE PLAN

Adopted by the Board of Directors on January 31, 1997
Approved by the Stockholders on February 3, 1997

SECTION 1. PURPOSE

The purpose of the MAXIMUS, Inc. 1997 Equity Incentive Plan is to attract and retain key employees and consultants of the Company and its Affiliates, to provide an incentive for them to achieve long-range performance goals, and to enable them to participate in the long-term growth of the Company.

SECTION 2. DEFINITIONS

"Affiliate" means any business entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Company. For purposes hereof, "control" (and with correlative meanings, the terms "controlled by" and "under common control with") shall mean the possession of the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting stock, by contract or otherwise. In the case of a corporation "control" shall mean, among other things, the direct or indirect ownership of more than fifty percent (50%) of its outstanding voting stock.

"Award" means any Option, Stock Appreciation Right, Performance Share, Restricted Stock, Stock Unit or Other Stock-Based Award awarded under the Plan.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor to such Code.

"Committee" means a committee of not less than two members of the Board appointed by the Board to administer the Plan, each of whom is a "Non-Employee Director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 or any successor provision, as applicable to the Company at the time ("Rule 16b-3"); PROVIDED, HOWEVER, that until such committee is appointed, "Committee" means the Board.

"Common Stock" or "Stock" means the common stock of the Company.

"Company" means MAXIMUS, Inc.

"Designated Beneficiary" means the beneficiary designated by a Participant, in a manner determined by the Committee, to receive amounts due or exercise rights of the Participant in the event of the Participant's death. In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

"Effective Date" means February 3, 1997.

"Fair Market Value" means, with respect to Common Stock or any other property, the fair market value of such property as determined by the Committee in good faith or in the manner established by the Committee from time to time.

"Incentive Stock Option" means an option to purchase shares of Common Stock awarded to a Participant under Section 6 that is intended to meet the requirements of Section 422 of the Code or any successor provision.

"Nonstatutory Stock Option" means an option to purchase shares of Common Stock awarded to a Participant under Section 6 that is not intended to be an Incentive Stock Option.

"Option" means an Incentive Stock Option or a Nonstatutory Stock Option.

"Other Stock-Based Award" means an Award, other than an Option, Stock Appreciation Right, Performance Share, Restricted Stock or Stock Unit, having a Common Stock element and awarded to a Participant under Section 11.

"Participant" means a person selected by the Committee to receive an

Award under the Plan.

"Performance Cycle" or "Cycle" means the period of time selected by the Committee during which performance is measured for the purpose of determining the extent to which an award of Performance Shares has been earned.

"Performance Shares" mean shares of Common Stock, which may be earned by the achievement of performance goals, awarded to a Participant under Section 8.

"Reporting Person" means a person subject to Section 16 of the Securities Exchange Act of 1934 or any successor provision.

"Restricted Period" means the period of time during which an Award may be forfeited to the Company pursuant to the terms and conditions of such Award.

"Restricted Stock" means shares of Common Stock subject to forfeiture awarded to a Participant under Section 9.

"Stock Appreciation Right" or "SAR" means a right to receive any excess in value of shares of Common Stock over the exercise price awarded to a Participant under Section 7.

"Stock Unit" means an award of Common Stock or units that are valued in whole or in part by reference to, or otherwise based on, the value of Common Stock, awarded to a Participant under Section 10.

SECTION 3. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall have authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time consider advisable, and to interpret the provisions of the Plan. The Committee's decisions shall be final and binding. To the extent permitted by applicable law, the Committee may delegate to one or more executive officers of the Company the power to make Awards to Participants who are not Reporting Persons and all determinations under the Plan with respect thereto, provided that the Committee shall fix the maximum amount of such Awards for all such Participants and a maximum for any one Participant.

SECTION 4. ELIGIBILITY

All employees and, in the case of Awards other than Incentive Stock Options, consultants of the Company or any Affiliate, capable of contributing significantly to the successful performance of the Company, other than a person who has irrevocably elected not to be eligible and other than members of the Committee during their service as such and for such additional periods as are required to ensure that they are "disinterested persons" under Rule 16b-3 with respect to such service, are eligible to be Participants in the Plan. Incentive Stock Options may be awarded only to persons eligible to receive such Options under the Code.

SECTION 5. STOCK AVAILABLE FOR AWARDS

(a) Subject to adjustment under subsection (b), Awards may be made under the Plan for up to 90,909 shares of Common Stock (1,000,000 shares after giving effect to the stock split approved by the Board of Directors on January 31, 1997). If any Award in respect of shares of Common Stock expires or is terminated unexercised or is forfeited without the Participant having had the benefits of ownership (other than voting rights), the shares subject to such Award, to the extent of such expiration, termination or forfeiture, shall again be available for award under the Plan. Common Stock issued through the assumption or substitution of outstanding grants from an acquired company shall not reduce the shares available for Awards under the Plan. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) If the Committee determines that any stock dividend, extraordinary cash dividend, creation of a class of equity securities, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below fair market value, or other similar transaction affects the Common Stock such that an adjustment is required in order to preserve the benefits or potential benefits intended to be made available under the Plan, then the Committee (subject, in the case of Incentive Stock Options, to any limitation required under the Code) shall equitably adjust any or all of (i) the number and kind of shares in respect of which Awards may be made under the Plan,

(ii) the number and kind of shares subject to outstanding Awards, and (iii) the award, exercise or conversion price with respect to any of the foregoing, and if considered appropriate, the Committee may make provision for a cash payment with respect to an

outstanding Award, provided that the number of shares subject to any Award shall always be a whole number.

SECTION 6. STOCK OPTIONS

(a) Subject to the provisions of the Plan, the Committee may award Incentive Stock Options and Nonstatutory Stock Options and determine the number of shares to be covered by each Option, the option price therefor and the conditions and limitations applicable to the exercise of the Option. The terms and conditions of Incentive Stock Options shall be subject to and comply with Section 422 of the Code or any successor provision and any regulations thereunder, and no Incentive Stock Option may be granted hereunder more than ten years after the Effective Date.

(b) The Committee shall establish the option price at the time each Option is awarded, which price shall not be less than 100% of the Fair Market Value of the Common Stock on the date of award with respect to Incentive Stock Options. Nonstatutory Stock Options may be granted at such prices as the Committee may determine.

(c) Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may specify in the applicable Award or thereafter. The Committee may impose such conditions with respect to the exercise of Options, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(d) No shares shall be delivered pursuant to any exercise of an Option until payment in full of the option price therefor is received by the Company. Such payment may be made in whole or in part in cash or, to the extent permitted by the Committee at or after the award of the Option, by delivery of a note or shares of Common Stock owned by the optionee, including Restricted Stock, or by retaining shares otherwise issuable pursuant to the Option, in each case valued at their Fair Market Value on the date of delivery or retention, or such other lawful consideration as the Committee may determine.

(e) The Committee may provide that, subject to such conditions as it considers appropriate, upon the delivery or retention of shares to the Company in payment of an Option, the Participant automatically be awarded an Option for up to the number of shares so delivered.

SECTION 7. STOCK APPRECIATION RIGHTS

(a) Subject to the provisions of the Plan, the Committee may award SARs in tandem with an Option (at or after the award of the Option), or alone and unrelated to an Option. SARs in tandem with an Option shall terminate to the extent that the related Option is exercised, and the related Option shall terminate to the extent that the tandem SARs are exercised. SARs granted in tandem with Options shall have an exercise price not less than the exercise price of the related Option. SARs granted alone and unrelated to an Option may be granted at such exercise prices as the Committee may determine.

(b) An SAR related to an Option, which SAR can only be exercised upon or during limited periods following a change in control of the Company, may entitle the Participant to

receive an amount based upon the highest price paid or offered for Common Stock in any transaction relating to the change in control or paid during the thirty-day period immediately preceding the occurrence of the change in control in any transaction reported in the stock market in which the Common Stock is normally traded.

SECTION 8. PERFORMANCE SHARES

(a) Subject to the provisions of the Plan, the Committee may award Performance Shares and determine the number of such shares for each Performance Cycle and the duration of each Performance Cycle. There may be more than one Performance Cycle in existence at any one time, and the duration of Performance

Cycles may differ from each other. The payment value of Performance Shares shall be equal to the Fair Market Value of the Common Stock on the date the Performance Shares are earned or, in the discretion of the Committee, on the date the Committee determines that the Performance Shares have been earned.

(b) The committee shall establish performance goals for each Cycle, for the purpose of determining the extent to which Performance Shares awarded for such Cycle are earned, on the basis of such criteria and to accomplish such objectives as the Committee may from time to time select. During any Cycle, the Committee may adjust the performance goals for such Cycle as it deems equitable in recognition of unusual or non-recurring events affecting the Company, changes in applicable tax laws or accounting principles, or such other factors as the Committee may determine.

(c) As soon as practicable after the end of a Performance Cycle, the Committee shall determine the number of Performance Shares that have been earned on the basis of performance in relation to the established performance goals. The payment values of earned Performance Shares shall be distributed to the Participant or, if the Participant has died, to the Participant's Designated Beneficiary, as soon as practicable thereafter. The Committee shall determine, at or after the time of award, whether payment values will be settled in whole or in part in cash or other property, including Common Stock or Awards.

SECTION 9. RESTRICTED STOCK

(a) Subject to the provisions of the Plan, the Committee may award shares of Restricted Stock and determine the duration of the Restricted Period during which, and the conditions under which, the shares may be forfeited to the Company and the other terms and conditions of such Awards. Shares of Restricted Stock may be issued for no cash consideration or such minimum consideration as may be required by applicable law.

(b) Shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered, except as permitted by the Committee, during the Restricted Period. Shares of Restricted Stock shall be evidenced in such manner as the Committee may determine. Any certificates issued in respect of shares of Restricted Stock shall be registered in the name of the Participant and unless otherwise determined by the Committee, deposited by the Participant, together with a stock power endorsed in blank, with the Company. At the expiration of the Restricted Period, the Company shall deliver such certificates to the Participant or if the Participant has died, to the Participant's Designated Beneficiary.

SECTION 10. STOCK UNITS

(a) Subject to the provisions of the Plan, the Committee may award Stock Units subject to such terms, restrictions, conditions, performance criteria, vesting requirements and payment rules as the Committee shall determine.

(b) Shares of Common Stock awarded in connection with a Stock Unit Award shall be issued for no cash consideration or such minimum consideration as may be required by applicable law.

SECTION 11. OTHER STOCK-BASED AWARDS

(a) Subject to the provisions of the Plan, the Committee may make other awards of Common Stock and other awards that are valued in whole or in part by reference to, or are otherwise based on, Common Stock, including without limitation convertible preferred stock, convertible debentures, exchangeable securities and Common Stock awards or options. Other Stock-Based Awards may be granted either alone or in tandem with other Awards granted under the Plan and/or cash awards made outside of the Plan.

(b) The Committee may establish performance goals, which may be based on performance goals related to book value, subsidiary performance or such other criteria as the Committee may determine, Restricted Periods, Performance Cycles, conversion prices, maturities and security, if any, for any Other Stock-Based Award. Other Stock-Based Awards may be sold to Participants at the face value thereof or any discount therefrom or awarded for no consideration or such minimum consideration as may be required by applicable law.

SECTION 12. GENERAL PROVISIONS APPLICABLE TO AWARDS

(a) Limitations on Transferability. Options shall not be transferable by the recipient other than by will or the laws of descent and distribution and are

exercisable during such person's lifetime only by such person or by such person's guardian or legal representative; provided that the Committee may in its discretion waive such restriction in any case.

(b) Documentation. Each Award under the Plan shall be evidenced by a writing delivered to the Participant specifying the terms and conditions thereof and containing such other terms and conditions not inconsistent with the provisions of the Plan as the Committee considers necessary or advisable to achieve the purposes of the Plan or to comply with applicable tax and regulatory laws and accounting principles.

(c) Committee Discretion. Each type of Award may be made alone, in addition to or in relation to any other type of Award. The terms of each type of Award need not be identical, and the Committee need not treat Participants uniformly. Except as otherwise provided by the Plan or a particular Award, any determination with respect to an Award may be made by the Committee at the time of award or at any time thereafter.

(d) Settlement. The Committee shall determine whether Awards are settled in whole or in part in cash, Common Stock, other securities of the Company, Awards or other property.

The Committee may permit a Participant to defer all or any portion of a payment under the Plan, including the crediting of interest on deferred amounts denominated in cash and dividend equivalents on amounts denominated in Common Stock.

(e) Dividends and Cash Awards. In the discretion of the Committee, any Award under the Plan may provide the Participant with (i) dividends or dividend equivalents payable currently or deferred with or without interest, and (ii) cash payments in lieu of or in addition to an Award.

(f) Termination of Employment. The Committee shall determine the effect on an Award of the disability, death, retirement or other termination of employment of a Participant and the extent to which, and the period during which, the Participant's legal representative, guardian or Designated Beneficiary may receive payment of an Award or exercise rights thereunder.

(g) Change in Control. In order to preserve a Participant's rights under an Award in the event of a change in control of the Company, the Committee in its discretion may, at the time an Award is made or at any time thereafter, take one or more of the following actions: (i) provide for the acceleration of any time period relating to the exercise or realization of the Award, (ii) provide for the purchase of the Award upon the Participant's request for an amount of cash or other property that could have been received upon the exercise or realization of the Award had the Award been currently exercisable or payable, (iii) adjust the terms of the Award in a manner determined by the Committee to reflect the change in control, (iv) cause the Award to be assumed, or new rights substituted therefor, by another entity, or (v) make such other provision as the Committee may consider equitable and in the best interests of the Company.

(h) Loans. The Committee may authorize the making of loans or cash payments to Participants in connection with any Award under the Plan, which loans may be secured by any security, including Common Stock, underlying or related to such Award (provided that such Loan shall not exceed the Fair Market Value of the security subject to such Award), and which may be forgiven upon such terms and conditions as the Committee may establish at the time of such loan or at any time thereafter.

(i) Withholding Taxes. The Participant shall pay to the Company, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld in respect of Options under the Plan no later than the date of the event creating the tax liability. The Company and its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Participant. In the Committee's discretion, the Participant may pay any taxes due with respect to an Option in whole or in part in shares of Common Stock, including shares retained from the Option creating the tax obligation, valued at their Fair Market Value on the date of retention or delivery.

(j) Foreign Nationals. Awards may be made to Participants who are foreign nationals or employed outside the United States on such terms and conditions different from those specified in the Plan as the Committee considers necessary or advisable to achieve the purposes of the Plan or to comply with applicable laws.

(k) Amendment of Award. The Committee may amend, modify or terminate any outstanding Award, including substituting therefor another Award of the same or a different type, changing the date of exercise or realization and converting an Incentive Stock Option to a Nonstatutory Stock Option, provided that the Participant's consent to such action shall be required unless the Committee determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

SECTION 13. MISCELLANEOUS

(a) Limitation on Number of Shares Granted. Notwithstanding any other provision of the Plan, the aggregate number of shares of Common Stock subject to Options and SARs that may be granted within any fiscal year to any one Eligible Person under the Plan shall not exceed that number of shares equal to 20% of the total number of shares reserved for issuance under the Plan, except for grants to new hires during the fiscal year of hiring which shall not exceed that number of shares equal to 30% of the total number of shares reserved for issuance under the Plan.

(b) No Right To Employment. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment. The Company expressly reserves the right at any time to dismiss a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(c) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed under the Plan until he or she becomes the holder thereof. A Participant to whom Common Stock is awarded shall be considered the holder of the Stock at the time of the Award except as otherwise provided in the applicable Award.

(d) Effective Date. Subject to the approval of the stockholders of the Company, the Plan shall be effective on the Effective Date. Before such approval, Awards may be made under the Plan expressly subject to such approval.

(e) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time, subject to any stockholder approval that the Board determines to be necessary or advisable.

(f) Governing Law. The provisions of the Plan shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia.

EXHIBIT 10.2

MAXIMUS, INC.

1997 DIRECTOR STOCK OPTION PLAN

Adopted by the Board of Directors on January 31, 1997
Approved by the Stockholders on February 3, 1997

The purpose of this 1997 Director Stock Option Plan (the "Plan") of MAXIMUS, Inc. (the "Company") is to attract and retain highly qualified non-employee directors of the Company and to encourage ownership of stock of the Company by such directors so as to provide additional incentives to promote the success of the Company.

1. ADMINISTRATION OF THE PLAN.

Grants of stock options under the Plan shall be automatic as provided in Section 6. However, all questions of interpretation with respect to the Plan and options granted under it shall be determined by the Board of Directors of the Company (the "Board") or by a committee consisting of one or more directors appointed by the Board and such determination shall be final and binding upon all persons having an interest in the Plan.

2. PERSONS ELIGIBLE TO PARTICIPATE IN THE PLAN.

Each director of the Company who is not an employee of the Company or of any subsidiary of the Company shall be eligible to participate in the Plan unless such director irrevocably elects not to participate.

3. SHARES SUBJECT TO THE PLAN.

(a) The aggregate number of shares of the Company's Common Stock which may be optioned under this Plan is 9,091 shares (100,000 shares after giving effect to the stock split approved by the Board of Directors on January 31, 1997). Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) In the event of a stock dividend, split-up, combination or reclassification of shares, recapitalization or other similar capital change relating to the Company's Common Stock, the maximum aggregate number and kind of shares or securities of the Company as to which options may be granted under this Plan and as to which options then outstanding shall be exercisable, and the option price of such options shall be appropriately adjusted so that the proportionate number of shares or other securities as to which options may be granted and the proportionate interest of holders of outstanding options shall be maintained as before the occurrence of such event.

(c) In the event of a consolidation or merger of the Company with another corporation where the Company's stockholders do not own a majority in interest of the surviving or resulting corporation, or the sale or exchange of all or substantially all of the assets of the Company, or a reorganization or liquidation of the Company, any deferred

exercise period shall be automatically accelerated and each holder of an outstanding option shall be entitled to receive upon exercise and payment in accordance with the terms of the option the same shares, securities or property as he would have been entitled to receive upon the occurrence of such event if he had been, immediately prior to such event, the holder of the number of shares of Common Stock purchasable under his or her option; provided, however, that in lieu of the foregoing the Board may upon written notice to each holder of an outstanding option or right under the Plan, provide that such option or right shall terminate on a date not less than 20 days after the date of such notice unless theretofore exercised.

(d) Whenever options under this Plan lapse or terminate or otherwise become unexercisable the shares of Common Stock which were subject to such options may again be subjected to options under this Plan. The Company shall at all times while this Plan is in force reserve such number of shares of Common Stock as will be sufficient to satisfy the requirements of this Plan.

4. NON-STATUTORY STOCK OPTIONS.

All options granted under this Plan shall be non-statutory options not entitled to special tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

5. FORM OF OPTIONS.

Options granted hereunder shall be in such form as the Board or any committee appointed pursuant to Section 1 above may from time to time determine.

6. GRANT OF OPTIONS AND OPTION TERMS.

(a) AUTOMATIC GRANT OF OPTIONS. Upon (i) the election of any eligible director after the adoption of this Plan by the Board (whether such election is by the Board of stockholders and whether to fill a vacancy or otherwise), (ii) election or re-election of any eligible director at the Company's 1998 annual meeting of stockholders and (iii) election or re-election at any annual meeting thereafter, each eligible director shall automatically be granted an option (each, an "Option") to purchase 2,000 shares of Common Stock for each year of the term of office for which such director has been elected, treating partial years as full years for this purpose; provided, however, that any grant which would, but for this proviso, be made prior to the closing of the Company's initial public offering of its Common Stock shall be made on the date of such closing. Therefore, at each annual meeting occurring after the Company's completion of its initial public offering at which time the Company has a staggered Board of Directors which are re-elected every three years, Options shall be granted to all eligible directors being elected or re-elected to three year terms to purchase 6,000 shares. No options shall be granted hereunder after ten years from the date on which this Plan was initially approved and adopted by the Board.

(b) DATE OF GRANT. The "Date of Grant" for options granted under this Plan shall be the date of the closing of the Company's initial public offering, or the date of election or re-election as a director, as the case may be.

(c) OPTION PRICE. The option price for each option granted under this Plan shall be the current fair market value of a share of Common Stock of the Company as determined by the closing price for the Company's Common Stock as reported by the National Association of Securities Dealers Automated Quotations National Market on the last trading day prior to Date of Grant.

(d) TERM OF OPTION. The term of each option granted under this Plan shall be ten years from the Date of Grant.

(e) EXERCISABILITY OF OPTIONS. The Options granted under this Plan shall become exercisable with respect to 2,000 shares on the Date of Grant, and if such Option is for more than 2,000 shares, such Option shall become exercisable as to 2,000 shares on the next, or each of the next two annual meetings of stockholders of the Company, as the case may be, (i.e., options to purchase 6,000 shares of Common Stock granted at the 1998 annual meeting in the event the Company has completed its initial public offering will become exercisable with respect to 2,000 shares at each of the Date of Grant, the 1999 and 2000 annual meetings of stockholders), but in all cases if and only if the option holder is a member of the Board at the opening of business on that date.

(f) GENERAL EXERCISE TERMS. Directors holding exercisable Options under this Plan who cease to serve as members of the Board may, during their lifetime, exercise the rights they had under such Options at the time they ceased being a director for the full unexpired term of such Option. Any rights that have not yet become exercisable shall terminate upon cessation of membership on the Board. Upon the death of a director, those entitled to do so shall have the right, at any time within twelve months after the date of death, to exercise in whole or in part any rights which were available to the director at the time of his or her death. The rights of the Option holder may be exercised by the holder's guardian or legal representative in the case of disability and by the beneficiary designated by the holder in writing delivered to the Company or, if none has been designated, by the holder's estate or his or her transferee on death in accordance with this Plan, in the case of death. Options granted under the Plan shall terminate, and no rights thereunder may be exercised, after the expiration of the applicable exercise period. Notwithstanding the foregoing provisions of this section, no rights under any Options may be exercised after the expiration of ten years from their Date of Grant.

(g) METHOD OF EXERCISE AND PAYMENT. Options may be exercised only by written notice to the Company at its head office accompanied by payment of the full option price for the shares of Common Stock as to which they are exercised. The option price shall be paid in cash or by check or in shares of Common Stock of the Company, or in any combination thereof. Shares of Common Stock surrendered in payment of the option price shall have been held by the person exercising the option for at least six months, unless otherwise permitted by the Board. The value of shares delivered in payment of the option price shall be their fair market value, as determined in accordance with Section 6(c) above, as of the date of exercise. Upon receipt of such notice and payment, the Company

shall promptly issue and deliver to the optionee (or other person entitled to exercise the option) a certificate or certificates for the number of shares as to which the exercise is made.

(h) NON-TRANSFERABILITY. Options granted under this Plan shall not be transferable by the holder thereof otherwise than by will or the laws of descent and distribution and are exercisable during such person's lifetime only by such person or by such person's guardian or legal representative; provided that the Board or any committee appointed by the Board may in its discretion waive such restriction in any case.

7. LIMITATION OF RIGHTS.

(a) NO RIGHT TO CONTINUE AS A DIRECTOR. Neither the Plan, nor the granting of an option or any other action taken pursuant to the Plan, shall constitute an agreement or understanding, express or implied, that the Company will retain an option holder as a director for any period of time or at any particular rate of compensation.

(b) NO STOCKHOLDERS' RIGHTS FOR OPTIONS. A director shall have no rights as a stockholder with respect to the shares covered by options until the date the director exercises such options and pays the option price to the Company, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such option is exercised and paid for.

8. AMENDMENT OR TERMINATION.

The Board may amend or terminate this Plan at any time. The Board may amend or modify any outstanding option in any respect, provided that the optionee's consent to such action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the optionee.

9. STOCKHOLDER APPROVAL.

This Plan and the automatic grants made upon adoption thereof by the Board of Directors are subject to approval by the stockholders of the Company by the affirmative vote of the holders of a majority of the shares of Common Stock of the Company present, or represented and entitled to vote, at a meeting duly held in accordance with the Company's Articles of Incorporation and the laws of the Commonwealth of Virginia. In the event such approval is not obtained, all options granted under this Plan shall be void and without effect.

10. GOVERNING LAW.

This Plan shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia.

EXHIBIT 10.3

MAXIMUS, INC.

1997 Employee Stock Purchase Plan

Adopted by the Board of Directors on January 31, 1997
Approved by the Stockholders on February 3, 1997

1. PURPOSE.

The purpose of this 1997 Employee Stock Purchase Plan (the "Plan") is to provide employees of MAXIMUS, Inc. (the "Company"), and its subsidiaries, who wish to become shareholders of the Company an opportunity to purchase Common Stock of the Company (the "Shares"). The Plan is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code of 1986, as amended (the "Code").

2. ELIGIBLE EMPLOYEES.

Subject to the provisions of Sections 7, 8 and 9 below, any individual who is a full-time employee (as defined below) of the Company, or any of its subsidiaries (as defined in Section 424(f) of the Code) the employees of which are designated by the Board of Directors as eligible to participate in the Plan, is eligible to participate in any Offering of Shares (as defined in Section 3 below) made by the Company hereunder. Full-time employees shall include all employees whose customary employment is:

(a) 20 hours or more per week, and
(b) more than five months

in the calendar year during which said Offering Date occurs or in the calendar year immediately preceding such year.

3. OFFERING DATES.

From time to time, the Company, by action of the Board of Directors, will grant rights to purchase Shares to employees eligible to participate in the Plan pursuant to one or more offerings (each of which is an "Offering") on a date or series of dates (each of which is an "Offering Date") designated for this purpose by the Board of Directors.

4. PRICES.

The price per share for each grant of rights hereunder shall be the lesser of:

(a) eighty-five percent (85%) of the fair market value of a Share on the Offering Date on which such right was granted; or

(b) eighty-five percent (85%) of the fair market value of a Share on the date such right is exercised.

At its discretion, the Board of Directors may determine a higher price for a grant of rights.

5. EXERCISE OF RIGHTS AND METHOD OF PAYMENT.

(a) Rights granted under the Plan will be exercisable periodically on specified dates as determined by the Board of Directors.

(b) The method of payment for Shares purchased upon exercise of rights granted hereunder shall be through regular payroll deductions or by lump sum cash payment or both, as determined by the Board of Directors. No interest shall be paid upon payroll deductions unless specifically provided for by the Board of Directors.

(c) Any payments received by the Company from a participating employee and not utilized for the purchase of Shares upon exercise of a right granted hereunder shall be promptly returned to such employee by the Company after termination of the right to which the payment relates.

6. TERM OF RIGHTS.

The total period from an Offering Date to the last date on which rights granted on that Offering Date are exercisable (the "Offering Period") shall in no event be longer than twenty-seven (27) months. The Board of Directors when it authorizes an Offering may designate one or more exercise periods during the Offering Period. Rights granted on an Offering Date shall be exercisable in full on the Offering Date or in such proportion on the last day of each exercise period as the Board of Directors determines.

7. SHARES SUBJECT TO THE PLAN.

No more than 45,455 Shares (500,000 Shares after giving effect to the stock split approved by the Board of Directors on January 31, 1997) the may be sold pursuant to rights granted under the Plan. Appropriate adjustments in the above figure, in the number of Shares covered by outstanding rights granted hereunder, in the exercise price of the rights and in the maximum number of Shares which an employee may purchase (pursuant to Section 9 below) shall be made to give effect to any mergers, consolidations, reorganizations, recapitalizations, stock splits, stock dividends or other relevant changes in the capitalization of the Company occurring after the effective date of the Plan, provided that no fractional Shares shall be subject to a right and each right shall be adjusted downward to the nearest full Share. Any agreement of merger or consolidation will include provisions for protection of the then existing rights of participating employees under the Plan. Either authorized and unissued Shares or issued Shares heretofore or hereafter reacquired by the Company may be made subject to rights under the Plan. If for any reason any right under the Plan terminates in whole or in part, Shares subject to such terminated right may again be subjected to a right under the Plan.

8. LIMITATIONS ON GRANTS.

(a) No employee shall be granted a right hereunder if such employee, immediately after the right is granted, would own stock or rights to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company, or of any subsidiary, computed in accordance with Section 423(b)(3) of the Code.

(b) No employee shall be granted a right which permits his right to purchase shares under all employee stock purchase plans of the Company and its subsidiaries to accrue at a rate which exceeds twenty-five thousand dollars ($25,000) (or such other maximum as may be prescribed from time to time by the Code) of the fair market value of such Shares (determined at the time such right is granted) for each calendar year in which such right is outstanding at any time in accordance with the provisions of Section 423(b)(8) of the Code.

(c) No right granted to any participating employee under an Offering, when aggregated with rights granted under any other Offering still exercisable by the participating employee, shall cover more shares than may be purchased at an exercise price equal to fifteen percent (15%) of the employee's annual rate of compensation on the date the employee elects to participate in the Offering or such lesser percentage as the Board of Directors may determine.

9. LIMIT ON PARTICIPATION.

Participation in an Offering shall be limited to eligible employees who elect to participate in such Offering in the manner, and within the time limitations, established by the Board of Directors when it authorizes the Offering.

10. CANCELLATION OF ELECTION TO PARTICIPATE.

An employee who has elected to participate in an Offering may cancel such election as to all (but not part) of the unexercised rights granted under such Offering by giving written notice of such cancellation to the Company before the expiration of any exercise period. Any amounts paid by the employee for the Shares or withheld for the purchase of Shares from the employee's compensation through payroll deductions shall be paid to the employee, without interest, unless otherwise determined by the Board of Directors, upon such cancellation.

11. TERMINATION OF EMPLOYMENT.

Upon the termination of employment for any reason, including the death of the employee, before the date on which any rights granted under the Plan are

exercisable, all such rights shall immediately terminate and amounts paid by the employee for the Shares or withheld for the purchase of Shares from the employee's compensation through payroll deductions shall be paid to the employee or to the employee's estate, without interest unless otherwise determined by the Board of Directors.

12. EMPLOYEES' RIGHTS AS SHAREHOLDERS.

No participating employee shall have any rights as a shareholder in the Shares covered by a right granted hereunder until such right has been exercised, full payment has been made for the corresponding Shares and the Share certificate is actually issued.

13. RIGHTS NOT TRANSFERABLE.

Rights under the Plan are not assignable or transferable by a participating employee and are exercisable only by the employee.

14. AMENDMENTS TO OR DISCONTINUATION OF THE PLAN.

The Board of Directors of the Company shall have the right to amend, modify or terminate the Plan at any time without notice; provided, however, that the then existing rights of all participating employees shall not be adversely affected thereby, and provided further that, subject to the provisions of Section 7 above, no such amendment to the Plan shall, without the approval of the shareholders of the Company, increase the total number of Shares which may be offered under the Plan.

15. EFFECTIVE DATE AND APPROVALS.

This Plan became effective on January 31, 1997, the date it was adopted by the Board of Directors.

The Company's obligation to offer, sell and deliver its Shares under the Plan is subject to (i) the approval of any governmental authority required in connection with the authorized issuance or sale of such Shares, (ii) satisfaction of the listing requirements of any national securities exchange on which the Shares are then listed and (iii) compliance, in the opinion of the Company's counsel, with all applicable federal and state securities and other laws.

16. TERM OF PLAN.

No rights shall be granted under the Plan after January 31, 2007

17. ADMINISTRATION OF THE PLAN.

The Board of Directors or any committee or person(s) to whom it delegates its authority (the "Administrator") shall administer, interpret and apply all provisions of the Plan as it deems necessary to meet special circumstances not anticipated or covered expressly by the Plan. Nothing contained in this Section shall be deemed to authorize the Administrator to alter or administer the provisions of the Plan in a manner inconsistent with the provisions of Section 423 of the Code.

EXHIBIT 10.4

EXECUTIVE EMPLOYMENT, NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT

[Mastran]

EMPLOYMENT AGREEMENT entered into this ___ day of _____, 1997 by and between David V. Mastran (the "Executive") and MAXIMUS, Inc., a Virginia corporation with a usual place of business in McLean, Virginia (the "Corporation").

WHEREAS, Executive is a key employee of the Corporation and a holder of a substantial number of shares of the issued and outstanding capital stock of the Corporation, and

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Employment.

1.1. DUTIES. The Corporation hereby employs the Executive, and the Executive hereby accepts such employment, to serve as the President and Chief Executive Officer of the Corporation. The Executive shall provide day to day management of the Corporation and shall perform such other services and duties as are appropriate to such office. During the term of this Agreement, the Executive shall be a full time employee of the Corporation and shall devote such time and attention to the discharge of his duties as President and Chief Executive Officer as may be necessary and appropriate to accomplish and complete such duties.

1.2. Compensation.

(a) SALARY AND REGULAR YEAR-END BONUS. As compensation for performance of his obligations hereunder, the Corporation shall pay the Executive a salary of not less than $350,000 and regular year-end bonus consistent with the Corporation's past practices.

(b) VACATION, INSURANCE, EXPENSES. The Executive shall be entitled to such vacation benefits, health, disability and life insurance benefits and expense reimbursements in a manner consistent with the Corporation's past practices.

1.3. TERM; TERMINATION. The term of the employment agreement set forth in this Section 1 shall be for a period commencing on the date hereof and continuing until September 30, 2001, provided that this Agreement shall terminate:

(a) by mutual written consent of the parties; or

(b) upon Executive's death or inability, by reason of physical or mental impairment, to perform substantially all of Executive's duties as contemplated herein for a continuous period of 120 days or more; or

(c) by the Corporation for cause, which shall mean in the event of Executive's breach of any material duty or obligation hereunder, or intentional or grossly negligent conduct that is materially injurious to the Corporation, as reasonably determined by the Corporation's Board of Directors, or willful failure to follow the reasonable directions of the Corporation's Board of Directors.

Upon any termination of employment under this Section 1.3, neither party shall have any obligation to the other pursuant to this Section 1, but such termination shall have no effect on the obligations of the parties under other provisions of this Agreement.

2. NON-COMPETITION.

2.1. UNDERTAKING. The Executive agrees that while the Executive is employed by the Corporation and thereafter, until _____ [4 years after the date hereof] (the "Expiration Date"), the Executive shall not, without the

Corporation's prior written consent, directly or indirectly, as a principal, employee, consultant, partner, or stockholder of, or in any other capacity with, any business enterprise (other than in the Executive's capacity as a holder of not more than 1% of the combined voting power of the outstanding stock of a publicly held company) (a) engage in direct or indirect competition with the Corporation, (b) conduct a business of the type or character engaged in by the Corporation at the time of termination or cessation of the Executive's employment or (c) develop products or services competitive with those of the Corporation.

2.2. PROHIBITED ACTIVITIES. (a) The Executive agrees that, during his or her employment with the Corporation, and thereafter for a period of two years after the termination of such employment, the Executive will not engage in any unethical behavior which may adversely affect the Corporation. For the purpose of this Section 2.2, "Unethical Behavior" is defined as:

(1) any attempt, successful or unsuccessful, by the Executive to divert any existing contracts or subcontracts from the Corporation to any other firm, whether or not affiliated with the Executive;

(2) any attempt, successful or unsuccessful by the Executive, to adversely influence clients of the Corporation or organizations with which the Corporation has a contract or a proposal pending as of the date of the Executive's termination from the Corporation;

(3) any attempt, successful or unsuccessful, by the Executive to divert any contracts or subcontracts which are pending as of the date of Executive's termination from the Corporation to any other firm, whether or not affiliated with the Executive;

(4) any attempt, successful or unsuccessful, by the Executive to offer his or her services, or to influence any other employee of the Corporation to offer their services, to any firm to compete against the Corporation in the performance of services provided under existing contracts or follow-ons to existing contracts or pending proposals with the Corporation's clients as of the date of the Executive's termination; or

(5) any attempt, successful or unsuccessful, by the Executive to employ or offer employment to, or cause any other person to employ or offer employment to any other employee of the Corporation.

(b) The Executive agrees that, in addition to any other remedy available to the Corporation, in the event of a breach by the Executive of the terms of this Section 2.2 the Corporation may set off against any amounts due the Executive, an amount equal to the gross revenues which such Executive, or any entity with which the Executive is employed, affiliated or associated, receives or is entitled to receive, from any existing clients (or potential clients with whom a proposal is pending) of the Corporation during the two-year period provided in this Section 2.2.

(c) The provisions of this Section 2.2 shall continue for a period of two years after termination of the Executive's employment with the Corporation, whether voluntary or involuntary, with or without cause. The Executive shall notify any new employer, partner, association or any other firm or corporation actually or potentially in competition with the Corporation with whom the Executive shall become associated in any capacity whatsoever of the provisions of this Section 2.2 and the Executive agrees that the Corporation may give such notice to such firm, corporation or other person.

2.3. Business Opportunities: Conflicts of Interest: Other Employment and Activities of the Executive.

(a) The Executive agrees promptly to advise the Corporation of, and provide the Corporation with an opportunity to seek, all business opportunities that reasonably may be available to the Corporation, whether or not such business opportunities are related to the present business conducted by the Corporation.

(b) The Executive, in his capacity as an employee of the Corporation, shall not engage in any business with any member of the Executive's immediate family or with any person or business entity in which the Executive or any member of the Executive's immediate family has any ownership interest or financial interest, unless and until the Executive has first fully disclosed such interest to the Board of Directors and received written consent from the Board of Directors, signed by the Chairman of such board. As used herein, the term "immediate family" means the Executive's spouse, natural or adopted children, parents or siblings and the term "financial interest" means any

relationship with such person or business entity that may monetarily benefit the Executive or member of the Executive's immediate family, including any lending relationship or the guarantying of any obligations of such person or business entity by the Executive or member of his immediate family.

(c) The parties hereto acknowledge and agree that the Executive may engage in outside civic, political, social, educational and professional activities and may serve on the boards of directors of other corporations; provided, however, that such activities shall not have priority over or adversely affect or conflict with the business of the Corporation or its clients, or interfere with the mobility of the Executive to fulfill the Executive's duties to the Corporation as a full-time employee and officer and director of the Corporation, as conclusively determined by the Board of Directors of the Corporation.

(d) The parties hereto agree that the Executive may, consistent with this Section 1.3, receive and retain speaking fees, referral fees from business opportunities not accepted by the Corporation, and fees from outside business activities and opportunities of the Executive consented to by the Board of Directors of the Corporation.

3. CONFIDENTIALITY.

3.1. NON-DISCLOSURE. The parties hereto agree that the Corporation's books, records, files and all other information relating to the Corporation (that is not otherwise available in the Public Domain), its business and its clients are proprietary in nature and contain trade secrets and shall be held in strict confidence by the parties hereto, and shall not, either during the term of this Agreement or after the termination hereof, be intentionally disclosed, directly or indirectly, to any third party, person, firm, corporation or other entity, irrespective of whether such person or entity is a competitor of the Corporation or is engaged in a business similar to that of the Corporation; except in furtherance of the Corporation's business. The trade secrets or other proprietary or confidential information referred to in the prior sentence includes, without limitation, all proposals to clients or potential clients, contracts, client or potential client lists, fee policies, financial information. administration or marketing practices or procedures and all other information regarding the business of the Corporation and its clients not generally known to the public.

3.2. TRADE SECRETS. The parties hereto hereby acknowledge and agree that all proprietary information referred to in this Section 2 shall be deemed trade secrets of the Corporation and that each party hereto shall take such steps, undertake such actions and refrain from taking such other actions, as mandated by the provisions hereof and by the provisions of the laws of the Commonwealth of Virginia.

4. STOCK RESTRICTIONS.

4.1. TRANSFERS. The Executive may not offer, sell, assign, grant a participation in, pledge or otherwise transfer ("Transfer") any of the Executive's shares of Common Stock of the Corporation (including shares acquired after the date hereof) (the "Shares") except in compliance with the Securities Act of 1933, as amended (the "Act"), and any applicable state securities laws. In addition, until the Expiration Date, the Executive may not Transfer any of the Executive's Shares without the prior written consent of the Corporation after complying with Section 4.3 below, other than (i) subject to Section 4.4 below, to any Permitted Transferee (as defined in Section 4.4) or (ii) as may be required by applicable federal or state law or regulation or (iii) pursuant to a registration of such shares under Section 5 below.

4.2. RESTRICTIVE LEGEND. Until the Expiration Date, each certificate representing Shares owned by the Executive shall include a legend in substantially the following form:

> UNTIL _____ __, 2001, THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN AN EXECUTIVE NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT, DATED AS OF _____ __, 1997, A COPY OF WHICH MAY BE OBTAINED FROM MAXIMUS, INC.

4.3. REQUEST FOR CONSENT TO TRANSFER. The Executive may request consent to transfer from the Corporation by providing written notice to the Corporation of such holder's intention to effect such transfer, setting forth the manner and circumstances of the proposed transfer in reasonable detail. In the discretion of the Corporation, such consent may be conditioned upon the delivery to the Corporation of an instrument substantially in the form of Exhibit A hereto pursuant to which the transferee shall have agreed to be bound by the terms of this Section 4. In such case, each certificate evidencing Shares or interests therein transferred as provided in this Section 4.3 shall bear the legend set forth in Section 4.2 hereof.

4.4. TRANSFERS TO PERMITTED TRANSFEREE. "Permitted Transferee" shall mean (i) the spouse, ancestor, lineal descendants and other family members of the Executive, and any trust for the benefit of the foregoing, (including adopted descendants), (ii) any entities established principally for charitable purposes to which the Executive Transfers any Shares by way of gift and (iii) any person or entity to whom the Shares are Transferred by virtue of a pledge by the Executive to secure a borrowing from such Permitted Transferee. The Executive may transfer some or all of the Shares to a Permitted Transferee only if the Corporation shall have received notice of such transfer and an instrument substantially in the form of Exhibit A hereto pursuant to which the Permitted Transferee shall have agreed to be bound by the terms of this Section 4. Each certificate evidencing Shares or interests therein transferred as provided in this Section 4.4 shall bear the legend set forth in Section 4.2 hereof.

4.5. IMPROPER TRANSFER. (a) Any attempt to Transfer any Shares not in compliance with this Agreement shall be null and void and neither the Corporation nor any transfer agent of the Corporation shall register, or otherwise recognize in the Corporation's records, any such improper Transfer.

(b) The Executive shall not enter into any transaction or series of transactions for the purpose or with the effect of, directly or indirectly, denying or impairing the rights or obligations of the Corporation under this Agreement, and any such transaction shall be null and void and, to the extent that such transaction requires any action by the Corporation, it shall not be registered or otherwise recognized in the Corporation's records or otherwise.

4.6. ACCESS TO RECORDS AND DOCUMENTS. At any time during which the Executive is a stockholder and/or a member of the Board of Directors of the Corporation, the

Executive shall be entitled to inspect and copy such records and documents to the extent provided by the Stock Corporation Act of the Commonwealth of Virginia and any other applicable law.

4.7. ELECTION OF RUDDY AS A DIRECTOR. The Executive agrees to vote his shares of Common Stock of the Corporation (and any other shares of the capital stock of the Company over which he exercises voting control) and take such other actions as are necessary to elect Raymond B. Ruddy as a Director of the Corporation and thereafter continue Mr. Ruddy in office as a Director of the Corporation, provided, however, that in the event that either Mr. Ruddy or the Executive holds less than 20% of the outstanding Common Stock of the Company, the Executive's obligation under this Section 4.7 shall terminate.

5. Registration Rights.

5.1. Secondary Registration.

(a) REGISTRATION FOR RESALE. The Corporation intends to seek to create liquidity for the Shares held by the Executive prior to the Expiration Date. In the sole discretion of the Corporation, the Corporation may file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-8 or Form S-3 (or similar form) sufficient to permit the public offering and sale of the Registrable Shares (as defined below) through all securities exchanges and over-the-counter markets on which the Corporation's Common Stock is then traded. For the purposes of this Agreement, "Registrable Shares" shall mean outstanding Shares and Shares issuable upon exercise of then-exercisable options held by the Executive and any other person holding registration rights substantially the same as the rights set forth in this Section 5, which Shares are not at that time the subject of an effective registration statement filed with the Commission. For the purposes of this Agreement, "Holders" shall mean all persons holding Registrable Shares.

(b) NOTICE OF FILING OF REGISTRATION STATEMENT. In the event the Corporation determines to file a registration pursuant to Section 5.1(a), the

Corporation shall notify each Holder of the proposed filing and request that each Holder notify the Corporation within 15 days thereafter of the number of Registrable Shares such Holder wishes the Corporation to register on such Holder's behalf. Each Holder shall, prior to the end of such 15 day period, request in writing that the Corporation register the sale of all or part of such Holder's Registrable Shares.

5.2. Piggyback Registration Rights.

(a) OFFER TO INCLUDE REGISTRABLE SHARES IN CORPORATION OFFERING. If, at any time prior to the Expiration Date, the Corporation shall file a registration statement to register shares of Common Stock for its own account in an underwritten offering with the Commission while any Registrable Shares are outstanding, the Corporation shall give all the Holders at least 45 days prior written notice of the filing of such registration statement. Subject to 5.2(b) below, if requested by any Holder in writing within 30 days after receipt of any such notice, the

Corporation shall register or qualify all or, at each Holder's option, any portion of the Registrable Shares of any Holders who shall have made such request, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Registrable Shares through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use its best efforts through its officers, directors, auditors, and counsel to cause such registration statement to become effective as promptly as practicable.

(b) CUTBACK OF PARTICIPATION IN CORPORATION OFFERING. Notwithstanding Section 5.2(a), if the managing underwriter of any such offering shall advise the Corporation in writing that, in its opinion, the distribution of all or a portion of the Registrable Shares requested to be included in the registration concurrently with the securities being registered by the Corporation would materially adversely affect the distribution of such securities by the Corporation for its own account, then the number of Registrable Shares held by such Holder to be included in such registration statement shall be reduced to the extent advised by such managing underwriter, provided that any such reduction shall be made pro rata among the Holders electing to participate in such registration based on the aggregate number of Registrable Shares held by each Holder electing to so participate, and provided further that the total number of Registrable Shares included in any such registration shall not be less than 25% of the total number of shares of Common Stock included in the registration for the Corporation's account, the Holders account and the account of any other person.

5.3. Underwriting.

(a) UNDERWRITING IN SECONDARY REGISTRATION. If the Corporation undertakes a registration under Section 5.1, any Holder wishing to distribute the Registrable Shares which such Holder has requested to be registered in such registration by means of an underwriting, such Holder shall so advise the Corporation in such Holder's request to participate in such registration under Section 5.1(b). The Holders of a majority of the Registrable Shares being offered may select one or more underwriters for the registration under Section 5.1, which selection shall be approved by the Corporation, which approval shall not be unreasonably withheld provided such underwriter(s) are experienced and reputable. The Corporation shall, together with the Holders engaged in the registration hereunder, enter into an underwriting agreement with the representative of the underwriter or underwriters selected for such underwriting in accordance with this Section 5.3(a).

(b) UNDERWRITING IN PIGGYBACK REGISTRATION. In the event of an underwritten registration pursuant to the provisions of Section 5.2, any Holder who requests to have Registrable Shares included in such registration shall enter into such custody agreements and powers of attorney as are reasonably requested by the Corporation and any such underwriter, and, if requested, enter into an underwriting agreement containing customary terms.

(c) RIGHT OF WITHDRAWAL FROM UNDERWRITING. In the event of an underwritten offering under Section 5.3(a) or (b), the right of a Holder to participate

in a registration hereunder shall be conditioned upon the inclusion of such Holder's Registrable Shares in such underwriting. If a Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Corporation and the underwriter delivered at least seven days prior to the effective date of the Registration Statement. The securities so withdrawn shall also be withdrawn from the Registration Statement.

5.4. EFFECTIVENESS AND EXPENSES. The Corporation will use its best efforts through its officers, directors, auditors and counsel to cause any Registration Statement filed pursuant to this Section 5 to become effective as promptly as practicable. The Corporation shall be obligated to use its best efforts to maintain the effectiveness of such Registration Statement only until the earlier of (i) the Expiration Date, and (ii) the date on which no Registrable Shares remain outstanding (the "Registration Termination Date"). The Corporation shall be obligated to pay all expenses (other than the fees and disbursements of counsel for the Holders and underwriting discounts, if any, payable in respect of the Registrable Shares sold by the Holders) in connection with any such registration statement.

5.5. BLUE SKY REGISTRATIONS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall use its best efforts to cause the Registrable Shares so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Holders may reasonably request; provided, however, that the Corporation shall not be required to qualify to do business in any state by reason of this Section 5.5 in which it is not otherwise required to qualify to do business.

5.6. CONTINUING EFFECTIVENESS. Until the Registration Termination Date, the Corporation shall use its best efforts to keep effective any registration or qualification contemplated by this Section 5 and shall from time to time amend or supplement each applicable registration statement, preliminary prospectus, final prospectus, application, document and communication for such period of time as shall be required to permit the Holders to complete the offer and sale of the Registrable Shares covered thereby.

5.7. COPIES OF REGISTRATION STATEMENT AND RELATED DOCUMENTS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall furnish to each Holder a copy of the Registration Statement and of each amendment and supplement thereto (in each case, including all exhibits), and a reasonable number of copies of each prospectus contained in such registration statement and each supplement or amendment thereto (including each preliminary prospectus), all of which shall conform to the requirements of the Act, and the rules and regulations thereunder, and such other documents, as any Holder may reasonably request to facilitate the disposition of the Registrable Shares included in such registration.

5.8. RULE 144 ELIGIBILITY. The Corporation agrees that, following the Expiration Date, until all the Registrable Shares have been sold under a registration statement or pursuant to Rule 144 under the Act, the Corporation shall use its best

efforts to keep current in filing all reports, statements and other materials required to be filed with the Commission to permit holders of the Registrable Shares to sell such securities under Rule 144.

6. Indemnity.

6.1. CORPORATION INDEMNIFICATION OF THE HOLDERS. Subject to the conditions set forth below, the Corporation agrees to indemnify and hold harmless each Holder, its officers, directors, partners, employees, agents and counsel, and each person, if any, who controls any such person within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all loss, liability, charge, claim, damage and expense whatsoever (which shall include, for all purposes of this Section 6, without limitation, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), as and when incurred, arising out of, based upon, or in connection with any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, relating to the sale of any of the Registrable Shares, filed with the Commission or any securities exchange; or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon and

in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such person expressly for inclusion in any registration statement, preliminary prospectus, or final prospectus, or any amendment or supplement thereto, as the case may be. The foregoing agreement to indemnify shall be in addition to any liability the Corporation may otherwise have, including liabilities arising under this Agreement.

If any action is brought against any Holder or any of its officers, directors, partners, employees, agents or counsel, or any controlling persons of such person (an "Indemnified Party") in respect of which indemnity may be sought against the Corporation pursuant to the foregoing paragraph, such Indemnified Party or Parties shall promptly notify the Corporation in writing of the institution of such action (but the failure so to notify shall not relieve the Corporation from any liability other than pursuant to this Section 6.1) and the Corporation shall promptly assume the defense of such action, including the employment of counsel (reasonably satisfactory to such Indemnified Party or parties) and payment of expenses. Such Indemnified Party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless the employment of such counsel shall have been authorized in writing by the Corporation in connection with the defense of such action or the Corporation shall not have promptly employed counsel reasonably satisfactory to such Indemnified Party or Parties to have charge of the defense of such action or such Indemnified Party or parties shall have reasonably concluded that there may be one or more legal defenses available to it or them or to other indemnified parties which are different from or

additional to those available to the Corporation, in any of which events such fees and expenses shall be borne by the Corporation, and the Corporation shall not have the right to direct the defense of such action on behalf of the Indemnified Party or Parties. Anything in this Section 5 to the contrary notwithstanding, the Corporation shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld. The Corporation shall not, without the prior written consent of each Indemnified Party that is not released as described in this sentence, settle or compromise any action, or permit a default or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, in respect of which indemnity may be sought hereunder (whether or not any Indemnified Party is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all liability in respect of such action. The Corporation agrees promptly to notify the Holders of the commencement of any litigation or proceedings against the Corporation or any of its officers or directors in connection with the sale of any Registrable Shares or any preliminary prospectus, prospectus, registration statement or amendment or supplement thereto, or any application relating to any sale of any Registrable Shares.

6.2. HOLDER INDEMNIFICATION OF THE CORPORATION. Each Holder participating in any such registration shall indemnify and hold harmless the Corporation, each director of the Corporation, each officer of the Corporation who shall have signed the registration statement covering Registrable Shares held by the Holder, each other person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and its or their respective counsel, to the same extent as the foregoing indemnity from the Corporation to the Holders in Section 6.1, but only with respect to statements or omissions, if any, made in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such Holder expressly for inclusion in any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, as the case may be. If any action shall be brought against the Corporation or any other person so indemnified based on any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, and in respect of which indemnity may be sought against such Holder pursuant to this Section 6.2, such Holder shall have the rights and duties given to the Corporation and the Corporation and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 6.1.

6.3. CONTRIBUTION. To provide for just and equitable contribution, if (i) an Indemnified Party makes a claim for indemnification pursuant to Section 6.1 or 6.2 but it is found in a final judicial determination, not subject to further appeal, that such indemnification may not be enforced in such case, even though this Agreement expressly provides for indemnification in such case, or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act or otherwise, then the Corporation (including for this purpose any

contribution made by or on behalf

of any director of the Corporation, any officer of the Corporation who signed any such registration statement, any controlling person of the Corporation, and its or their respective counsel), as one entity, and the Holders of the Registrable Shares included in such registration in the aggregate (including for this purpose any contribution by or on behalf of an Indemnified Party), as a second entity, shall contribute to the losses, liabilities, claims, damages and expenses whatsoever to which any of them may be subject, on the basis of relevant equitable considerations such as the relative fault of the Corporation and such Holders in connection with the facts which resulted in such losses, liabilities, claims, damages and expenses. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission, shall be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Corporation or by such Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Corporation and the Holder agree that it would be unjust and inequitable if the respective obligations of the Corporation and the Holders for the contribution were determined by pro rata or per capita allocation of the aggregate losses, liabilities, claims, damages and expenses (even if the Holder and the other indemnified parties were treated as one entity for such purpose) or by any other method of allocation that does not reflect the equitable considerations, referred to in this Section 6.3. In no case shall any Holder be responsible for a portion of the contribution obligation imposed on all Holders in excess of its pro rata share based on the number of Registrable Shares of by it and included in such registration as compared to the number of Registrable Shares owned by all Holders and included in such registration. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 6.3, each person, if any, who controls any Holder within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each officer, director, partner, employee, agent and counsel of each such Holder or control person shall have the same rights to contribution as such Holder or control person and each person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Corporation who shall have signed any such registration statement, each director of the Corporation and its or their respective counsel shall have the same right to contribution as the Corporation, subject in each case to the provisions of this Section 6.3. Anything in this Section 6.3 to the contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 6.3 is intended to supersede any right to contribution under the Act, the Exchange Act or otherwise.

7. MISCELLANEOUS.

7.1. NOTICES. All notices, requests, demands or other communications provided for in this Agreement shall be in writing and shall be delivered by hand, sent prepaid by Federal Express (or a comparable overnight delivery service) or sent by the United States mail, certified, postage prepaid, return receipt request, to the following

If to the Corporation,

MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22201
Attention: David V. Mastran

If to the Executive,

David V. Mastran
MAXIMUS, Inc.

1356 Beverly Road
McLean, Virginia 22201

Any notice, request, demand or other communication delivered or sent in the foregoing manner shall be deemed given or made (as the case may be) upon the earliest of (i) the date it is actually received, (ii) the business-day after the day on which it is delivered by hand, (iii) the business day after the day on which it is properly delivered to Federal Express (or a comparable overnight delivery service), or (iv) the third business day after the date on which it is deposited in the United States mail. Either party may change its address by notifying the other party of the new address in any manner permitted by this paragraph. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not affect the date of such notice, election or demand sent in accordance with the foregoing provisions.

7.2. REMEDIES. The parties hereto further agree and acknowledge that any violation by the Executive of the terms hereof may result in irreparable injury and damage to the Executive, Corporation or its clients, as the case may be, which will not adequately be compensable in monetary damages, that the Corporation will have no adequate remedy at law therefor, and that the Corporation may obtain such preliminary, temporary or permanent mandatory or restraining injunctions, orders or decrees as may be necessary to protect it against, or on account of, any breach of the provisions contained in this Agreement.

7.3. NO OBLIGATION OF CONTINUED EMPLOYMENT AFTER TERMINATION OF SECTION 1. Except as set forth in Section 1 hereof, the Executive understands that this Agreement does not constitute a contract of employment or create an obligation on the part of the Corporation to continue the Executive's employment with the Corporation.

7.4. BENEFIT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the parties and their respective personal representatives, heirs, successors and assigns and the obligations of the Executive under Section 4.7 shall also inure to the benefit of Raymond B. Ruddy. This Agreement may not be assigned by either party without the consent of the other except that the Corporation may assign this Agreement in connection with the merger, consolidation or sale of all or substantially all of its business or assets.

7.5. ENTIRE AGREEMENT. This Agreement supersedes all prior agreements, written or oral, with respect to the subject matter of this Agreement, including the Shareholder Agreement dated January 2, 1996.

7.6. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any of the provisions of this Agreement is held to be excessively broad, it shall be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

7.7. WAIVERS. No delay or omission by the Corporation in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Corporation on any occasion if effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7.8. CAPTIONS. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

7.9. GOVERNING LAW. This Agreement shall be construed as a sealed instrument and shall in all events and for all purposes be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia without regard to any choice of law principle that would dictate the application of the laws of another jurisdiction. Any action, suit or other legal proceeding which the Executive may commence to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Virginia (or, if appropriate, a federal court located within Virginia), and the Executive hereby consent to the jurisdiction of such court with respect to any action, suit or proceeding commenced in such court by the Corporation. The Section headings are included

solely for convenience and shall in no event affect or be used in connection with, the interpretation of this Agreement.

THE EXECUTIVE HAS READ ALL OF THE PROVISIONS OF THIS AGREEMENT AND THE EXECUTIVE UNDERSTANDS, AND AGREES TO, EACH OF SUCH PROVISIONS. THE EXECUTIVE UNDERSTANDS THAT THIS AGREEMENT MAY AFFECT THE EXECUTIVE'S RIGHT TO ACCEPT EMPLOYMENT WITH OTHER COMPANIES SUBSEQUENT TO THE EXECUTIVE'S EMPLOYMENT WITH THE CORPORATION.

7.10. AMENDMENTS. No alterations or additions to this Agreement shall be binding unless in writing and signed by both the parties, and no alteration or addition may be made to the provisions in Section 4.7 without the consent of Raymond B. Ruddy.

7.11. GENDERS. Whenever reasonably necessary, pronouns of any gender shall be deemed synonymous, as shall singular and plural pronouns.

7.12. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one instrument.

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

David V. Mastran

MAXIMUS, INC.

By:

Name:
Title:

EXHIBIT A

FORM OF AGREEMENT TO BE BOUND

[DATE]

MAXIMUS, INC.
1356 Beverly Road
McLean, VA 22101

Ladies and Gentlemen:

Reference is made to the Executive Non-Compete, Confidentiality and Stock Restriction Agreement (the "Agreement") dated as of _____ __, 1997 between MAXIMUS, Inc. (the "Company") and David V. Mastran (the "Transferor").

The undersigned is the transferee of _____ shares of _____ Common Stock of the Corporation from the Transferor (the "Shares").

In consideration of the representations, covenants and agreements contained in the Agreement, the undersigned hereby confirms and agrees to be bound by all of the provisions of Section 3 of the Agreement applicable to the Transferor with respect to the Shares.

This letter shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to the conflicts of law rules of such state.

Very truly yours,

EXHIBIT 10.5

EXECUTIVE EMPLOYMENT, NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT

[Ruddy]

EMPLOYMENT AGREEMENT entered into this ___ day of _____, 1997 by and between Raymond B. Ruddy (the "Executive") and MAXIMUS, Inc., a Virginia corporation with a usual place of business in McLean, Virginia (the "Corporation").

WHEREAS, Executive is a key employee of the Corporation and a holder of a substantial number of shares of the issued and outstanding capital stock of the Corporation, and

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. EMPLOYMENT.

1.1. DUTIES. The Corporation hereby employs the Executive, and the Executive hereby accepts such employment, to serve as the Chairman of the Board of Directors, Vice President, Consulting of the Corporation and President of Consulting Group of the Corporation. The Executive shall provide day to day management of the Corporation as Chairman of the Board of Directors, Vice President, Consulting of the Corporation and President of Consulting Group and shall perform such other services and duties as are appropriate to such office or Chief Operating Officer of the Corporation. During the term of this Agreement, the Executive shall be a full time employee of the Corporation and shall devote such time and attention to the discharge of his duties as Chairman of the Board of Directors, Vice President, Consulting of the Corporation and President of Consulting Group as may be necessary and appropriate to accomplish and complete such duties.

1.2. COMPENSATION.

(a) SALARY AND REGULAR YEAR-END BONUS. As compensation for performance of his obligations hereunder, the Corporation shall pay the Executive a salary of not less than $350,000 and regular year-end bonus consistent with the Corporation's past practices; provided however that the Executive's aggregate compensation shall not be less than that paid to the Chief Executive Officer of the Corporation.

(b) VACATION, INSURANCE, EXPENSES. The Executive shall be entitled to such vacation benefits, health, disability and life insurance benefits and expense reimbursements in a manner consistent with the Corporation's past practices and as are provided by the Corporation to its Chief Executive Officer.

1.3. TERM; TERMINATION. The term of the employment agreement set forth in this Section 1 shall be for a period commencing on the date hereof and continuing until September 30, 2001, provided that this Agreement shall terminate:

(a) by mutual written consent of the parties; or

(b) upon Executive's death or inability, by reason of physical or mental impairment, to perform substantially all of Executive's duties as contemplated herein for a continuous period of 120 days or more; or

(c) by the Corporation for cause, which shall mean in the event of Executive's breach of any material duty or obligation hereunder, or intentional or grossly negligent conduct that is materially injurious to the Corporation, as reasonably determined by the Corporation's Board of Directors, or willful failure to follow the reasonable directions of the Corporation's Board of Directors.

Upon any termination of employment under this Section 1.3, neither party shall have any obligation to the other pursuant to this Section 1, but such termination shall have no effect on the obligations of the parties under other provisions of this Agreement.

2. NON-COMPETITION.

2.1. UNDERTAKING. The Executive agrees that while the Executive is employed by the Corporation and thereafter, until _____ [4 years after the date hereof] (the "Expiration Date"), the Executive shall not, without the Corporation's prior written consent, directly or indirectly, as a principal, employee, consultant, partner, or stockholder of, or in any other capacity with, any business enterprise (other than in the Executive's capacity as a holder of not more than 1% of the combined voting power of the outstanding stock of a publicly held company) (a) engage in direct or indirect competition with the Corporation, (b) conduct a business of the type or character engaged in by the Corporation at the time of termination or cessation of the Executive's employment or (c) develop products or services competitive with those of the Corporation.

2.2. PROHIBITED ACTIVITIES. (a) The Executive agrees that, during his or her employment with the Corporation, and thereafter for a period of two years after the termination of such employment, the Executive will not engage in any unethical behavior which may adversely affect the Corporation. For the purpose of this Section 2.2, "Unethical Behavior" is defined as:

(1) any attempt, successful or unsuccessful, by the Executive to divert any existing contracts or subcontracts from the Corporation to any other firm, whether or not affiliated with the Executive;

(2) any attempt, successful or unsuccessful by the Executive, to adversely influence clients of the Corporation or organizations with which the Corporation has a contract or a proposal pending as of the date of the Executive's termination from the Corporation;

(3) any attempt, successful or unsuccessful, by the Executive to divert any contracts or subcontracts which are pending as of the date of Executive's termination from the Corporation to any other firm, whether or not affiliated with the Executive;

(4) any attempt, successful or unsuccessful, by the Executive to offer his or her services, or to influence any other employee of the Corporation to offer their services, to any firm to compete against the Corporation in the performance of services provided under existing contracts or follow-ons to existing contracts or pending proposals with the Corporation's clients as of the date of the Executive's termination; or

(5) any attempt, successful or unsuccessful, by the Executive to employ or offer employment to, or cause any other person to employ or offer employment to any other employee of the Corporation.

(b) The Executive agrees that, in addition to any other remedy available to the Corporation, in the event of a breach by the Executive of the terms of this Section 2.2 the Corporation may set off against any amounts due the Executive, an amount equal to the gross revenues which such Executive, or any entity with which the Executive is employed, affiliated or associated, receives or is entitled to receive, from any existing clients (or potential clients with whom a proposal is pending) of the Corporation during the two-year period provided in this Section 2.2.

(c) The provisions of this Section 2.2 shall continue for a period of two years after termination of the Executive's employment with the Corporation, whether voluntary or involuntary, with or without cause. The Executive shall notify any new employer, partner, association or any other firm or corporation actually or potentially in competition with the Corporation with whom the Executive shall become associated in any capacity whatsoever of the provisions of this Section 2.2 and the Executive agrees that the Corporation may give such notice to such firm, corporation or other person.

2.3. BUSINESS OPPORTUNITIES: CONFLICTS OF INTEREST: OTHER EMPLOYMENT AND ACTIVITIES OF THE EXECUTIVE.

(a) The Executive agrees promptly to advise the Corporation of, and provide the Corporation with an opportunity to seek, all business opportunities that reasonably may be available to the Corporation, whether or not such business opportunities are related to the present business conducted by the Corporation.

(b) The Executive, in his capacity as an employee of the Corporation, shall not engage in any business with any member of the Executive's immediate family or with any person or business entity in which the Executive or any member of the Executive's immediate family has any ownership interest or

financial interest, unless and until the Executive has first fully disclosed such interest to the Board of Directors and received written consent from the Board of Directors, signed by the Chairman of such board. As used herein, the term "immediate family" means the Executive's spouse, natural or adopted children, parents or siblings and the term "financial interest" means any relationship with such person or business entity that may monetarily benefit the Executive or member of the

Executive's immediate family, including any lending relationship or the guarantying of any obligations of such person or business entity by the Executive or member of his immediate family.

(c) The parties hereto acknowledge and agree that the Executive may engage in outside civic, political, social, educational and professional activities and may serve on the boards of directors of other corporations; provided, however, that such activities shall not have priority over or adversely affect or conflict with the business of the Corporation or its clients, or interfere with the mobility of the Executive to fulfill the Executive's duties to the Corporation as a full-time employee and officer and director of the Corporation, as conclusively determined by the Board of Directors of the Corporation.

(d) The parties hereto agree that the Executive may, consistent with this Section 1.3, receive and retain speaking fees, referral fees from business opportunities not accepted by the Corporation, and fees from outside business activities and opportunities of the Executive consented to by the Board of Directors of the Corporation.

3. CONFIDENTIALITY.

3.1. NON-DISCLOSURE. The parties hereto agree that the Corporation's books, records, files and all other information relating to the Corporation (that is not otherwise available in the Public Domain), its business and its clients are proprietary in nature and contain trade secrets and shall be held in strict confidence by the parties hereto, and shall not, either during the term of this Agreement or after the termination hereof, be intentionally disclosed, directly or indirectly, to any third party, person, firm, corporation or other entity, irrespective of whether such person or entity is a competitor of the Corporation or is engaged in a business similar to that of the Corporation; except in furtherance of the Corporation's business. The trade secrets or other proprietary or confidential information referred to in the prior sentence includes, without limitation, all proposals to clients or potential clients, contracts, client or potential client lists, fee policies, financial information. administration or marketing practices or procedures and all other information regarding the business of the Corporation and its clients not generally known to the public.

3.2. TRADE SECRETS. The parties hereto hereby acknowledge and agree that all proprietary information referred to in this Section 2 shall be deemed trade secrets of the Corporation and that each party hereto shall take such steps, undertake such actions and refrain from taking such other actions, as mandated by the provisions hereof and by the provisions of the laws of the Commonwealth of Virginia.

4. STOCK RESTRICTIONS.

4.1. TRANSFERS. The Executive may not offer, sell, assign, grant a participation in, pledge or otherwise transfer ("Transfer") any of the Executive's shares of Common Stock of the Corporation (including shares acquired after the date hereof) (the "Shares") except in compliance with the Securities Act of 1933, as amended (the "Act"), and any applicable state securities laws. In addition, until the Expiration Date, the Executive may not Transfer any of the Executive's Shares without the prior written consent of the Corporation after complying with Section 4.3 below, other than (i) subject to Section 4.4 below, to any Permitted Transferee (as defined in Section 4.4) or (ii) as may be required by applicable federal or state law or regulation or (iii) pursuant to a registration of such shares under Section 5 below.

4.2. RESTRICTIVE LEGEND. Until the Expiration Date, each certificate representing Shares owned by the Executive shall include a legend in substantially the following form:

> UNTIL _____ __, 2001, THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN AN EXECUTIVE NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT, DATED AS OF _____ __, 1997, A COPY OF WHICH MAY BE OBTAINED FROM MAXIMUS, INC.

4.3. REQUEST FOR CONSENT TO TRANSFER. The Executive may request consent to transfer from the Corporation by providing written notice to the Corporation of such holder's intention to effect such transfer, setting forth the manner and circumstances of the proposed transfer in reasonable detail. In the discretion of the Corporation, such consent may be conditioned upon the delivery to the Corporation of an instrument substantially in the form of EXHIBIT A hereto pursuant to which the transferee shall have agreed to be bound by the terms of this Section 4. In such case, each certificate evidencing Shares or interests therein transferred as provided in this Section 4.3 shall bear the legend set forth in Section 4.2 hereof.

4.4. TRANSFERS TO PERMITTED TRANSFEREE. "Permitted Transferee" shall mean (i) the spouse, ancestor, lineal descendants and other family members of the Executive, and any trust for the benefit of the foregoing, (including adopted descendants), (ii) any entities established principally for charitable purposes to which the Executive Transfers any Shares by way of gift and (iii) any person or entity to whom the Shares are Transferred by virtue of a pledge by the Executive to secure a borrowing from such Permitted Transferee. The Executive may transfer some or all of the Shares to a Permitted Transferee only if the Corporation shall have received notice of such transfer and an instrument substantially in the form of Exhibit A hereto pursuant to which the Permitted Transferee shall have agreed to be bound by the terms of this Section 4. Each certificate evidencing Shares or interests therein transferred as provided in this Section 4.4 shall bear the legend set forth in Section 4.2 hereof.

4.5. IMPROPER TRANSFER. (a) Any attempt to Transfer any Shares not in compliance with this Agreement shall be null and void and neither the Corporation nor any transfer agent of the Corporation shall register, or otherwise recognize in the Corporation's records, any such improper Transfer.

(b) The Executive shall not enter into any transaction or series of transactions for the purpose or with the effect of, directly or indirectly, denying or impairing the rights or obligations of the Corporation under this Agreement, and any such transaction shall be null and void and, to the extent that such transaction requires any action by the Corporation, it shall not be registered or otherwise recognized in the Corporation's records or otherwise.

4.6. ACCESS TO RECORDS AND DOCUMENTS. At any time during which the Executive is a stockholder and/or a member of the Board of Directors of the Corporation, the Executive shall be entitled to inspect and copy such records and documents to the extent provided by the Stock Corporation Act of the Commonwealth of Virginia and any other applicable law.

4.7. ELECTION OF MASTRAN AS A DIRECTOR. The Executive agrees to vote his shares of Common Stock of the Corporation (and any other shares of the capital stock of the Company over which he exercises voting control) and take such other actions as are necessary to elect David V. Mastran as a Director of the Corporation and thereafter continue Dr. Mastran in office as a Director of the Corporation, provided, however, that in the event that either Dr. Mastran or the Executive holds less than 20% of the outstanding Common Stock of the Company, the Executive's obligation under this Section 4.7 shall terminate.

4.8. VOTING AGREEMENT. Until September 30, 2001, the Executive agrees to vote his shares of the Corporation Common Stock (and any other shares of the capital stock of the Corporation over which he exercises voting control) and take such other actions as are necessary, in connection with any action of the stockholders of the Corporation in a manner consistent with any instructions received by the Executive from David Mastran. The Executive shall make reasonable efforts prior to any stockholder action to obtain such instructions from David Mastran and if such instructions are not obtained prior to the date of a stockholder action, the Executive shall abstain from voting his shares in such action.

5. Registration Rights.

5.1. Secondary Registration.

(a) REGISTRATION FOR RESALE. The Corporation intends to seek to create liquidity for the Shares held by the Executive prior to the Expiration Date. In the sole discretion of the Corporation, the Corporation may file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-8 or Form S-3 (or similar form) sufficient to permit the public offering and sale of the Registrable Shares (as defined below) through all securities exchanges and over-the-counter markets on which the Corporation's Common Stock is then traded. For the purposes of this Agreement, "Registrable Shares" shall mean outstanding Shares and Shares issuable upon exercise of

then-exercisable options held by the Executive and any other person holding registration rights substantially the same as the rights set forth in this Section 5, which Shares are not at that time the subject of an effective registration statement filed with the Commission. For the purposes of this Agreement, "Holders" shall mean all persons holding Registrable Shares.

(b) NOTICE OF FILING OF REGISTRATION STATEMENT. In the event the Corporation determines to file a registration pursuant to Section 5.1(a), the Corporation shall notify each Holder of the proposed filing and request that each Holder notify the Corporation within 15 days thereafter of the number of Registrable Shares such Holder wishes the Corporation to register on such Holder's behalf. Each Holder shall, prior to the end of such 15 day period, request in writing that the Corporation register the sale of all or part of such Holder's Registrable Shares.

5.2. Piggyback Registration Rights.

(a) OFFER TO INCLUDE REGISTRABLE SHARES IN CORPORATION OFFERING. If, at any time prior to the Expiration Date, the Corporation shall file a registration statement to register shares of Common Stock for its own account in an underwritten offering with the Commission while any Registrable Shares are outstanding, the Corporation shall give all the Holders at least 45 days prior written notice of the filing of such registration statement. Subject to 5.2(b) below, if requested by any Holder in writing within 30 days after receipt of any such notice, the Corporation shall register or qualify all or, at each Holder's option, any portion of the Registrable Shares of any Holders who shall have made such request, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Registrable Shares through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use its best efforts through its officers, directors, auditors, and counsel to cause such registration statement to become effective as promptly as practicable.

(b) CUTBACK OF PARTICIPATION IN CORPORATION OFFERING. Notwithstanding Section 5.2(a), if the managing underwriter of any such offering shall advise the Corporation in writing that, in its opinion, the distribution of all or a portion of the Registrable Shares requested to be included in the registration concurrently with the securities being registered by the Corporation would materially adversely affect the distribution of such securities by the Corporation for its own account, then the number of Registrable Shares held by such Holder to be included in such registration statement shall be reduced to the extent advised by such managing underwriter, provided that any such reduction shall be made pro rata among the Holders electing to participate in such registration based on the aggregate number of Registrable Shares held by each Holder electing to so participate, and provided further that the total number of Registrable Shares included in any such registration shall not be less than 25% of the total number of shares of Common Stock included in the registration for the Corporation's account, the Holders account and the account of any other person.

5.3. Underwriting.

(a) UNDERWRITING IN SECONDARY REGISTRATION. If the Corporation undertakes a registration under Section 5.1, any Holder wishing to distribute the Registrable Shares which such Holder has requested to be registered in such registration by means of an underwriting, such Holder shall so advise the Corporation in such Holder's request to participate in such registration under

Section 5.1(b). The Holders of a majority of the Registrable Shares being offered may select one or more underwriters for the registration under Section 5.1, which selection shall be approved by the Corporation, which approval shall not be unreasonably withheld provided such underwriter(s) are experienced and reputable. The Corporation shall, together with the Holders engaged in the registration hereunder, enter into an underwriting agreement with the representative of the underwriter or underwriters selected for such underwriting in accordance with this Section 5.3(a).

(b) UNDERWRITING IN PIGGYBACK REGISTRATION. In the event of an underwritten registration pursuant to the provisions of Section 5.2, any Holder who requests to have Registrable Shares included in such registration shall enter into such custody agreements and powers of attorney as are reasonably requested by the Corporation and any such underwriter, and, if requested, enter into an underwriting agreement containing customary terms.

(c) RIGHT OF WITHDRAWAL FROM UNDERWRITING. In the event of an underwritten offering under Section 5.3(a) or (b), the right of a Holder to participate in a registration hereunder shall be conditioned upon the inclusion of such Holder's Registrable Shares in such underwriting. If a Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Corporation and the underwriter delivered at least seven days prior to the effective date of the Registration Statement. The securities so withdrawn shall also be withdrawn from the Registration Statement.

5.4. EFFECTIVENESS AND EXPENSES. The Corporation will use its best efforts through its officers, directors, auditors and counsel to cause any Registration Statement filed pursuant to this Section 5 to become effective as promptly as practicable. The Corporation shall be obligated to use its best efforts to maintain the effectiveness of such Registration Statement only until the earlier of (i) the Expiration Date, and (ii) the date on which no Registrable Shares remain outstanding (the "Registration Termination Date"). The Corporation shall be obligated to pay all expenses (other than the fees and disbursements of counsel for the Holders and underwriting discounts, if any, payable in respect of the Registrable Shares sold by the Holders) in connection with any such registration statement.

5.5. BLUE SKY REGISTRATIONS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall use its best efforts to cause the Registrable Shares so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Holders may reasonably request;

PROVIDED, HOWEVER, that the Corporation shall not be required to qualify to do business in any state by reason of this Section 5.5 in which it is not otherwise required to qualify to do business.

5.6. CONTINUING EFFECTIVENESS. Until the Registration Termination Date, the Corporation shall use its best efforts to keep effective any registration or qualification contemplated by this Section 5 and shall from time to time amend or supplement each applicable registration statement, preliminary prospectus, final prospectus, application, document and communication for such period of time as shall be required to permit the Holders to complete the offer and sale of the Registrable Shares covered thereby.

5.7. COPIES OF REGISTRATION STATEMENT AND RELATED DOCUMENTS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall furnish to each Holder a copy of the Registration Statement and of each amendment and supplement thereto (in each case, including all exhibits), and a reasonable number of copies of each prospectus contained in such registration statement and each supplement or amendment thereto (including each preliminary prospectus), all of which shall conform to the requirements of the Act, and the rules and regulations thereunder, and such other documents, as any Holder may reasonably request to facilitate the disposition of the Registrable Shares included in such registration.

5.8. RULE 144 ELIGIBILITY. The Corporation agrees that, following the Expiration Date, until all the Registrable Shares have been sold under a registration statement or pursuant to Rule 144 under the Act, the Corporation shall use its best efforts to keep current in filing all reports, statements and other materials required to be filed with the Commission to permit holders of the Registrable Shares to sell such securities under Rule 144.

6. Indemnity.

6.1. CORPORATION INDEMNIFICATION OF THE HOLDERS. Subject to the conditions set forth below, the Corporation agrees to indemnify and hold

harmless each Holder, its officers, directors, partners, employees, agents and counsel, and each person, if any, who controls any such person within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all loss, liability, charge, claim, damage and expense whatsoever (which shall include, for all purposes of this Section 6, without limitation, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), as and when incurred, arising out of, based upon, or in connection with any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, relating to the sale of any of the Registrable Shares, filed with the Commission or any securities exchange; or any omission or alleged omission to state a material fact required to be

stated therein or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such person expressly for inclusion in any registration statement, preliminary prospectus, or final prospectus, or any amendment or supplement thereto, as the case may be. The foregoing agreement to indemnify shall be in addition to any liability the Corporation may otherwise have, including liabilities arising under this Agreement.

If any action is brought against any Holder or any of its officers, directors, partners, employees, agents or counsel, or any controlling persons of such person (an "Indemnified Party") in respect of which indemnity may be sought against the Corporation pursuant to the foregoing paragraph, such Indemnified Party or Parties shall promptly notify the Corporation in writing of the institution of such action (but the failure so to notify shall not relieve the Corporation from any liability other than pursuant to this Section 6.1) and the Corporation shall promptly assume the defense of such action, including the employment of counsel (reasonably satisfactory to such Indemnified Party or parties) and payment of expenses. Such Indemnified Party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless the employment of such counsel shall have been authorized in writing by the Corporation in connection with the defense of such action or the Corporation shall not have promptly employed counsel reasonably satisfactory to such Indemnified Party or Parties to have charge of the defense of such action or such Indemnified Party or parties shall have reasonably concluded that there may be one or more legal defenses available to it or them or to other indemnified parties which are different from or additional to those available to the Corporation, in any of which events such fees and expenses shall be borne by the Corporation, and the Corporation shall not have the right to direct the defense of such action on behalf of the Indemnified Party or Parties. Anything in this Section 5 to the contrary notwithstanding, the Corporation shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld. The Corporation shall not, without the prior written consent of each Indemnified Party that is not released as described in this sentence, settle or compromise any action, or permit a default or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, in respect of which indemnity may be sought hereunder (whether or not any Indemnified Party is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all liability in respect of such action. The Corporation agrees promptly to notify the Holders of the commencement of any litigation or proceedings against the Corporation or any of its officers or directors in connection with the sale of any Registrable Shares or any preliminary prospectus, prospectus, registration statement or amendment or supplement thereto, or any application relating to any sale of any Registrable Shares.

6.2. HOLDER INDEMNIFICATION OF THE CORPORATION. Each Holder participating in any such registration shall indemnify and hold harmless the Corporation, each director of the Corporation, each officer of the Corporation who shall have signed the registration statement covering Registrable Shares held by the

Holder, each other person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and its or their respective counsel, to the same extent as the foregoing indemnity from the Corporation to the Holders in Section 6.1, but only with respect to statements or omissions, if any, made in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such Holder expressly for inclusion in any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, as the case may be. If any action shall be brought against the Corporation or any other person so indemnified based on any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, and in respect of which indemnity may be sought against such Holder pursuant to this Section 6.2, such Holder shall have the rights and duties given to the Corporation and the Corporation and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 6.1.

6.3. CONTRIBUTION. To provide for just and equitable contribution, if (i) an Indemnified Party makes a claim for indemnification pursuant to Section 6.1 or 6.2 but it is found in a final judicial determination, not subject to further appeal, that such indemnification may not be enforced in such case, even though this Agreement expressly provides for indemnification in such case, or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act or otherwise, then the Corporation (including for this purpose any contribution made by or on behalf of any director of the Corporation, any officer of the Corporation who signed any such registration statement, any controlling person of the Corporation, and its or their respective counsel), as one entity, and the Holders of the Registrable Shares included in such registration in the aggregate (including for this purpose any contribution by or on behalf of an Indemnified Party), as a second entity, shall contribute to the losses, liabilities, claims, damages and expenses whatsoever to which any of them may be subject, on the basis of relevant equitable considerations such as the relative fault of the Corporation and such Holders in connection with the facts which resulted in such losses, liabilities, claims, damages and expenses. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission, shall be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Corporation or by such Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Corporation and the Holder agree that it would be unjust and inequitable if the respective obligations of the Corporation and the Holders for the contribution were determined by pro rata or per capita allocation of the aggregate losses, liabilities, claims, damages and expenses (even if the Holder and the other indemnified parties were treated as one entity for such purpose) or by any other method of allocation that does not reflect the equitable considerations, referred to in this Section 6.3. In no case shall any Holder be responsible for a portion of the contribution obligation imposed on all Holders in excess of its PRO RATA share based on

the number of Registrable Shares of by it and included in such registration as compared to the number of Registrable Shares owned by all Holders and included in such registration. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 6.3, each person, if any, who controls any Holder within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each officer, director, partner, employee, agent and counsel of each such Holder or control person shall have the same rights to contribution as such Holder or control person and each person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Corporation who shall have signed any such registration statement, each director of the Corporation and its or their respective counsel shall have the same right to contribution as the Corporation, subject in each case to the provisions of this Section 6.3. Anything in this Section 6.3 to the contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 6.3 is intended to supersede any right to contribution under the Act, the Exchange Act or otherwise.

7. MISCELLANEOUS.

7.1. NOTICES. All notices, requests, demands or other communications provided for in this Agreement shall be in writing and shall be delivered by hand, sent prepaid by Federal Express (or a comparable overnight delivery

service) or sent by the United States mail, certified, postage prepaid, return receipt request, to the following

If to the Corporation,

MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22201
Attention: David V. Mastran

If to the Executive,

Raymond B. Ruddy
26 Rolling Lane
Dover, MA 02030

Any notice, request, demand or other communication delivered or sent in the foregoing manner shall be deemed given or made (as the case may be) upon the earliest of (i) the date it is actually received, (ii) the business-day after the day on which it is delivered by hand, (iii) the business day after the day on which it is properly delivered to Federal

Express (or a comparable overnight delivery service), or (iv) the third business day after the date on which it is deposited in the United States mail. Either party may change its address by notifying the other party of the new address in any manner permitted by this paragraph. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not affect the date of such notice, election or demand sent in accordance with the foregoing provisions.

7.2. REMEDIES. The parties hereto further agree and acknowledge that any violation by the Executive of the terms hereof may result in irreparable injury and damage to the Executive, Corporation or its clients, as the case may be, which will not adequately be compensable in monetary damages, that the Corporation will have no adequate remedy at law therefor, and that the Corporation may obtain such preliminary, temporary or permanent mandatory or restraining injunctions, orders or decrees as may be necessary to protect it against, or on account of, any breach of the provisions contained in this Agreement.

7.3. NO OBLIGATION OF CONTINUED EMPLOYMENT AFTER TERMINATION OF SECTION 1. Except as set forth in Section 1 hereof, the Executive understands that this Agreement does not constitute a contract of employment or create an obligation on the part of the Corporation to continue the Executive's employment with the Corporation.

7.4. BENEFIT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the parties and their respective personal representatives, heirs, successors and assigns, provided the obligations of the Executive under Sections 4.7 and 4.8 shall also inure to the benefit of David V. Mastran provided this Agreement may not be assigned by either party without the consent of the other except that the Corporation may assign this Agreement in connection with the merger, consolidation or sale of all or substantially all of its business or assets. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

7.5. ENTIRE AGREEMENT. This Agreement supersedes all prior agreements, written or oral, with respect to the subject matter of this Agreement, including the Shareholder Agreement dated January 2, 1996.

7.6. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any of the provisions of this Agreement is held to be excessively broad, it shall be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

7.7. WAIVERS. No delay or omission by the Corporation in exercising any right under this Agreement will operate as a waiver of that or any other right. A

waiver or consent given by the Corporation on any occasion if effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7.8. CAPTIONS. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

7.9. GOVERNING LAW. This Agreement shall be construed as a sealed instrument and shall in all events and for all purposes be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia without regard to any choice of law principle that would dictate the application of the laws of another jurisdiction. Any action, suit or other legal proceeding which the Executive may commence to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Virginia (or, if appropriate, a federal court located within Virginia), and the Executive hereby consent to the jurisdiction of such court with respect to any action, suit or proceeding commenced in such court by the Corporation. The Section headings are included solely for convenience and shall in no event affect or be used in connection with, the interpretation of this Agreement.

THE EXECUTIVE HAS READ ALL OF THE PROVISIONS OF THIS AGREEMENT AND THE EXECUTIVE UNDERSTANDS, AND AGREES TO, EACH OF SUCH PROVISIONS. THE EXECUTIVE UNDERSTANDS THAT THIS AGREEMENT MAY AFFECT THE EXECUTIVE'S RIGHT TO ACCEPT EMPLOYMENT WITH OTHER COMPANIES SUBSEQUENT TO THE EXECUTIVE'S EMPLOYMENT WITH THE CORPORATION.

7.10. AMENDMENTS. No alterations or additions to this Agreement shall be binding unless in writing and signed by both the parties, an d no alteration or addition may be made to the provisions of Section 4.7 without the consent of David V. Mastran.

7.11. GENDERS. Whenever reasonably necessary, pronouns of any gender shall be deemed synonymous, as shall singular and plural pronouns.

7.12. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one instrument.

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

Raymond B. Ruddy

MAXIMUS, INC.

By:

Name:
Title:

EXHIBIT A

FORM OF AGREEMENT TO BE BOUND

[DATE]

MAXIMUS, INC.
1356 Beverly Road
McLean, VA 22101

Ladies and Gentlemen:

Reference is made to the Executive Non-Compete, Confidentiality and Stock Restriction Agreement (the "Agreement") dated as of _____ __, 1997 between MAXIMUS, Inc. (the "Company") and Raymond B. Ruddy (the "Transferor").

The undersigned is the transferee of _____ shares of _____ Common Stock of the Corporation from the Transferor (the "Shares").

In consideration of the representations, covenants and agreements contained in the Agreement, the undersigned hereby confirms and agrees to be bound by all of the provisions of Section 3 of the Agreement applicable to the Transferor with respect to the Shares.

This letter shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to the conflicts of law rules of such state.

Very truly yours,

EXHIBIT 10.6

EXECUTIVE EMPLOYMENT, NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT

[Beliveau]

EMPLOYMENT AGREEMENT entered into this ___ day of _____, 1997 by and between Russell A. Beliveau (the "Executive") and MAXIMUS, Inc., a Virginia corporation with a usual place of business in McLean, Virginia (the "Corporation").

WHEREAS, Executive is a key employee of the Corporation and a holder of a substantial number of shares of the issued and outstanding capital stock of the Corporation, and

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Employment.

1.1. DUTIES. The Corporation hereby employs the Executive, and the Executive hereby accepts such employment, to serve as the Vice President, Government Operation/President of Government Operations Group of the Corporation. The Executive shall provide day to day management of the Corporation's Government Operations Group and shall perform such other services and duties as are appropriate to such office. During the term of this Agreement, the Executive shall be a full time employee of the Corporation and shall devote such time and attention to the discharge of his duties as Vice President, Government Operations/President of Government Operations Group as may be necessary and appropriate to accomplish and complete such duties.

1.2. Compensation.

(a) SALARY AND REGULAR YEAR-END BONUS. As compensation for performance of his obligations hereunder, the Corporation shall pay the Executive a salary of not less than $237,500 and regular year-end bonus consistent with the Corporation's past practices.

(b) VACATION, INSURANCE, EXPENSES. The Executive shall be entitled to such vacation benefits, health, disability and life insurance benefits and expense reimbursements in a manner consistent with the Corporation's past practices.

1.3. TERM; TERMINATION. The term of the employment agreement set forth in this Section 1 shall be for a period commencing on the date hereof and continuing until September 30, 2001, provided that this Agreement shall terminate:

(a) by mutual written consent of the parties; or

(b) upon Executive's death or inability, by reason of physical or mental impairment, to perform substantially all of Executive's duties as contemplated herein for a continuous period of 120 days or more; or

(c) by the Corporation for cause, which shall mean in the event of Executive's breach of any material duty or obligation hereunder, or intentional or grossly negligent conduct that is materially injurious to the Corporation, as reasonably determined by the Corporation's Board of Directors, or willful failure to follow the reasonable directions of the Corporation's Board of Directors.

Upon any termination of employment under this Section 1.3, neither party shall have any obligation to the other pursuant to this Section 1, but such termination shall have no effect on the obligations of the parties under other provisions of this Agreement.

2. NON-COMPETITION.

2.1. UNDERTAKING. The Executive agrees that while the Executive is employed by the Corporation and thereafter, until _____ [4 years after the date hereof] (the "Expiration Date"), the Executive shall not, without the

Corporation's prior written consent, directly or indirectly, as a principal, employee, consultant, partner, or stockholder of, or in any other capacity with, any business enterprise (other than in the Executive's capacity as a holder of not more than 1% of the combined voting power of the outstanding stock of a publicly held company) (a) engage in direct or indirect competition with the Corporation, (b) conduct a business of the type or character engaged in by the Corporation at the time of termination or cessation of the Executive's employment or (c) develop products or services competitive with those of the Corporation.

2.2. PROHIBITED ACTIVITIES. (a) The Executive agrees that, during his or her employment with the Corporation, and thereafter for a period of two years after the termination of such employment, the Executive will not engage in any unethical behavior which may adversely affect the Corporation. For the purpose of this Section 2.2, "Unethical Behavior" is defined as:

(1) any attempt, successful or unsuccessful, by the Executive to divert any existing contracts or subcontracts from the Corporation to any other firm, whether or not affiliated with the Executive;

(2) any attempt, successful or unsuccessful by the Executive, to adversely influence clients of the Corporation or organizations with which the Corporation has a contract or a proposal pending as of the date of the Executive's termination from the Corporation;

(3) any attempt, successful or unsuccessful, by the Executive to divert any contracts or subcontracts which are pending as of the date of Executive's termination from the Corporation to any other firm, whether or not affiliated with the Executive;

(4) any attempt, successful or unsuccessful, by the Executive to offer his or her services, or to influence any other employee of the Corporation to offer their services, to any firm to compete against the Corporation in the performance of services provided under existing contracts or follow-ons to existing contracts or pending proposals with the Corporation's clients as of the date of the Executive's termination; or

(5) any attempt, successful or unsuccessful, by the Executive to employ or offer employment to, or cause any other person to employ or offer employment to any other employee of the Corporation.

(b) The Executive agrees that, in addition to any other remedy available to the Corporation, in the event of a breach by the Executive of the terms of this Section 2.2 the Corporation may set off against any amounts due the Executive, an amount equal to the gross revenues which such Executive, or any entity with which the Executive is employed, affiliated or associated, receives or is entitled to receive, from any existing clients (or potential clients with whom a proposal is pending) of the Corporation during the two-year period provided in this Section 2.2.

(c) The provisions of this Section 2.2 shall continue for a period of two years after termination of the Executive's employment with the Corporation, whether voluntary or involuntary, with or without cause. The Executive shall notify any new employer, partner, association or any other firm or corporation actually or potentially in competition with the Corporation with whom the Executive shall become associated in any capacity whatsoever of the provisions of this Section 2.2 and the Executive agrees that the Corporation may give such notice to such firm, corporation or other person.

2.3. BUSINESS OPPORTUNITIES: CONFLICTS OF INTEREST: OTHER EMPLOYMENT AND ACTIVITIES OF THE EXECUTIVE.

(a) The Executive agrees promptly to advise the Corporation of, and provide the Corporation with an opportunity to seek, all business opportunities that reasonably may be available to the Corporation, whether or not such business opportunities are related to the present business conducted by the Corporation.

(b) The Executive, in his capacity as an employee of the Corporation, shall not engage in any business with any member of the Executive's immediate family or with any person or business entity in which the Executive or any member of the Executive's immediate family has any ownership interest or financial interest, unless and until the Executive has first fully disclosed such interest to the Board of Directors and received written consent from the Board of Directors, signed by the Chairman of such board. As used herein, the term "immediate family" means the Executive's spouse, natural or adopted children, parents or siblings and the term "financial interest" means any relationship with such person or business entity that may monetarily benefit the

Executive or member of the Executive's immediate family, including any lending relationship or the guarantying of any obligations of such person or business entity by the Executive or member of his immediate family.

(c) The parties hereto acknowledge and agree that the Executive may engage in outside civic, political, social, educational and professional activities and may serve on the boards of directors of other corporations; provided, however, that such activities shall not have priority over or adversely affect or conflict with the business of the Corporation or its clients, or interfere with the mobility of the Executive to fulfill the Executive's duties to the Corporation as a full-time employee and officer and director of the Corporation, as conclusively determined by the Board of Directors of the Corporation.

(d) The parties hereto agree that the Executive may, consistent with this Section 1.3, receive and retain speaking fees, referral fees from business opportunities not accepted by the Corporation, and fees from outside business activities and opportunities of the Executive consented to by the Board of Directors of the Corporation.

3. Confidentiality.

3.1. NON-DISCLOSURE. The parties hereto agree that the Corporation's books, records, files and all other information relating to the Corporation (that is not otherwise available in the Public Domain), its business and its clients are proprietary in nature and contain trade secrets and shall be held in strict confidence by the parties hereto, and shall not, either during the term of this Agreement or after the termination hereof, be intentionally disclosed, directly or indirectly, to any third party, person, firm, corporation or other entity, irrespective of whether such person or entity is a competitor of the Corporation or is engaged in a business similar to that of the Corporation; except in furtherance of the Corporation's business. The trade secrets or other proprietary or confidential information referred to in the prior sentence includes, without limitation, all proposals to clients or potential clients, contracts, client or potential client lists, fee policies, financial information. administration or marketing practices or procedures and all other information regarding the business of the Corporation and its clients not generally known to the public.

3.2. TRADE SECRETS. The parties hereto hereby acknowledge and agree that all proprietary information referred to in this Section 2 shall be deemed trade secrets of the Corporation and that each party hereto shall take such steps, undertake such actions and refrain from taking such other actions, as mandated by the provisions hereof and by the provisions of the laws of the Commonwealth of Virginia.

4. Stock Restrictions.

4.1. TRANSFERS. The Executive may not offer, sell, assign, grant a participation in, pledge or otherwise transfer ("Transfer") any of the Executive's shares of Common Stock of the Corporation (including shares acquired after the date hereof) (the "Shares") except in compliance with the Securities Act of 1933, as amended (the "Act"), and any applicable state securities laws. In addition, until the Expiration Date, the Executive may not Transfer any of the Executive's Shares without the prior written consent of the Corporation after complying with Section 4.3 below, other than (i) subject to Section 4.4 below, to any Permitted Transferee (as defined in Section 4.4) or (ii) as may be required by applicable federal or state law or regulation or (iii) pursuant to a registration of such shares under Section 5 below.

4.2. RESTRICTIVE LEGEND. Until the Expiration Date, each certificate representing Shares owned by the Executive shall include a legend in substantially the following form:

> UNTIL _____ __, 2001, THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN AN EXECUTIVE NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT, DATED AS OF _____ __, 1997, A COPY OF WHICH MAY BE OBTAINED FROM MAXIMUS, INC.

4.3. REQUEST FOR CONSENT TO TRANSFER. The Executive may request consent to transfer from the Corporation by providing written notice to the Corporation of such holder's intention to effect such transfer, setting forth the manner and circumstances of the proposed transfer in reasonable detail. In the discretion of the Corporation, such consent may be conditioned upon the delivery to the Corporation of an instrument substantially in the form of Exhibit A hereto pursuant to which the transferee shall have agreed to be bound by the terms of this Section 4. In such case, each certificate evidencing Shares or interests therein transferred as provided in this Section 4.3 shall bear the legend set forth in Section 4.2 hereof.

4.4. TRANSFERS TO PERMITTED TRANSFEREE. "Permitted Transferee" shall mean (i) the spouse, ancestor, lineal descendants and other family members of the Executive, and any trust for the benefit of the foregoing, (including adopted descendants), (ii) any entities established principally for charitable purposes to which the Executive Transfers any Shares by way of gift and (iii) any person or entity to whom the Shares are Transferred by virtue of a pledge by the Executive to secure a borrowing from such Permitted Transferee. The Executive may transfer some or all of the Shares to a Permitted Transferee only if the Corporation shall have received notice of such transfer and an instrument substantially in the form of Exhibit A hereto pursuant to which the Permitted Transferee shall have agreed to be bound by the terms of this Section 4. Each certificate evidencing Shares or interests therein transferred as provided in this Section 4.4 shall bear the legend set forth in Section 4.2 hereof.

4.5. IMPROPER TRANSFER. (a) Any attempt to Transfer any Shares not in compliance with this Agreement shall be null and void and neither the Corporation nor any transfer agent of the Corporation shall register, or otherwise recognize in the Corporation's records, any such improper Transfer.

(b) The Executive shall not enter into any transaction or series of transactions for the purpose or with the effect of, directly or indirectly, denying or impairing the rights or obligations of the Corporation under this Agreement, and any such transaction shall be null and void and, to the extent that such transaction requires any action by the Corporation, it shall not be registered or otherwise recognized in the Corporation's records or otherwise.

4.6. ACCESS TO RECORDS AND DOCUMENTS. At any time during which the Executive is a stockholder and/or a member of the Board of Directors of the Corporation, the

Executive shall be entitled to inspect and copy such records and documents to the extent provided by the Stock Corporation Act of the Commonwealth of Virginia and any other applicable law.

5. Registration Rights.

5.1. Secondary Registration.

(a) REGISTRATION FOR RESALE. The Corporation intends to seek to create liquidity for the Shares held by the Executive prior to the Expiration Date. In the sole discretion of the Corporation, the Corporation may file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-8 or Form S-3 (or similar form) sufficient to permit the public offering and sale of the Registrable Shares (as defined below) through all securities exchanges and over-the-counter markets on which the Corporation's Common Stock is then traded. For the purposes of this Agreement, "Registrable Shares" shall mean outstanding Shares and Shares issuable upon exercise of then-exercisable options held by the Executive and any other person holding registration rights substantially the same as the rights set forth in this Section 5, which Shares are not at that time the subject of an effective registration statement filed with the Commission. For the purposes of this Agreement, "Holders" shall mean all persons holding Registrable Shares.

(b) NOTICE OF FILING OF REGISTRATION STATEMENT. In the event the Corporation determines to file a registration pursuant to Section 5.1(a), the Corporation shall notify each Holder of the proposed filing and request that each Holder notify the Corporation within 15 days thereafter of the number of Registrable Shares such Holder wishes the Corporation to register on such Holder's behalf. Each Holder shall, prior to the end of such 15 day period, request in writing that the Corporation register the sale of all or part of such Holder's Registrable Shares.

5.2. Piggyback Registration Rights.

(a) OFFER TO INCLUDE REGISTRABLE SHARES IN CORPORATION

OFFERING. If, at any time prior to the Expiration Date, the Corporation shall file a registration statement to register shares of Common Stock for its own account in an underwritten offering with the Commission while any Registrable Shares are outstanding, the Corporation shall give all the Holders at least 45 days prior written notice of the filing of such registration statement. Subject to 5.2(b) below, if requested by any Holder in writing within 30 days after receipt of any such notice, the Corporation shall register or qualify all or, at each Holder's option, any portion of the Registrable Shares of any Holders who shall have made such request, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Registrable Shares through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use its best efforts through its officers, directors, auditors, and counsel to cause such registration statement to become effective as promptly as practicable.

(b) CUTBACK OF PARTICIPATION IN CORPORATION OFFERING. Notwithstanding Section 5.2(a), if the managing underwriter of any such offering shall advise the Corporation in writing that, in its opinion, the distribution of all or a portion of the Registrable Shares requested to be included in the registration concurrently with the securities being registered by the Corporation would materially adversely affect the distribution of such securities by the Corporation for its own account, then the number of Registrable Shares held by such Holder to be included in such registration statement shall be reduced to the extent advised by such managing underwriter, provided that any such reduction shall be made pro rata among the Holders electing to participate in such registration based on the aggregate number of Registrable Shares held by each Holder electing to so participate, and provided further that the total number of Registrable Shares included in any such registration shall not be less than 25% of the total number of shares of Common Stock included in the registration for the Corporation's account, the Holders account and the account of any other person.

5.3. Underwriting.

(a) UNDERWRITING IN SECONDARY REGISTRATION. If the Corporation undertakes a registration under Section 5.1, any Holder wishing to distribute the Registrable Shares which such Holder has requested to be registered in such registration by means of an underwriting, such Holder shall so advise the Corporation in such Holder's request to participate in such registration under Section 5.1(b). The Holders of a majority of the Registrable Shares being offered may select one or more underwriters for the registration under Section 5.1, which selection shall be approved by the Corporation, which approval shall not be unreasonably withheld provided such underwriter(s) are experienced and reputable. The Corporation shall, together with the Holders engaged in the registration hereunder, enter into an underwriting agreement with the representative of the underwriter or underwriters selected for such underwriting in accordance with this Section 5.3(a).

(b) UNDERWRITING IN PIGGYBACK REGISTRATION. In the event of an underwritten registration pursuant to the provisions of Section 5.2, any Holder who requests to have Registrable Shares included in such registration shall enter into such custody agreements and powers of attorney as are reasonably requested by the Corporation and any such underwriter, and, if requested, enter into an underwriting agreement containing customary terms.

(c) RIGHT OF WITHDRAWAL FROM UNDERWRITING. In the event of an underwritten offering under Section 5.3(a) or (b), the right of a Holder to participate in a registration hereunder shall be conditioned upon the inclusion of such Holder's Registrable Shares in such underwriting. If a Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Corporation and the underwriter delivered at least seven days prior to the effective date of the Registration Statement. The securities so withdrawn shall also be withdrawn from the Registration Statement.

5.4. EFFECTIVENESS AND EXPENSES. The Corporation will use its best efforts through its officers, directors, auditors and counsel to cause any Registration Statement filed pursuant to this Section 5 to become effective as promptly as practicable. The Corporation shall be obligated to use its best efforts to maintain the effectiveness of such Registration Statement only until the earlier of (i) the Expiration Date, and (ii) the date on which no

Registrable Shares remain outstanding (the "Registration Termination Date"). The Corporation shall be obligated to pay all expenses (other than the fees and disbursements of counsel for the Holders and underwriting discounts, if any, payable in respect of the Registrable Shares sold by the Holders) in connection with any such registration statement.

5.5. BLUE SKY REGISTRATIONS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall use its best efforts to cause the Registrable Shares so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Holders may reasonably request; provided, however, that the Corporation shall not be required to qualify to do business in any state by reason of this Section 5.5 in which it is not otherwise required to qualify to do business.

5.6. CONTINUING EFFECTIVENESS. Until the Registration Termination Date, the Corporation shall use its best efforts to keep effective any registration or qualification contemplated by this Section 5 and shall from time to time amend or supplement each applicable registration statement, preliminary prospectus, final prospectus, application, document and communication for such period of time as shall be required to permit the Holders to complete the offer and sale of the Registrable Shares covered thereby.

5.7. COPIES OF REGISTRATION STATEMENT AND RELATED DOCUMENTS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall furnish to each Holder a copy of the Registration Statement and of each amendment and supplement thereto (in each case, including all exhibits), and a reasonable number of copies of each prospectus contained in such registration statement and each supplement or amendment thereto (including each preliminary prospectus), all of which shall conform to the requirements of the Act, and the rules and regulations thereunder, and such other documents, as any Holder may reasonably request to facilitate the disposition of the Registrable Shares included in such registration.

5.8. RULE 144 ELIGIBILITY. The Corporation agrees that, following the Expiration Date, until all the Registrable Shares have been sold under a registration statement or pursuant to Rule 144 under the Act, the Corporation shall use its best efforts to keep current in filing all reports, statements and other materials required to be filed with the Commission to permit holders of the Registrable Shares to sell such securities under Rule 144.

6. Indemnity.

6.1. CORPORATION INDEMNIFICATION OF THE HOLDERS. Subject to the conditions set forth below, the Corporation agrees to indemnify and hold harmless each Holder, its officers, directors, partners, employees, agents and counsel, and each person, if any, who controls any such person within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all loss, liability, charge, claim, damage and expense whatsoever (which shall include, for all purposes of this Section 6, without limitation, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), as and when incurred, arising out of, based upon, or in connection with any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, relating to the sale of any of the Registrable Shares, filed with the Commission or any securities exchange; or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such person expressly for inclusion in any registration statement, preliminary prospectus, or final prospectus, or any amendment or supplement thereto, as the case may be. The foregoing agreement to indemnify shall be in addition to any liability the Corporation may otherwise have, including liabilities arising under this Agreement.

If any action is brought against any Holder or any of its officers, directors, partners, employees, agents or counsel, or any controlling persons of such person (an "Indemnified Party") in respect of which indemnity may be sought against the Corporation pursuant to the foregoing paragraph, such Indemnified Party or Parties shall promptly notify the Corporation in writing of the institution of such action (but the failure so to notify shall not relieve the Corporation from any liability other than pursuant to this Section 6.1) and the Corporation shall promptly assume the defense of such action, including the employment of counsel (reasonably satisfactory to such Indemnified Party or parties) and payment of expenses. Such Indemnified Party or parties shall have

the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless the employment of such counsel shall have been authorized in writing by the Corporation in connection with the defense of such action or the Corporation shall not have promptly employed counsel reasonably satisfactory to such Indemnified Party or Parties to have charge of the defense of such action or such Indemnified Party or parties shall have reasonably concluded that there may be one or more legal defenses available to it or them or to other indemnified parties which are different from or additional to those available to the Corporation, in any of which events such fees and expenses shall be borne by the Corporation, and the Corporation shall not have the right to direct the defense of such action on behalf of the Indemnified Party or Parties. Anything in this Section 5 to the contrary notwithstanding, the Corporation shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld. The Corporation shall not, without

the prior written consent of each Indemnified Party that is not released as described in this sentence, settle or compromise any action, or permit a default or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, in respect of which indemnity may be sought hereunder (whether or not any Indemnified Party is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all liability in respect of such action. The Corporation agrees promptly to notify the Holders of the commencement of any litigation or proceedings against the Corporation or any of its officers or directors in connection with the sale of any Registrable Shares or any preliminary prospectus, prospectus, registration statement or amendment or supplement thereto, or any application relating to any sale of any Registrable Shares.

6.2. HOLDER INDEMNIFICATION OF THE CORPORATION. Each Holder participating in any such registration shall indemnify and hold harmless the Corporation, each director of the Corporation, each officer of the Corporation who shall have signed the registration statement covering Registrable Shares held by the Holder, each other person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and its or their respective counsel, to the same extent as the foregoing indemnity from the Corporation to the Holders in Section 6.1, but only with respect to statements or omissions, if any, made in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such Holder expressly for inclusion in any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, as the case may be. If any action shall be brought against the Corporation or any other person so indemnified based on any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, and in respect of which indemnity may be sought against such Holder pursuant to this Section 6.2, such Holder shall have the rights and duties given to the Corporation and the Corporation and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 6.1.

6.3. CONTRIBUTION. To provide for just and equitable contribution, if (i) an Indemnified Party makes a claim for indemnification pursuant to Section 6.1 or 6.2 but it is found in a final judicial determination, not subject to further appeal, that such indemnification may not be enforced in such case, even though this Agreement expressly provides for indemnification in such case, or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act or otherwise, then the Corporation (including for this purpose any contribution made by or on behalf of any director of the Corporation, any officer of the Corporation who signed any such registration statement, any controlling person of the Corporation, and its or their respective counsel), as one entity, and the Holders of the Registrable Shares included in such registration in the aggregate (including for this purpose any contribution by or on behalf of an Indemnified Party), as a second entity, shall contribute to the losses, liabilities, claims, damages and expenses whatsoever to which any of them may be

subject, on the basis of relevant equitable considerations such as the relative fault of the Corporation and such Holders in connection with the facts which resulted in such losses, liabilities, claims, damages and expenses. The relative

fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission, shall be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Corporation or by such Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Corporation and the Holder agree that it would be unjust and inequitable if the respective obligations of the Corporation and the Holders for the contribution were determined by pro rata or per capita allocation of the aggregate losses, liabilities, claims, damages and expenses (even if the Holder and the other indemnified parties were treated as one entity for such purpose) or by any other method of allocation that does not reflect the equitable considerations, referred to in this Section 6.3. In no case shall any Holder be responsible for a portion of the contribution obligation imposed on all Holders in excess of its pro rata share based on the number of Registrable Shares of by it and included in such registration as compared to the number of Registrable Shares owned by all Holders and included in such registration. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 6.3, each person, if any, who controls any Holder within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each officer, director, partner, employee, agent and counsel of each such Holder or control person shall have the same rights to contribution as such Holder or control person and each person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Corporation who shall have signed any such registration statement, each director of the Corporation and its or their respective counsel shall have the same right to contribution as the Corporation, subject in each case to the provisions of this Section 6.3. Anything in this Section 6.3 to the contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 6.3 is intended to supersede any right to contribution under the Act, the Exchange Act or otherwise.

7. MISCELLANEOUS.

7.1. NOTICES. All notices, requests, demands or other communications provided for in this Agreement shall be in writing and shall be delivered by hand, sent prepaid by Federal Express (or a comparable overnight delivery service) or sent by the United States mail, certified, postage prepaid, return receipt request, to the following

If to the Corporation,

MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22201
Attention: David V. Mastran

If to the Executive,

Russell A. Beliveau
MAXIMUS, INC.
1485 River Park Drive, #200
Sacramento, CA 95815

Any notice, request, demand or other communication delivered or sent in the foregoing manner shall be deemed given or made (as the case may be) upon the earliest of (i) the date it is actually received, (ii) the business-day after the day on which it is delivered by hand, (iii) the business day after the day on which it is properly delivered to Federal Express (or a comparable overnight delivery service), or (iv) the third business day after the date on which it is deposited in the United States mail. Either party may change its address by notifying the other party of the new address in any manner permitted by this paragraph. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not affect the date of such notice, election or demand sent in accordance with the foregoing provisions.

7.2. REMEDIES. The parties hereto further agree and acknowledge that any violation by the Executive of the terms hereof may result in irreparable

injury and damage to the Executive, Corporation or its clients, as the case may be, which will not adequately be compensable in monetary damages, that the Corporation will have no adequate remedy at law therefor, and that the Corporation may obtain such preliminary, temporary or permanent mandatory or restraining injunctions, orders or decrees as may be necessary to protect it against, or on account of, any breach of the provisions contained in this Agreement.

7.3. NO OBLIGATION OF CONTINUED EMPLOYMENT AFTER TERMINATION OF SECTION 1. Except as set forth in Section 1 hereof, the Executive understands that this Agreement does not constitute a contract of employment or create an obligation on the part of the Corporation to continue the Executive's employment with the Corporation.

7.4. BENEFIT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the parties and their respective personal representatives, heirs, successors and assigns, provided this Agreement may not be assigned by either party without the consent of the other except that the Corporation may assign this Agreement in connection with the merger, consolidation or sale of all or substantially all of its business or assets. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

7.5. ENTIRE AGREEMENT. This Agreement supersedes all prior agreements, written or oral, with respect to the subject matter of this Agreement, including the Shareholder Agreement dated January 2, 1996.

7.6. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any of the provisions of this Agreement is held to be excessively broad, it shall be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

7.7. WAIVERS. No delay or omission by the Corporation in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Corporation on any occasion if effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7.8. CAPTIONS. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

7.9. GOVERNING LAW. This Agreement shall be construed as a sealed instrument and shall in all events and for all purposes be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia without regard to any choice of law principle that would dictate the application of the laws of another jurisdiction. Any action, suit or other legal proceeding which the Executive may commence to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Virginia (or, if appropriate, a federal court located within Virginia), and the Executive hereby consent to the jurisdiction of such court with respect to any action, suit or proceeding

commenced in such court by the Corporation. The Section headings are included solely for convenience and shall in no event affect or be used in connection with, the interpretation of this Agreement.

THE EXECUTIVE HAS READ ALL OF THE PROVISIONS OF THIS AGREEMENT AND THE EXECUTIVE UNDERSTANDS, AND AGREES TO, EACH OF SUCH PROVISIONS. THE EXECUTIVE UNDERSTANDS THAT THIS AGREEMENT MAY AFFECT THE EXECUTIVE'S RIGHT TO ACCEPT EMPLOYMENT WITH OTHER COMPANIES SUBSEQUENT TO THE EXECUTIVE'S EMPLOYMENT WITH THE CORPORATION.

7.10. AMENDMENTS. No alterations or additions to this Agreement shall be binding unless in writing and signed by both the parties.

7.11. GENDERS. Whenever reasonably necessary, pronouns of any gender shall be deemed synonymous, as shall singular and plural pronouns.

7.12. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one instrument.

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

Russell A. Beliveau

MAXIMUS, INC.

By:

Name:
Title:

EXHIBIT A

FORM OF AGREEMENT TO BE BOUND

[DATE]

MAXIMUS, INC.
1356 Beverly Road
McLean, VA 22101

Ladies and Gentlemen:

Reference is made to the Executive Non-Compete, Confidentiality and Stock Restriction Agreement (the "Agreement") dated as of _____ __, 1997 between MAXIMUS, Inc. (the "Company") and Russell A. Beliveau (the "Transferor").

The undersigned is the transferee of _____ shares of _____ Common Stock of the Corporation from the Transferor (the "Shares").

In consideration of the representations, covenants and agreements contained in the Agreement, the undersigned hereby confirms and agrees to be bound by all of the provisions of Section 3 of the Agreement applicable to the Transferor with respect to the Shares.

This letter shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to the conflicts of law rules of such state.

Very truly yours,

EXHIBIT 10.7

EXECUTIVE EMPLOYMENT, NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT

[Pepin]

EMPLOYMENT AGREEMENT entered into this ___ day of _____, 1997 by and between Susan D. Pepin (the "Executive") and MAXIMUS, Inc., a Virginia corporation with a usual place of business in McLean, Virginia (the "Corporation").

WHEREAS, Executive is a key employee of the Corporation and a holder of a substantial number of shares of the issued and outstanding capital stock of the Corporation, and

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Employment.

1.1. DUTIES. The Corporation hereby employs the Executive, and the Executive hereby accepts such employment, to serve as the President of Systems Planning and Integration Division of the Corporation. The Executive shall provide day to day management of the Corporation's Systems Planning and Integration Division and shall perform such other services and duties as are appropriate to such office. During the term of this Agreement, the Executive shall be a full time employee of the Corporation and shall devote such time and attention to the discharge of her duties as the President of Systems Planning and Integration Division as may be necessary and appropriate to accomplish and complete such duties.

1.2. Compensation.

(a) SALARY AND REGULAR YEAR-END BONUS. As compensation for performance of her obligations hereunder, the Corporation shall pay the Executive a salary of not less than $220,000 and regular year-end bonus consistent with the Corporation's past practices.

(b) VACATION, INSURANCE, EXPENSES. The Executive shall be entitled to such vacation benefits, health, disability and life insurance benefits and expense reimbursements in a manner consistent with the Corporation's past practices.

1.3. TERM; TERMINATION. The term of the employment agreement set forth in this Section 1 shall be for a period commencing on the date hereof and continuing until September 30, 2001, provided that this Agreement shall terminate:

(a) by mutual written consent of the parties; or

(b) upon Executive's death or inability, by reason of physical or mental impairment, to perform substantially all of Executive's duties as contemplated herein for a continuous period of 120 days or more; or

(c) by the Corporation for cause, which shall mean in the event of Executive's breach of any material duty or obligation hereunder, or intentional or grossly negligent conduct that is materially injurious to the Corporation, as reasonably determined by the Corporation's Board of Directors, or willful failure to follow the reasonable directions of the Corporation's Board of Directors.

Upon any termination of employment under this Section 1.3, neither party shall have any obligation to the other pursuant to this Section 1, but such termination shall have no effect on the obligations of the parties under other provisions of this Agreement.

2. Non-Competition.

2.1. UNDERTAKING. The Executive agrees that while the Executive is employed by the Corporation and thereafter, until _____ [4 years after the date hereof] (the "Expiration Date"), the Executive shall not, without the Corporation's prior written consent, directly or indirectly, as a principal,

employee, consultant, partner, or stockholder of, or in any other capacity with, any business enterprise (other than in the Executive's capacity as a holder of not more than 1% of the combined voting power of the outstanding stock of a publicly held company) (a) engage in direct or indirect competition with the Corporation, (b) conduct a business of the type or character engaged in by the Corporation at the time of termination or cessation of the Executive's employment or (c) develop products or services competitive with those of the Corporation.

2.2. PROHIBITED ACTIVITIES. (a) The Executive agrees that, during his or her employment with the Corporation, and thereafter for a period of two years after the termination of such employment, the Executive will not engage in any unethical behavior which may adversely affect the Corporation. For the purpose of this Section 2.2, "Unethical Behavior" is defined as:

(1) any attempt, successful or unsuccessful, by the Executive to divert any existing contracts or subcontracts from the Corporation to any other firm, whether or not affiliated with the Executive;

(2) any attempt, successful or unsuccessful by the Executive, to adversely influence clients of the Corporation or organizations with which the Corporation has a contract or a proposal pending as of the date of the Executive's termination from the Corporation;

(3) any attempt, successful or unsuccessful, by the Executive to divert any contracts or subcontracts which are pending as of the date of Executive's termination from the Corporation to any other firm, whether or not affiliated with the Executive;

(4) any attempt, successful or unsuccessful, by the Executive to offer his or her services, or to influence any other employee of the Corporation to offer their services, to any firm to compete against the Corporation in the performance of services provided under existing contracts or follow-ons to existing contracts or pending proposals with the Corporation's clients as of the date of the Executive's termination; or

(5) any attempt, successful or unsuccessful, by the Executive to employ or offer employment to, or cause any other person to employ or offer employment to any other employee of the Corporation.

(b) The Executive agrees that, in addition to any other remedy available to the Corporation, in the event of a breach by the Executive of the terms of this Section 2.2 the Corporation may set off against any amounts due the Executive, an amount equal to the gross revenues which such Executive, or any entity with which the Executive is employed, affiliated or associated, receives or is entitled to receive, from any existing clients (or potential clients with whom a proposal is pending) of the Corporation during the two-year period provided in this Section 2.2.

(c) The provisions of this Section 2.2 shall continue for a period of two years after termination of the Executive's employment with the Corporation, whether voluntary or involuntary, with or without cause. The Executive shall notify any new employer, partner, association or any other firm or corporation actually or potentially in competition with the Corporation with whom the Executive shall become associated in any capacity whatsoever of the provisions of this Section 2.2 and the Executive agrees that the Corporation may give such notice to such firm, corporation or other person.

2.3. BUSINESS OPPORTUNITIES: CONFLICTS OF INTEREST: OTHER EMPLOYMENT AND ACTIVITIES OF THE EXECUTIVE.

(a) The Executive agrees promptly to advise the Corporation of, and provide the Corporation with an opportunity to seek, all business opportunities that reasonably may be available to the Corporation, whether or not such business opportunities are related to the present business conducted by the Corporation.

(b) The Executive, in his capacity as an employee of the Corporation, shall not engage in any business with any member of the Executive's immediate family or with any person or business entity in which the Executive or any member of the Executive's immediate family has any ownership interest or financial interest, unless and until the Executive has first fully disclosed such interest to the Board of Directors and received written consent from the Board of Directors, signed by the Chairman of such board. As used herein, the term "immediate family" means the Executive's spouse, natural or adopted children, parents or siblings and the term "financial interest" means any relationship with such person or business entity that may monetarily benefit the Executive or member of the Executive's immediate family, including any lending relationship or the guarantying of any obligations of such person or business

entity by the Executive or member of his immediate family.

(c) The parties hereto acknowledge and agree that the Executive may engage in outside civic, political, social, educational and professional activities and may serve on the boards of directors of other corporations; provided, however, that such activities shall not have priority over or adversely affect or conflict with the business of the Corporation or its clients, or interfere with the mobility of the Executive to fulfill the Executive's duties to the Corporation as a full-time employee and officer and director of the Corporation, as conclusively determined by the Board of Directors of the Corporation.

(d) The parties hereto agree that the Executive may, consistent with this Section 1.3, receive and retain speaking fees, referral fees from business opportunities not accepted by the Corporation, and fees from outside business activities and opportunities of the Executive consented to by the Board of Directors of the Corporation.

3. CONFIDENTIALITY.

3.1. NON-DISCLOSURE. The parties hereto agree that the Corporation's books, records, files and all other information relating to the Corporation (that is not otherwise available in the Public Domain), its business and its clients are proprietary in nature and contain trade secrets and shall be held in strict confidence by the parties hereto, and shall not, either during the term of this Agreement or after the termination hereof, be intentionally disclosed, directly or indirectly, to any third party, person, firm, corporation or other entity, irrespective of whether such person or entity is a competitor of the Corporation or is engaged in a business similar to that of the Corporation; except in furtherance of the Corporation's business. The trade secrets or other proprietary or confidential information referred to in the prior sentence includes, without limitation, all proposals to clients or potential clients, contracts, client or potential client lists, fee policies, financial information. administration or marketing practices or procedures and all other information regarding the business of the Corporation and its clients not generally known to the public.

3.2. TRADE SECRETS. The parties hereto hereby acknowledge and agree that all proprietary information referred to in this Section 2 shall be deemed trade secrets of the Corporation and that each party hereto shall take such steps, undertake such actions and refrain from taking such other actions, as mandated by the provisions hereof and by the provisions of the laws of the Commonwealth of Virginia.

4. STOCK RESTRICTIONS.

4.1. TRANSFERS. The Executive may not offer, sell, assign, grant a participation in, pledge or otherwise transfer ("Transfer") any of the Executive's shares of Common Stock of the Corporation (including shares acquired after the date hereof) (the "Shares") except in compliance with the Securities Act of 1933, as amended (the "Act"), and any applicable state securities laws. In addition, until the Expiration Date, the Executive may not Transfer any of the Executive's Shares without the prior written consent of the Corporation after complying with Section 4.3 below, other than (i) subject to Section 4.4 below, to any Permitted Transferee (as defined in Section 4.4) or (ii) as may be required by applicable federal or state law or regulation or (iii) pursuant to a registration of such shares under Section 5 below.

4.2. RESTRICTIVE LEGEND. Until the Expiration Date, each certificate representing Shares owned by the Executive shall include a legend in substantially the following form:

> UNTIL _____ __, 2001, THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN AN EXECUTIVE NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT, DATED AS OF _____ __, 1997, A COPY OF WHICH MAY BE OBTAINED FROM MAXIMUS, INC.

4.3. REQUEST FOR CONSENT TO TRANSFER. The Executive may request consent to transfer from the Corporation by providing written notice to the Corporation of such holder's intention to effect such transfer, setting forth the manner and circumstances of the proposed transfer in reasonable detail. In the discretion of the Corporation, such consent may be conditioned upon the delivery to the Corporation of an instrument substantially in the form of Exhibit A hereto pursuant to which the transferee shall have agreed to be bound by the terms of this Section 4. In such case, each certificate evidencing Shares or interests therein transferred as provided in this Section 4.3 shall bear the legend set forth in Section 4.2 hereof.

4.4. TRANSFERS TO PERMITTED TRANSFEREE. "Permitted Transferee" shall mean (i) the spouse, ancestor, lineal descendants and other family members of the Executive, and any trust for the benefit of the foregoing, (including adopted descendants), (ii) any entities established principally for charitable purposes to which the Executive Transfers any Shares by way of gift and (iii) any person or entity to whom the Shares are Transferred by virtue of a pledge by the Executive to secure a borrowing from such Permitted Transferee. The Executive may transfer some or all of the Shares to a Permitted Transferee only if the Corporation shall have received notice of such transfer and an instrument substantially in the form of Exhibit A hereto pursuant to which the Permitted Transferee shall have agreed to be bound by the terms of this Section 4. Each certificate evidencing Shares or interests therein transferred as provided in this Section 4.4 shall bear the legend set forth in Section 4.2 hereof.

4.5. IMPROPER TRANSFER. (a) Any attempt to Transfer any Shares not in compliance with this Agreement shall be null and void and neither the Corporation nor any transfer agent of the Corporation shall register, or otherwise recognize in the Corporation's records, any such improper Transfer.

(b) The Executive shall not enter into any transaction or series of transactions for the purpose or with the effect of, directly or indirectly, denying or impairing the rights or obligations of the Corporation under this Agreement, and any such transaction shall be null and void and, to the extent that such transaction requires any action by the Corporation, it shall not be registered or otherwise recognized in the Corporation's records or otherwise.

4.6. ACCESS TO RECORDS AND DOCUMENTS. At any time during which the Executive is a stockholder and/or a member of the Board of Directors of the Corporation, the

Executive shall be entitled to inspect and copy such records and documents to the extent provided by the Stock Corporation Act of the Commonwealth of Virginia and any other applicable law.

5. Registration Rights.

5.1. Secondary Registration.

(a) REGISTRATION FOR RESALE. The Corporation intends to seek to create liquidity for the Shares held by the Executive prior to the Expiration Date. In the sole discretion of the Corporation, the Corporation may file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-8 or Form S-3 (or similar form) sufficient to permit the public offering and sale of the Registrable Shares (as defined below) through all securities exchanges and over-the-counter markets on which the Corporation's Common Stock is then traded. For the purposes of this Agreement, "Registrable Shares" shall mean outstanding Shares and Shares issuable upon exercise of then-exercisable options held by the Executive and any other person holding registration rights substantially the same as the rights set forth in this Section 5, which Shares are not at that time the subject of an effective registration statement filed with the Commission. For the purposes of this Agreement, "Holders" shall mean all persons holding Registrable Shares.

(b) NOTICE OF FILING OF REGISTRATION STATEMENT. In the event the Corporation determines to file a registration pursuant to Section 5.1(a), the Corporation shall notify each Holder of the proposed filing and request that each Holder notify the Corporation within 15 days thereafter of the number of Registrable Shares such Holder wishes the Corporation to register on such Holder's behalf. Each Holder shall, prior to the end of such 15 day period, request in writing that the Corporation register the sale of all or part of such Holder's Registrable Shares.

5.2. Piggyback Registration Rights.

(a) OFFER TO INCLUDE REGISTRABLE SHARES IN CORPORATION OFFERING. If, at any time prior to the Expiration Date, the Corporation shall file a registration statement to register shares of Common Stock for its own account in an underwritten offering with the Commission while any Registrable Shares are outstanding, the Corporation shall give all the Holders at least 45 days prior written notice of the filing of such registration statement. Subject to 5.2(b) below, if requested by any Holder in writing within 30 days after receipt of any such notice, the Corporation shall register or qualify all or, at each Holder's option, any portion of the Registrable Shares of any Holders who shall have made such request, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Registrable Shares through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use its best efforts through its officers, directors, auditors, and counsel to cause such registration statement to become effective as promptly as practicable.

(b) CUTBACK OF PARTICIPATION IN CORPORATION OFFERING. Notwithstanding Section 5.2(a), if the managing underwriter of any such offering shall advise the Corporation in writing that, in its opinion, the distribution of all or a portion of the Registrable Shares requested to be included in the registration concurrently with the securities being registered by the Corporation would materially adversely affect the distribution of such securities by the Corporation for its own account, then the number of Registrable Shares held by such Holder to be included in such registration statement shall be reduced to the extent advised by such managing underwriter, provided that any such reduction shall be made pro rata among the Holders electing to participate in such registration based on the aggregate number of Registrable Shares held by each Holder electing to so participate, and provided further that the total number of Registrable Shares included in any such registration shall not be less than 25% of the total number of shares of Common Stock included in the registration for the Corporation's account, the Holders account and the account of any other person.

5.3. Underwriting.

(a) UNDERWRITING IN SECONDARY REGISTRATION. If the Corporation undertakes a registration under Section 5.1, any Holder wishing to distribute the Registrable Shares which such Holder has requested to be registered in such registration by means of an underwriting, such Holder shall so advise the Corporation in such Holder's request to participate in such registration under Section 5.1(b). The Holders of a majority of the Registrable Shares being offered may select one or more underwriters for the registration under Section 5.1, which selection shall be approved by the Corporation, which approval shall not be unreasonably withheld provided such underwriter(s) are experienced and reputable. The Corporation shall, together with the Holders engaged in the registration hereunder, enter into an underwriting agreement with the representative of the underwriter or underwriters selected for such underwriting in accordance with this Section 5.3(a).

(b) UNDERWRITING IN PIGGYBACK REGISTRATION. In the event of an underwritten registration pursuant to the provisions of Section 5.2, any Holder who requests to have Registrable Shares included in such registration shall enter into such custody agreements and powers of attorney as are reasonably requested by the Corporation and any such underwriter, and, if requested, enter into an underwriting agreement containing customary terms.

(c) RIGHT OF WITHDRAWAL FROM UNDERWRITING. In the event of an underwritten offering under Section 5.3(a) or (b), the right of a Holder to participate in a registration hereunder shall be conditioned upon the inclusion of such Holder's Registrable Shares in such underwriting. If a Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Corporation and the underwriter delivered at least seven days prior to the effective date of the Registration Statement. The securities so withdrawn shall also be withdrawn from the Registration Statement.

5.4. EFFECTIVENESS AND EXPENSES. The Corporation will use its best efforts through its officers, directors, auditors and counsel to cause any Registration Statement filed pursuant to this Section 5 to become effective as promptly as practicable. The Corporation shall be obligated to use its best

efforts to maintain the effectiveness of such Registration Statement only until the earlier of (i) the Expiration Date, and (ii) the date on which no Registrable Shares remain outstanding (the "Registration Termination Date"). The Corporation shall be obligated to pay all expenses (other than the fees and disbursements of counsel for the Holders and underwriting discounts, if any, payable in respect of the Registrable Shares sold by the Holders) in connection with any such registration statement.

5.5. BLUE SKY REGISTRATIONS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall use its best efforts to cause the Registrable Shares so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Holders may reasonably request; PROVIDED, HOWEVER, that the Corporation shall not be required to qualify to do business in any state by reason of this Section 5.5 in which it is not otherwise required to qualify to do business.

5.6. CONTINUING EFFECTIVENESS. Until the Registration Termination Date, the Corporation shall use its best efforts to keep effective any registration or qualification contemplated by this Section 5 and shall from time to time amend or supplement each applicable registration statement, preliminary prospectus, final prospectus, application, document and communication for such period of time as shall be required to permit the Holders to complete the offer and sale of the Registrable Shares covered thereby.

5.7. COPIES OF REGISTRATION STATEMENT AND RELATED DOCUMENTS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall furnish to each Holder a copy of the Registration Statement and of each amendment and supplement thereto (in each case, including all exhibits), and a reasonable number of copies of each prospectus contained in such registration statement and each supplement or amendment thereto (including each preliminary prospectus), all of which shall conform to the requirements of the Act, and the rules and regulations thereunder, and such other documents, as any Holder may reasonably request to facilitate the disposition of the Registrable Shares included in such registration.

5.8. RULE 144 ELIGIBILITY. The Corporation agrees that, following the Expiration Date, until all the Registrable Shares have been sold under a registration statement or pursuant to Rule 144 under the Act, the Corporation shall use its best efforts to keep current in filing all reports, statements and other materials required to be filed with the Commission to permit holders of the Registrable Shares to sell such securities under Rule 144.

6. Indemnity.

6.1. CORPORATION INDEMNIFICATION OF THE HOLDERS. Subject to the conditions set forth below, the Corporation agrees to indemnify and hold harmless each Holder, its officers, directors, partners, employees, agents and counsel, and each person, if any, who controls any such person within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all loss, liability, charge, claim, damage and expense whatsoever (which shall include, for all purposes of this Section 6, without limitation, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), as and when incurred, arising out of, based upon, or in connection with any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, relating to the sale of any of the Registrable Shares, filed with the Commission or any securities exchange; or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such person expressly for inclusion in any registration statement, preliminary prospectus, or final prospectus, or any amendment or supplement thereto, as the case may be. The foregoing agreement to indemnify shall be in addition to any liability the Corporation may otherwise have, including liabilities arising under this Agreement.

If any action is brought against any Holder or any of its officers, directors, partners, employees, agents or counsel, or any controlling persons of such person (an "Indemnified Party") in respect of which indemnity may be sought against the Corporation pursuant to the foregoing paragraph, such Indemnified Party or Parties shall promptly notify the Corporation in writing of the institution of such action (but the failure so to notify shall not relieve the

Corporation from any liability other than pursuant to this Section 6.1) and the Corporation shall promptly assume the defense of such action, including the employment of counsel (reasonably satisfactory to such Indemnified Party or parties) and payment of expenses. Such Indemnified Party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless the employment of such counsel shall have been authorized in writing by the Corporation in connection with the defense of such action or the Corporation shall not have promptly employed counsel reasonably satisfactory to such Indemnified Party or Parties to have charge of the defense of such action or such Indemnified Party or parties shall have reasonably concluded that there may be one or more legal defenses available to it or them or to other indemnified parties which are different from or additional to those available to the Corporation, in any of which events such fees and expenses shall be borne by the Corporation, and the Corporation shall not have the right to direct the defense of such action on behalf of the Indemnified Party or Parties. Anything in this Section 5 to the contrary notwithstanding, the Corporation shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld. The Corporation shall not, without

the prior written consent of each Indemnified Party that is not released as described in this sentence, settle or compromise any action, or permit a default or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, in respect of which indemnity may be sought hereunder (whether or not any Indemnified Party is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all liability in respect of such action. The Corporation agrees promptly to notify the Holders of the commencement of any litigation or proceedings against the Corporation or any of its officers or directors in connection with the sale of any Registrable Shares or any preliminary prospectus, prospectus, registration statement or amendment or supplement thereto, or any application relating to any sale of any Registrable Shares.

6.2. HOLDER INDEMNIFICATION OF THE CORPORATION. Each Holder participating in any such registration shall indemnify and hold harmless the Corporation, each director of the Corporation, each officer of the Corporation who shall have signed the registration statement covering Registrable Shares held by the Holder, each other person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and its or their respective counsel, to the same extent as the foregoing indemnity from the Corporation to the Holders in Section 6.1, but only with respect to statements or omissions, if any, made in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such Holder expressly for inclusion in any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, as the case may be. If any action shall be brought against the Corporation or any other person so indemnified based on any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, and in respect of which indemnity may be sought against such Holder pursuant to this Section 6.2, such Holder shall have the rights and duties given to the Corporation and the Corporation and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 6.1.

6.3. CONTRIBUTION. To provide for just and equitable contribution, if (i) an Indemnified Party makes a claim for indemnification pursuant to Section 6.1 or 6.2 but it is found in a final judicial determination, not subject to further appeal, that such indemnification may not be enforced in such case, even though this Agreement expressly provides for indemnification in such case, or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act or otherwise, then the Corporation (including for this purpose any contribution made by or on behalf of any director of the Corporation, any officer of the Corporation who signed any such registration statement, any controlling person of the Corporation, and its or their respective counsel), as one entity, and the Holders of the Registrable Shares included in such registration in the aggregate (including for this purpose any contribution by or on behalf of an Indemnified Party), as a second entity, shall contribute to the losses, liabilities, claims, damages and expenses whatsoever to which any of them may be

subject, on the basis of relevant equitable considerations such as the relative fault of the Corporation and such Holders in connection with the facts which resulted in such losses, liabilities, claims, damages and expenses. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission, shall be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Corporation or by such Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Corporation and the Holder agree that it would be unjust and inequitable if the respective obligations of the Corporation and the Holders for the contribution were determined by pro rata or per capita allocation of the aggregate losses, liabilities, claims, damages and expenses (even if the Holder and the other indemnified parties were treated as one entity for such purpose) or by any other method of allocation that does not reflect the equitable considerations, referred to in this Section 6.3. In no case shall any Holder be responsible for a portion of the contribution obligation imposed on all Holders in excess of its PRO RATA share based on the number of Registrable Shares of by it and included in such registration as compared to the number of Registrable Shares owned by all Holders and included in such registration. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 6.3, each person, if any, who controls any Holder within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each officer, director, partner, employee, agent and counsel of each such Holder or control person shall have the same rights to contribution as such Holder or control person and each person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Corporation who shall have signed any such registration statement, each director of the Corporation and its or their respective counsel shall have the same right to contribution as the Corporation, subject in each case to the provisions of this Section 6.3. Anything in this Section 6.3 to the contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 6.3 is intended to supersede any right to contribution under the Act, the Exchange Act or otherwise.

7. MISCELLANEOUS.

7.1. NOTICES. All notices, requests, demands or other communications provided for in this Agreement shall be in writing and shall be delivered by hand, sent prepaid by Federal Express (or a comparable overnight delivery service) or sent by the United States mail, certified, postage prepaid, return receipt request, to the following

If to the Corporation,

MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22201
Attention: David V. Mastran

If to the Executive,

Susan D. Pepin
MAXIMUS, Inc.
36 Washington Street, #320
Wellesley, MA 02181-1904

Any notice, request, demand or other communication delivered or sent in the foregoing manner shall be deemed given or made (as the case may be) upon the earliest of (i) the date it is actually received, (ii) the business-day after the day on which it is delivered by hand, (iii) the business day after the day on which it is properly delivered to Federal Express (or a comparable overnight delivery service), or (iv) the third business day after the date on which it is deposited in the United States mail. Either party may change its address by notifying the other party of the new address in any manner permitted by this

paragraph. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not affect the date of such notice, election or demand sent in accordance with the foregoing provisions.

7.2. REMEDIES. The parties hereto further agree and acknowledge that any violation by the Executive of the terms hereof may result in irreparable injury and damage to the Executive, Corporation or its clients, as the case may be, which will not adequately be compensable in monetary damages, that the Corporation will have no adequate remedy at law therefor, and that the Corporation may obtain such preliminary, temporary or permanent mandatory or restraining injunctions, orders or decrees as may be necessary to protect it against, or on account of, any breach of the provisions contained in this Agreement.

7.3. NO OBLIGATION OF CONTINUED EMPLOYMENT AFTER TERMINATION OF SECTION 1. Except as set forth in Section 1 hereof, the Executive understands that this Agreement does not constitute a contract of employment or create an obligation on the part of the Corporation to continue the Executive's employment with the Corporation.

7.4. BENEFIT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the parties and their respective personal representatives, heirs, successors and assigns, provided this Agreement may not be assigned by either party without the consent of the other except that the Corporation may assign this Agreement in connection with the merger, consolidation or sale of all or substantially all of its business or assets. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

7.5. ENTIRE AGREEMENT. This Agreement supersedes all prior agreements, written or oral, with respect to the subject matter of this Agreement, including the Shareholder Agreement dated January 2, 1996.

7.6. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any of the provisions of this Agreement is held to be excessively broad, it shall be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

7.7. WAIVERS. No delay or omission by the Corporation in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Corporation on any occasion if effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7.8. CAPTIONS. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

7.9. GOVERNING LAW. This Agreement shall be construed as a sealed instrument and shall in all events and for all purposes be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia without regard to any choice of law principle that would dictate the application of the laws of another jurisdiction. Any action, suit or other legal proceeding which the Executive may commence to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Virginia (or, if appropriate, a federal court located within Virginia), and the Executive hereby consent to the jurisdiction of such court with respect to any action, suit or proceeding

commenced in such court by the Corporation. The Section headings are included solely for convenience and shall in no event affect or be used in connection with, the interpretation of this Agreement.

THE EXECUTIVE HAS READ ALL OF THE PROVISIONS OF THIS AGREEMENT AND THE

EXECUTIVE UNDERSTANDS, AND AGREES TO, EACH OF SUCH PROVISIONS. THE EXECUTIVE UNDERSTANDS THAT THIS AGREEMENT MAY AFFECT THE EXECUTIVE'S RIGHT TO ACCEPT EMPLOYMENT WITH OTHER COMPANIES SUBSEQUENT TO THE EXECUTIVE'S EMPLOYMENT WITH THE CORPORATION.

7.10. AMENDMENTS. No alterations or additions to this Agreement shall be binding unless in writing and signed by both the parties.

7.11. GENDERS. Whenever reasonably necessary, pronouns of any gender shall be deemed synonymous, as shall singular and plural pronouns.

7.12. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one instrument.

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

Susan D. Pepin

MAXIMUS, INC.

By:

Name:
Title:

EXHIBIT A

FORM OF AGREEMENT TO BE BOUND

[DATE]

MAXIMUS, INC.
1356 Beverly Road
McLean, VA 22101

Ladies and Gentlemen:

Reference is made to the Executive Non-Compete, Confidentiality and Stock Restriction Agreement (the "Agreement") dated as of _____ __, 1997 between MAXIMUS, Inc. (the "Company") and Susan D. Pepin (the "Transferor").

The undersigned is the transferee of _____ shares of _____ Common Stock of the Corporation from the Transferor (the "Shares").

In consideration of the representations, covenants and agreements contained in the Agreement, the undersigned hereby confirms and agrees to be bound by all of the provisions of Section 3 of the Agreement applicable to the Transferor with respect to the Shares.

This letter shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to the conflicts of law rules of such state.

Very truly yours,

EXHIBIT 10.8

EXECUTIVE EMPLOYMENT, NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT

[Baylinson]

EMPLOYMENT AGREEMENT entered into this ___ day of _____, 1997 by and between Ilene R. Baylinson (the "Executive") and MAXIMUS, Inc., a Virginia corporation with a usual place of business in McLean, Virginia (the "Corporation").

WHEREAS, Executive is a key employee of the Corporation and a holder of a substantial number of shares of the issued and outstanding capital stock of the Corporation, and

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Employment.

1.1. DUTIES. The Corporation hereby employs the Executive, and the Executive hereby accepts such employment, to serve as the President of Health and Disability Services Division of the Corporation. The Executive shall provide day to day management of the Corporation's Health and Disability Services Division and shall perform such other services and duties as are appropriate to such office. During the term of this Agreement, the Executive shall be a full time employee of the Corporation and shall devote such time and attention to the discharge of her duties as the President of Health and Disability Services Division as may be necessary and appropriate to accomplish and complete such duties.

1.2. Compensation.

(a) SALARY AND REGULAR YEAR-END BONUS. As compensation for performance of her obligations hereunder, the Corporation shall pay the Executive a salary of not less than $182,000 and regular year-end bonus consistent with the Corporation's past practices.

(b) VACATION, INSURANCE, EXPENSES. The Executive shall be entitled to such vacation benefits, health, disability and life insurance benefits and expense reimbursements in a manner consistent with the Corporation's past practices.

1.3. TERM; TERMINATION. The term of the employment agreement set forth in this Section 1 shall be for a period commencing on the date hereof and continuing until September 30, 2001, provided that this Agreement shall terminate:

(a) by mutual written consent of the parties; or

(b) upon Executive's death or inability, by reason of physical or mental impairment, to perform substantially all of Executive's duties as contemplated herein for a continuous period of 120 days or more; or

(c) by the Corporation for cause, which shall mean in the event of Executive's breach of any material duty or obligation hereunder, or intentional or grossly negligent conduct that is materially injurious to the Corporation, as reasonably determined by the Corporation's Board of Directors, or willful failure to follow the reasonable directions of the Corporation's Board of Directors.

Upon any termination of employment under this Section 1.3, neither party shall have any obligation to the other pursuant to this Section 1, but such termination shall have no effect on the obligations of the parties under other provisions of this Agreement.

2. NON-COMPETITION.

2.1. UNDERTAKING. The Executive agrees that while the Executive is employed by the Corporation and thereafter, until _____ [4 years after

the date hereof] (the "Expiration Date"), the Executive shall not, without the Corporation's prior written consent, directly or indirectly, as a principal, employee, consultant, partner, or stockholder of, or in any other capacity with, any business enterprise (other than in the Executive's capacity as a holder of not more than 1% of the combined voting power of the outstanding stock of a publicly held company) (a) engage in direct or indirect competition with the Corporation, (b) conduct a business of the type or character engaged in by the Corporation at the time of termination or cessation of the Executive's employment or (c) develop products or services competitive with those of the Corporation.

2.2. PROHIBITED ACTIVITIES. (a) The Executive agrees that, during his or her employment with the Corporation, and thereafter for a period of two years after the termination of such employment, the Executive will not engage in any unethical behavior which may adversely affect the Corporation. For the purpose of this Section 2.2, "Unethical Behavior" is defined as:

(1) any attempt, successful or unsuccessful, by the Executive to divert any existing contracts or subcontracts from the Corporation to any other firm, whether or not affiliated with the Executive;

(2) any attempt, successful or unsuccessful by the Executive, to adversely influence clients of the Corporation or organizations with which the Corporation has a contract or a proposal pending as of the date of the Executive's termination from the Corporation;

(3) any attempt, successful or unsuccessful, by the Executive to divert any contracts or subcontracts which are pending as of the date of Executive's termination from the Corporation to any other firm, whether or not affiliated with the Executive;

(4) any attempt, successful or unsuccessful, by the Executive to offer his or her services, or to influence any other employee of the Corporation to offer their services, to any firm to compete against the Corporation in the performance of services provided under existing contracts or follow-ons to existing contracts or pending proposals with the Corporation's clients as of the date of the Executive's termination; or

(5) any attempt, successful or unsuccessful, by the Executive to employ or offer employment to, or cause any other person to employ or offer employment to any other employee of the Corporation.

(b) The Executive agrees that, in addition to any other remedy available to the Corporation, in the event of a breach by the Executive of the terms of this Section 2.2 the Corporation may set off against any amounts due the Executive, an amount equal to the gross revenues which such Executive, or any entity with which the Executive is employed, affiliated or associated, receives or is entitled to receive, from any existing clients (or potential clients with whom a proposal is pending) of the Corporation during the two-year period provided in this Section 2.2.

(c) The provisions of this Section 2.2 shall continue for a period of two years after termination of the Executive's employment with the Corporation, whether voluntary or involuntary, with or without cause. The Executive shall notify any new employer, partner, association or any other firm or corporation actually or potentially in competition with the Corporation with whom the Executive shall become associated in any capacity whatsoever of the provisions of this Section 2.2 and the Executive agrees that the Corporation may give such notice to such firm, corporation or other person.

2.3. Business Opportunities: Conflicts of Interest: Other Employment and Activities of the Executive.

(a) The Executive agrees promptly to advise the Corporation of, and provide the Corporation with an opportunity to seek, all business opportunities that reasonably may be available to the Corporation, whether or not such business opportunities are related to the present business conducted by the Corporation.

(b) The Executive, in his capacity as an employee of the Corporation, shall not engage in any business with any member of the Executive's immediate family or with any person or business entity in which the Executive or any member of the Executive's immediate family has any ownership interest or financial interest, unless and until the Executive has first fully disclosed such interest to the Board of Directors and received written consent from the

Board of Directors, signed by the Chairman of such board. As used herein, the term "immediate family" means the Executive's spouse, natural or adopted children, parents or siblings and the term "financial interest" means any relationship with such person or business entity that may monetarily benefit the Executive or member of the Executive's immediate family, including any lending relationship or the guarantying of any obligations of such person or business entity by the Executive or member of his immediate family.

(c) The parties hereto acknowledge and agree that the Executive may engage in outside civic, political, social, educational and professional activities and may serve on the boards of directors of other corporations; provided, however, that such activities shall not have priority over or adversely affect or conflict with the business of the Corporation or its clients, or interfere with the mobility of the Executive to fulfill the Executive's duties to the Corporation as a full-time employee and officer and director of the Corporation, as conclusively determined by the Board of Directors of the Corporation.

(d) The parties hereto agree that the Executive may, consistent with this Section 1.3, receive and retain speaking fees, referral fees from business opportunities not accepted by the Corporation, and fees from outside business activities and opportunities of the Executive consented to by the Board of Directors of the Corporation.

3. CONFIDENTIALITY.

3.1. NON-DISCLOSURE. The parties hereto agree that the Corporation's books, records, files and all other information relating to the Corporation (that is not otherwise available in the Public Domain), its business and its clients are proprietary in nature and contain trade secrets and shall be held in strict confidence by the parties hereto, and shall not, either during the term of this Agreement or after the termination hereof, be intentionally disclosed, directly or indirectly, to any third party, person, firm, corporation or other entity, irrespective of whether such person or entity is a competitor of the Corporation or is engaged in a business similar to that of the Corporation; except in furtherance of the Corporation's business. The trade secrets or other proprietary or confidential information referred to in the prior sentence includes, without limitation, all proposals to clients or potential clients, contracts, client or potential client lists, fee policies, financial information. administration or marketing practices or procedures and all other information regarding the business of the Corporation and its clients not generally known to the public.

3.2. TRADE SECRETS. The parties hereto hereby acknowledge and agree that all proprietary information referred to in this Section 2 shall be deemed trade secrets of the Corporation and that each party hereto shall take such steps, undertake such actions and refrain from taking such other actions, as mandated by the provisions hereof and by the provisions of the laws of the Commonwealth of Virginia.

4. STOCK RESTRICTIONS.

4.1. TRANSFERS. The Executive may not offer, sell, assign, grant a participation in, pledge or otherwise transfer ("Transfer") any of the Executive's shares of Common Stock of the Corporation (including shares acquired after the date hereof) (the "Shares") except in compliance with the Securities Act of 1933, as amended (the "Act"), and any applicable state securities laws. In addition, until the Expiration Date, the Executive may not Transfer any of the Executive's Shares without the prior written consent of the Corporation after complying with Section 4.3 below, other than (i) subject to Section 4.4 below, to any Permitted Transferee (as defined in Section 4.4) or (ii) as may be required by applicable federal or state law or regulation or (iii) pursuant to a registration of such shares under Section 5 below.

4.2. RESTRICTIVE LEGEND. Until the Expiration Date, each certificate representing Shares owned by the Executive shall include a legend in substantially the following form:

UNTIL _____ __, 2001, THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN AN EXECUTIVE NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT, DATED AS OF _____ __, 1997, A COPY OF WHICH MAY BE OBTAINED FROM MAXIMUS, INC.

4.3. REQUEST FOR CONSENT TO TRANSFER. The Executive may request consent to transfer from the Corporation by providing written notice to the Corporation of such holder's intention to effect such transfer, setting forth the manner and circumstances of the proposed transfer in reasonable detail. In the discretion of the Corporation, such consent may be conditioned upon the delivery to the Corporation of an instrument substantially in the form of EXHIBIT A hereto pursuant to which the transferee shall have agreed to be bound by the terms of this Section 4. In such case, each certificate evidencing Shares or interests therein transferred as provided in this Section 4.3 shall bear the legend set forth in Section 4.2 hereof.

4.4. TRANSFERS TO PERMITTED TRANSFEREE. "Permitted Transferee" shall mean (i) the spouse, ancestor, lineal descendants and other family members of the Executive, and any trust for the benefit of the foregoing, (including adopted descendants), (ii) any entities established principally for charitable purposes to which the Executive Transfers any Shares by way of gift and (iii) any person or entity to whom the Shares are Transferred by virtue of a pledge by the Executive to secure a borrowing from such Permitted Transferee. The Executive may transfer some or all of the Shares to a Permitted Transferee only if the Corporation shall have received notice of such transfer and an instrument substantially in the form of EXHIBIT A hereto pursuant to which the Permitted Transferee shall have agreed to be bound by the terms of this Section 4. Each certificate evidencing Shares or interests therein transferred as provided in this Section 4.4 shall bear the legend set forth in Section 4.2 hereof.

4.5. IMPROPER TRANSFER. (a) Any attempt to Transfer any Shares not in compliance with this Agreement shall be null and void and neither the Corporation nor any transfer agent of the Corporation shall register, or otherwise recognize in the Corporation's records, any such improper Transfer.

(b) The Executive shall not enter into any transaction or series of transactions for the purpose or with the effect of, directly or indirectly, denying or impairing the rights or obligations of the Corporation under this Agreement, and any such transaction shall be null and void and, to the extent that such transaction requires any action by the Corporation, it shall not be registered or otherwise recognized in the Corporation's records or otherwise.

4.6. ACCESS TO RECORDS AND DOCUMENTS. At any time during which the Executive is a stockholder and/or a member of the Board of Directors of the Corporation, the

Executive shall be entitled to inspect and copy such records and documents to the extent provided by the Stock Corporation Act of the Commonwealth of Virginia and any other applicable law.

5. Registration Rights.

5.1. Secondary Registration.

(a) REGISTRATION FOR RESALE. The Corporation intends to seek to create liquidity for the Shares held by the Executive prior to the Expiration Date. In the sole discretion of the Corporation, the Corporation may file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-8 or Form S-3 (or similar form) sufficient to permit the public offering and sale of the Registrable Shares (as defined below) through all securities exchanges and over-the-counter markets on which the Corporation's Common Stock is then traded. For the purposes of this Agreement, "Registrable Shares" shall mean outstanding Shares and Shares issuable upon exercise of then-exercisable options held by the Executive and any other person holding registration rights substantially the same as the rights set forth in this Section 5, which Shares are not at that time the subject of an effective registration statement filed with the Commission. For the purposes of this Agreement, "Holders" shall mean all persons holding Registrable Shares.

(b) NOTICE OF FILING OF REGISTRATION STATEMENT. In the event the Corporation determines to file a registration pursuant to Section 5.1(a), the Corporation shall notify each Holder of the proposed filing and request that each Holder notify the Corporation within 15 days thereafter of the number of Registrable Shares such Holder wishes the Corporation to register on such Holder's behalf. Each Holder shall, prior to the end of such 15 day period,

request in writing that the Corporation register the sale of all or part of such Holder's Registrable Shares.

5.2. Piggyback Registration Rights.

(a) OFFER TO INCLUDE REGISTRABLE SHARES IN CORPORATION OFFERING. If, at any time prior to the Expiration Date, the Corporation shall file a registration statement to register shares of Common Stock for its own account in an underwritten offering with the Commission while any Registrable Shares are outstanding, the Corporation shall give all the Holders at least 45 days prior written notice of the filing of such registration statement. Subject to 5.2(b) below, if requested by any Holder in writing within 30 days after receipt of any such notice, the Corporation shall register or qualify all or, at each Holder's option, any portion of the Registrable Shares of any Holders who shall have made such request, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Registrable Shares through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use its best efforts through its officers, directors, auditors, and counsel to cause such registration statement to become effective as promptly as practicable.

(b) CUTBACK OF PARTICIPATION IN CORPORATION OFFERING. Notwithstanding Section 5.2(a), if the managing underwriter of any such offering shall advise the Corporation in writing that, in its opinion, the distribution of all or a portion of the Registrable Shares requested to be included in the registration concurrently with the securities being registered by the Corporation would materially adversely affect the distribution of such securities by the Corporation for its own account, then the number of Registrable Shares held by such Holder to be included in such registration statement shall be reduced to the extent advised by such managing underwriter, provided that any such reduction shall be made pro rata among the Holders electing to participate in such registration based on the aggregate number of Registrable Shares held by each Holder electing to so participate, and provided further that the total number of Registrable Shares included in any such registration shall not be less than 25% of the total number of shares of Common Stock included in the registration for the Corporation's account, the Holders account and the account of any other person.

5.3. Underwriting.

(a) UNDERWRITING IN SECONDARY REGISTRATION. If the Corporation undertakes a registration under Section 5.1, any Holder wishing to distribute the Registrable Shares which such Holder has requested to be registered in such registration by means of an underwriting, such Holder shall so advise the Corporation in such Holder's request to participate in such registration under Section 5.1(b). The Holders of a majority of the Registrable Shares being offered may select one or more underwriters for the registration under Section 5.1, which selection shall be approved by the Corporation, which approval shall not be unreasonably withheld provided such underwriter(s) are experienced and reputable. The Corporation shall, together with the Holders engaged in the registration hereunder, enter into an underwriting agreement with the representative of the underwriter or underwriters selected for such underwriting in accordance with this Section 5.3(a).

(b) UNDERWRITING IN PIGGYBACK REGISTRATION. In the event of an underwritten registration pursuant to the provisions of Section 5.2, any Holder who requests to have Registrable Shares included in such registration shall enter into such custody agreements and powers of attorney as are reasonably requested by the Corporation and any such underwriter, and, if requested, enter into an underwriting agreement containing customary terms.

(c) RIGHT OF WITHDRAWAL FROM UNDERWRITING. In the event of an underwritten offering under Section 5.3(a) or (b), the right of a Holder to participate in a registration hereunder shall be conditioned upon the inclusion of such Holder's Registrable Shares in such underwriting. If a Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Corporation and the underwriter delivered at least seven days prior to the effective date of the Registration Statement. The securities so withdrawn shall also be withdrawn from the Registration Statement.

5.4. EFFECTIVENESS AND EXPENSES. The Corporation will use its best efforts through its officers, directors, auditors and counsel to cause any Registration Statement filed pursuant to this Section 5 to become effective as promptly as practicable. The Corporation shall be obligated to use its best efforts to maintain the effectiveness of such Registration Statement only until the earlier of (i) the Expiration Date, and (ii) the date on which no Registrable Shares remain outstanding (the "Registration Termination Date"). The Corporation shall be obligated to pay all expenses (other than the fees and disbursements of counsel for the Holders and underwriting discounts, if any, payable in respect of the Registrable Shares sold by the Holders) in connection with any such registration statement.

5.5. BLUE SKY REGISTRATIONS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall use its best efforts to cause the Registrable Shares so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Holders may reasonably request; PROVIDED, HOWEVER, that the Corporation shall not be required to qualify to do business in any state by reason of this Section 5.5 in which it is not otherwise required to qualify to do business.

5.6. CONTINUING EFFECTIVENESS. Until the Registration Termination Date, the Corporation shall use its best efforts to keep effective any registration or qualification contemplated by this Section 5 and shall from time to time amend or supplement each applicable registration statement, preliminary prospectus, final prospectus, application, document and communication for such period of time as shall be required to permit the Holders to complete the offer and sale of the Registrable Shares covered thereby.

5.7. COPIES OF REGISTRATION STATEMENT AND RELATED DOCUMENTS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall furnish to each Holder a copy of the Registration Statement and of each amendment and supplement thereto (in each case, including all exhibits), and a reasonable number of copies of each prospectus contained in such registration statement and each supplement or amendment thereto (including each preliminary prospectus), all of which shall conform to the requirements of the Act, and the rules and regulations thereunder, and such other documents, as any Holder may reasonably request to facilitate the disposition of the Registrable Shares included in such registration.

5.8. RULE 144 ELIGIBILITY. The Corporation agrees that, following the Expiration Date, until all the Registrable Shares have been sold under a registration statement or pursuant to Rule 144 under the Act, the Corporation shall use its best efforts to keep current in filing all reports, statements and other materials required to be filed with the Commission to permit holders of the Registrable Shares to sell such securities under Rule 144.

6. Indemnity.

6.1. CORPORATION INDEMNIFICATION OF THE HOLDERS. Subject to the conditions set forth below, the Corporation agrees to indemnify and hold harmless each Holder, its officers, directors, partners, employees, agents and counsel, and each person, if any, who controls any such person within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all loss, liability, charge, claim, damage and expense whatsoever (which shall include, for all purposes of this Section 6, without limitation, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), as and when incurred, arising out of, based upon, or in connection with any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, relating to the sale of any of the Registrable Shares, filed with the Commission or any securities exchange; or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such person expressly for inclusion in any registration statement, preliminary prospectus, or final prospectus, or any amendment or supplement thereto, as the case may be. The foregoing agreement to indemnify shall be in addition to any liability the Corporation may otherwise have, including liabilities arising under this Agreement.

If any action is brought against any Holder or any of its officers,

directors, partners, employees, agents or counsel, or any controlling persons of such person (an "Indemnified Party") in respect of which indemnity may be sought against the Corporation pursuant to the foregoing paragraph, such Indemnified Party or Parties shall promptly notify the Corporation in writing of the institution of such action (but the failure so to notify shall not relieve the Corporation from any liability other than pursuant to this Section 6.1) and the Corporation shall promptly assume the defense of such action, including the employment of counsel (reasonably satisfactory to such Indemnified Party or parties) and payment of expenses. Such Indemnified Party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless the employment of such counsel shall have been authorized in writing by the Corporation in connection with the defense of such action or the Corporation shall not have promptly employed counsel reasonably satisfactory to such Indemnified Party or Parties to have charge of the defense of such action or such Indemnified Party or parties shall have reasonably concluded that there may be one or more legal defenses available to it or them or to other indemnified parties which are different from or additional to those available to the Corporation, in any of which events such fees and expenses shall be borne by the Corporation, and the Corporation shall not have the right to direct the defense of such action on behalf of the Indemnified Party or Parties. Anything in this Section 5 to the contrary notwithstanding, the Corporation shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld. The Corporation shall not, without

the prior written consent of each Indemnified Party that is not released as described in this sentence, settle or compromise any action, or permit a default or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, in respect of which indemnity may be sought hereunder (whether or not any Indemnified Party is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all liability in respect of such action. The Corporation agrees promptly to notify the Holders of the commencement of any litigation or proceedings against the Corporation or any of its officers or directors in connection with the sale of any Registrable Shares or any preliminary prospectus, prospectus, registration statement or amendment or supplement thereto, or any application relating to any sale of any Registrable Shares.

6.2. HOLDER INDEMNIFICATION OF THE CORPORATION. Each Holder participating in any such registration shall indemnify and hold harmless the Corporation, each director of the Corporation, each officer of the Corporation who shall have signed the registration statement covering Registrable Shares held by the Holder, each other person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and its or their respective counsel, to the same extent as the foregoing indemnity from the Corporation to the Holders in Section 6.1, but only with respect to statements or omissions, if any, made in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such Holder expressly for inclusion in any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, as the case may be. If any action shall be brought against the Corporation or any other person so indemnified based on any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, and in respect of which indemnity may be sought against such Holder pursuant to this Section 6.2, such Holder shall have the rights and duties given to the Corporation and the Corporation and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 6.1.

6.3. CONTRIBUTION. To provide for just and equitable contribution, if (i) an Indemnified Party makes a claim for indemnification pursuant to Section 6.1 or 6.2 but it is found in a final judicial determination, not subject to further appeal, that such indemnification may not be enforced in such case, even though this Agreement expressly provides for indemnification in such case, or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act or otherwise, then the Corporation (including for this purpose any contribution made by or on behalf of any director of the Corporation, any officer of the Corporation who signed any such registration statement, any controlling person of the Corporation, and its or their respective counsel), as one entity, and the Holders of the Registrable Shares included in such registration in the aggregate (including for this purpose any contribution by or on behalf of an Indemnified Party), as a second entity, shall contribute to the losses, liabilities, claims, damages and expenses whatsoever to which any of them may be

subject, on the basis of relevant equitable considerations such as the relative fault of the Corporation and such Holders in connection with the facts which resulted in such losses, liabilities, claims, damages and expenses. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission, shall be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Corporation or by such Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Corporation and the Holder agree that it would be unjust and inequitable if the respective obligations of the Corporation and the Holders for the contribution were determined by pro rata or per capita allocation of the aggregate losses, liabilities, claims, damages and expenses (even if the Holder and the other indemnified parties were treated as one entity for such purpose) or by any other method of allocation that does not reflect the equitable considerations, referred to in this Section 6.3. In no case shall any Holder be responsible for a portion of the contribution obligation imposed on all Holders in excess of its pro rata share based on the number of Registrable Shares of by it and included in such registration as compared to the number of Registrable Shares owned by all Holders and included in such registration. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 6.3, each person, if any, who controls any Holder within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each officer, director, partner, employee, agent and counsel of each such Holder or control person shall have the same rights to contribution as such Holder or control person and each person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Corporation who shall have signed any such registration statement, each director of the Corporation and its or their respective counsel shall have the same right to contribution as the Corporation, subject in each case to the provisions of this Section 6.3. Anything in this Section 6.3 to the contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 6.3 is intended to supersede any right to contribution under the Act, the Exchange Act or otherwise.

7. MISCELLANEOUS.

7.1. NOTICES. All notices, requests, demands or other communications provid ed for in this Agreement shall be in writing and shall be delivered by hand, sent prepaid by Federal Express (or a comparable overnight delivery service) or sent by the United States mail, certified, postage prepaid, return receipt request, to the following

If to the Corporation,

MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22201
Attention: David V. Mastran

If to the Executive,

Ilene R. Baylinson
MAXIMUS, Inc.
8150 Lessburg Pike, #1250
Vienna, VA 22182

Any notice, request, demand or other communication delivered or sent in the foregoing manner shall be deemed given or made (as the case may be) upon the earliest of (i) the date it is actually received, (ii) the business-day after the day on which it is delivered by hand, (iii) the business day after the day on which it is properly delivered to Federal Express (or a comparable overnight

delivery service), or (iv) the third business day after the date on which it is deposited in the United States mail. Either party may change its address by notifying the other party of the new address in any manner permitted by this paragraph. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not affect the date of such notice, election or demand sent in accordance with the foregoing provisions.

7.2. REMEDIES. The parties hereto further agree and acknowledge that any violation by the Executive of the terms hereof may result in irreparable injury and damage to the Executive, Corporation or its clients, as the case may be, which will not adequately be compensable in monetary damages, that the Corporation will have no adequate remedy at law therefor, and that the Corporation may obtain such preliminary, temporary or permanent mandatory or restraining injunctions, orders or decrees as may be necessary to protect it against, or on account of, any breach of the provisions contained in this Agreement.

7.3. NO OBLIGATION OF CONTINUED EMPLOYMENT AFTER TERMINATION OF SECTION 1. Except as set forth in Section 1 hereof, the Executive understands that this Agreement does not constitute a contract of employment or create an obligation on the part of the Corporation to continue the Executive's employment with the Corporation.

7.4. BENEFIT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the parties and their respective personal representatives, heirs, successors and assigns, provided this Agreement may not be assigned by either party without the consent of the other except that the Corporation may assign this Agreement in connection with the merger, consolidation or sale of all or substantially all of its business or assets. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

7.5. ENTIRE AGREEMENT. This Agreement supersedes all prior areements, written or oral, with respect to the subject matter of this Agreement, including the Shareholder Agreement dated January 2, 1996.

7.6. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any of the provisions of this Agreement is held to be excessively broad, it shall be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

7.7. WAIVERS. No delay or omission by the Corporation in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Corporation on any occasion if effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7.8. CAPTIONS. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

7.9. GOVERNING LAW. This Agreement shall be construed as a sealed instrument and shall in all events and for all purposes be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia without regard to any choice of law principle that would dictate the application of the laws of another jurisdiction. Any action, suit or other legal proceeding which the Executive may commence to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Virginia (or, if appropriate, a federal court located within Virginia), and the Executive hereby consent to the jurisdiction of such court with respect to any action, suit or proceeding

commenced in such court by the Corporation. The Section headings are included

solely for convenience and shall in no event affect or be used in connection with, the interpretation of this Agreement.

THE EXECUTIVE HAS READ ALL OF THE PROVISIONS OF THIS AGREEMENT AND THE EXECUTIVE UNDERSTANDS, AND AGREES TO, EACH OF SUCH PROVISIONS. THE EXECUTIVE UNDERSTANDS THAT THIS AGREEMENT MAY AFFECT THE EXECUTIVE'S RIGHT TO ACCEPT EMPLOYMENT WITH OTHER COMPANIES SUBSEQUENT TO THE EXECUTIVE'S EMPLOYMENT WITH THE CORPORATION.

7.10. AMENDMENTS. No alterations or additions to this Agreement shall be binding unless in writing and signed by both the parties.

7.11. GENDERS. Whenever reasonably necessary, pronouns of any gender shall be deemed synonymous, as shall singular and plural pronouns.

7.12. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one instrument.

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

Ilene R. Baylinson

MAXIMUS, INC.

By:

Name:
Title:

EXHIBIT A

FORM OF AGREEMENT TO BE BOUND

[DATE]

MAXIMUS, INC.
1356 Beverly Road
McLean, VA 22101

Ladies and Gentlemen:

Reference is made to the Executive Non-Compete, Confidentiality and Stock Restriction Agreement (the "Agreement") dated as of _____ __, 1997 between MAXIMUS, Inc. (the "Company") and Ilene R. Baylinson (the "Transferor").

The undersigned is the transferee of _____ shares of _____ Common Stock of the Corporation from the Transferor (the "Shares").

In consideration of the representations, covenants and agreements contained in the Agreement, the undersigned hereby confirms and agrees to be bound by all of the provisions of Section 3 of the Agreement applicable to the Transferor with respect to the Shares.

This letter shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to the conflicts of law rules of such state.

Very truly yours,

EXHIBIT 10.9

EXECUTIVE EMPLOYMENT, NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT

[Davenport]

EMPLOYMENT AGREEMENT entered into this ___ day of _____, 1997 by and between Ilene R. Baylinson (the "Executive") and MAXIMUS, Inc., a Virginia corporation with a usual place of business in McLean, Virginia (the "Corporation").

WHEREAS, Executive is a key employee of the Corporation and a holder of a substantial number of shares of the issued and outstanding capital stock of the Corporation, and

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Employment.

1.1. DUTIES. The Corporation hereby employs the Executive, and the Executive hereby accepts such employment, to serve as the President of Health and Disability Services Division of the Corporation. The Executive shall provide day to day management of the Corporation's Health and Disability Services Division and shall perform such other services and duties as are appropriate to such office. During the term of this Agreement, the Executive shall be a full time employee of the Corporation and shall devote such time and attention to the discharge of her duties as the President of Health and Disability Services Division as may be necessary and appropriate to accomplish and complete such duties.

1.2. Compensation.

(a) SALARY AND REGULAR YEAR-END BONUS. As compensation for performance of her obligations hereunder, the Corporation shall pay the Executive a salary of not less than $182,000 and regular year-end bonus consistent with the Corporation's past practices.

(b) VACATION, INSURANCE, EXPENSES. The Executive shall be entitled to such vacation benefits, health, disability and life insurance benefits and expense reimbursements in a manner consistent with the Corporation's past practices.

1.3. TERM; TERMINATION. The term of the employment agreement set forth in this Section 1 shall be for a period commencing on the date hereof and continuing until September 30, 2001, provided that this Agreement shall terminate:

(a) by mutual written consent of the parties; or

(b) upon Executive's death or inability, by reason of physical or mental impairment, to perform substantially all of Executive's duties as contemplated herein for a continuous period of 120 days or more; or

(c) by the Corporation for cause, which shall mean in the event of Executive's breach of any material duty or obligation hereunder, or intentional or grossly negligent conduct that is materially injurious to the Corporation, as reasonably determined by the Corporation's Board of Directors, or willful failure to follow the reasonable directions of the Corporation's Board of Directors.

Upon any termination of employment under this Section 1.3, neither party shall have any obligation to the other pursuant to this Section 1, but such termination shall have no effect on the obligations of the parties under other provisions of this Agreement.

2. NON-COMPETITION.

2.1. UNDERTAKING. The Executive agrees that while the Executive is employed by the Corporation and thereafter, until _____ [4 years after the date hereof] (the "Expiration Date"), the Executive shall not, without the Corporation's prior written consent, directly or indirectly, as a principal, employee, consultant, partner, or stockholder of, or in any other capacity with,

any business enterprise (other than in the Executive's capacity as a holder of not more than 1% of the combined voting power of the outstanding stock of a publicly held company) (a) engage in direct or indirect competition with the Corporation, (b) conduct a business of the type or character engaged in by the Corporation at the time of termination or cessation of the Executive's employment or (c) develop products or services competitive with those of the Corporation.

2.2. PROHIBITED ACTIVITIES. (a) The Executive agrees that, during his or her employment with the Corporation, and thereafter for a period of two years after the termination of such employment, the Executive will not engage in any unethical behavior which may adversely affect the Corporation. For the purpose of this Section 2.2, "Unethical Behavior" is defined as:

(1) any attempt, successful or unsuccessful, by the Executive to divert any existing contracts or subcontracts from the Corporation to any other firm, whether or not affiliated with the Executive;

(2) any attempt, successful or unsuccessful by the Executive, to adversely influence clients of the Corporation or organizations with which the Corporation has a contract or a proposal pending as of the date of the Executive's termination from the Corporation;

(3) any attempt, successful or unsuccessful, by the Executive to divert any contracts or subcontracts which are pending as of the date of Executive's termination from the Corporation to any other firm, whether or not affiliated with the Executive;

(4) any attempt, successful or unsuccessful, by the Executive to offer his or her services, or to influence any other employee of the Corporation to offer their services, to any firm to compete against the Corporation in the performance of services provided under existing contracts or follow-ons to existing contracts or pending proposals with the Corporation's clients as of the date of the Executive's termination; or

(5) any attempt, successful or unsuccessful, by the Executive to employ or offer employment to, or cause any other person to employ or offer employment to any other employee of the Corporation.

(b) The Executive agrees that, in addition to any other remedy available to the Corporation, in the event of a breach by the Executive of the terms of this Section 2.2 the Corporation may set off against any amounts due the Executive, an amount equal to the gross revenues which such Executive, or any entity with which the Executive is employed, affiliated or associated, receives or is entitled to receive, from any existing clients (or potential clients with whom a proposal is pending) of the Corporation during the two-year period provided in this Section 2.2.

(c) The provisions of this Section 2.2 shall continue for a period of two years after termination of the Executive's employment with the Corporation, whether voluntary or involuntary, with or without cause. The Executive shall notify any new employer, partner, association or any other firm or corporation actually or potentially in competition with the Corporation with whom the Executive shall become associated in any capacity whatsoever of the provisions of this Section 2.2 and the Executive agrees that the Corporation may give such notice to such firm, corporation or other person.

2.3. BUSINESS OPPORTUNITIES: CONFLICTS OF INTEREST: OTHER EMPLOYMENT AND ACTIVITIES OF THE EXECUTIVE.

(a) The Executive agrees promptly to advise the Corporation of, and provide the Corporation with an opportunity to seek, all business opportunities that reasonably may be available to the Corporation, whether or not such business opportunities are related to the present business conducted by the Corporation.

(b) The Executive, in his capacity as an employee of the Corporation, shall not engage in any business with any member of the Executive's immediate family or with any person or business entity in which the Executive or any member of the Executive's immediate family has any ownership interest or financial interest, unless and until the Executive has first fully disclosed such interest to the Board of Directors and received written consent from the Board of Directors, signed by the Chairman of such board. As used herein, the term "immediate family" means the Executive's spouse, natural or adopted children, parents or siblings and the term "financial interest" means any relationship with such person or business entity that may monetarily benefit the Executive or member of the Executive's immediate family, including any lending

relationship or the guarantying of any obligations of such person or business entity by the Executive or member of his immediate family.

(c) The parties hereto acknowledge and agree that the Executive may engage in outside civic, political, social, educational and professional activities and may serve on the boards of directors of other corporations; provided, however, that such activities shall not have priority over or adversely affect or conflict with the business of the Corporation or its clients, or interfere with the mobility of the Executive to fulfill the Executive's duties to the Corporation as a full-time employee and officer and director of the Corporation, as conclusively determined by the Board of Directors of the Corporation.

(d) The parties hereto agree that the Executive may, consistent with this Section 1.3, receive and retain speaking fees, referral fees from business opportunities not accepted by the Corporation, and fees from outside business activities and opportunities of the Executive consented to by the Board of Directors of the Corporation.

3. CONFIDENTIALITY.

3.1. NON-DISCLOSURE. The parties hereto agree that the Corporation's books, records, files and all other information relating to the Corporation (that is not otherwise available in the Public Domain), its business and its clients are proprietary in nature and contain trade secrets and shall be held in strict confidence by the parties hereto, and shall not, either during the term of this Agreement or after the termination hereof, be intentionally disclosed, directly or indirectly, to any third party, person, firm, corporation or other entity, irrespective of whether such person or entity is a competitor of the Corporation or is engaged in a business similar to that of the Corporation; except in furtherance of the Corporation's business. The trade secrets or other proprietary or confidential information referred to in the prior sentence includes, without limitation, all proposals to clients or potential clients, contracts, client or potential client lists, fee policies, financial information. administration or marketing practices or procedures and all other information regarding the business of the Corporation and its clients not generally known to the public.

3.2. TRADE SECRETS. The parties hereto hereby acknowledge and agree that all proprietary information referred to in this Section 2 shall be deemed trade secrets of the Corporation and that each party hereto shall take such steps, undertake such actions and refrain from taking such other actions, as mandated by the provisions hereof and by the provisions of the laws of the Commonwealth of Virginia.

4. STOCK RESTRICTIONS.

4.1. TRANSFERS. The Executive may not offer, sell, assign, grant a participation in, pledge or otherwise transfer ("Transfer") any of the Executive's shares of Common Stock of the Corporation (including shares acquired after the date hereof) (the "Shares") except in compliance with the Securities Act of 1933, as amended (the "Act"), and any applicable state securities laws. In addition, until the Expiration Date, the Executive may not Transfer any of the Executive's Shares without the prior written consent of the Corporation after complying with Section 4.3 below, other than (i) subject to Section 4.4 below, to any Permitted Transferee (as defined in Section 4.4) or (ii) as may be required by applicable federal or state law or regulation or (iii) pursuant to a registration of such shares under Section 5 below.

4.2. RESTRICTIVE LEGEND. Until the Expiration Date, each certificate representing Shares owned by the Executive shall include a legend in substantially the following form:

UNTIL _____ __, 2001, THE SHARES REPRESENTED BY THIS CERTIFICATE ARE

SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN AN EXECUTIVE NON-COMPETE, CONFIDENTIALITY AND STOCK RESTRICTION AGREEMENT, DATED AS OF _____ __, 1997, A COPY OF WHICH MAY BE OBTAINED FROM MAXIMUS, INC.

4.3. REQUEST FOR CONSENT TO TRANSFER. The Executive may request consent to transfer from the Corporation by providing written notice to the Corporation of such holder's intention to effect such transfer, setting forth the manner and circumstances of the proposed transfer in reasonable detail. In the discretion of the Corporation, such consent may be conditioned upon the delivery to the Corporation of an instrument substantially in the form of Exhibit A hereto pursuant to which the transferee shall have agreed to be bound by the terms of this Section 4. In such case, each certificate evidencing Shares or interests therein transferred as provided in this Section 4.3 shall bear the legend set forth in Section 4.2 hereof.

4.4. TRANSFERS TO PERMITTED TRANSFEREE. "Permitted Transferee" shall mean (i) the spouse, ancestor, lineal descendants and other family members of the Executive, and any trust for the benefit of the foregoing, (including adopted descendants), (ii) any entities established principally for charitable purposes to which the Executive Transfers any Shares by way of gift and (iii) any person or entity to whom the Shares are Transferred by virtue of a pledge by the Executive to secure a borrowing from such Permitted Transferee. The Executive may transfer some or all of the Shares to a Permitted Transferee only if the Corporation shall have received notice of such transfer and an instrument substantially in the form of Exhibit A hereto pursuant to which the Permitted Transferee shall have agreed to be bound by the terms of this Section 4. Each certificate evidencing Shares or interests therein transferred as provided in this Section 4.4 shall bear the legend set forth in Section 4.2 hereof.

4.5. IMPROPER TRANSFER. (a) Any attempt to Transfer any Shares not in compliance with this Agreement shall be null and void and neither the Corporation nor any transfer agent of the Corporation shall register, or otherwise recognize in the Corporation's records, any such improper Transfer.

(b) The Executive shall not enter into any transaction or series of transactions for the purpose or with the effect of, directly or indirectly, denying or impairing the rights or obligations of the Corporation under this Agreement, and any such transaction shall be null and void and, to the extent that such transaction requires any action by the Corporation, it shall not be registered or otherwise recognized in the Corporation's records or otherwise.

4.6. ACCESS TO RECORDS AND DOCUMENTS. At any time during which the Executive is a stockholder and/or a member of the Board of Directors of the Corporation, the

Executive shall be entitled to inspect and copy such records and documents to the extent provided by the Stock Corporation Act of the Commonwealth of Virginia and any other applicable law.

5. Registration Rights.

5.1. Secondary Registration.

(a) REGISTRATION FOR RESALE. The Corporation intends to seek to create liquidity for the Shares held by the Executive prior to the Expiration Date. In the sole discretion of the Corporation, the Corporation may file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-8 or Form S-3 (or similar form) sufficient to permit the public offering and sale of the Registrable Shares (as defined below) through all securities exchanges and over-the-counter markets on which the Corporation's Common Stock is then traded. For the purposes of this Agreement, "Registrable Shares" shall mean outstanding Shares and Shares issuable upon exercise of then-exercisable options held by the Executive and any other person holding registration rights substantially the same as the rights set forth in this Section 5, which Shares are not at that time the subject of an effective registration statement filed with the Commission. For the purposes of this Agreement, "Holders" shall mean all persons holding Registrable Shares.

(b) NOTICE OF FILING OF REGISTRATION STATEMENT. In the event the Corporation determines to file a registration pursuant to Section 5.1(a), the Corporation shall notify each Holder of the proposed filing and request that each Holder notify the Corporation within 15 days thereafter of the number of Registrable Shares such Holder wishes the Corporation to register on such Holder's behalf. Each Holder shall, prior to the end of such 15 day period, request in writing that the Corporation register the sale of all or part of such Holder's Registrable Shares.

5.2. Piggyback Registration Rights.

(a) OFFER TO INCLUDE REGISTRABLE SHARES IN CORPORATION OFFERING. If, at any time prior to the Expiration Date, the Corporation shall file a registration statement to register shares of Common Stock for its own account in an underwritten offering with the Commission while any Registrable Shares are outstanding, the Corporation shall give all the Holders at least 45 days prior written notice of the filing of such registration statement. Subject to 5.2(b) below, if requested by any Holder in writing within 30 days after receipt of any such notice, the Corporation shall register or qualify all or, at each Holder's option, any portion of the Registrable Shares of any Holders who shall have made such request, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Registrable Shares through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use its best efforts through its officers, directors, auditors, and counsel to cause such registration statement to become effective as promptly as practicable.

(b) CUTBACK OF PARTICIPATION IN CORPORATION OFFERING. Notwithstanding Section 5.2(a), if the managing underwriter of any such offering shall advise the Corporation in writing that, in its opinion, the distribution of all or a portion of the Registrable Shares requested to be included in the registration concurrently with the securities being registered by the Corporation would materially adversely affect the distribution of such securities by the Corporation for its own account, then the number of Registrable Shares held by such Holder to be included in such registration statement shall be reduced to the extent advised by such managing underwriter, provided that any such reduction shall be made pro rata among the Holders electing to participate in such registration based on the aggregate number of Registrable Shares held by each Holder electing to so participate, and provided further that the total number of Registrable Shares included in any such registration shall not be less than 25% of the total number of shares of Common Stock included in the registration for the Corporation's account, the Holders account and the account of any other person.

5.3. Underwriting.

(a) UNDERWRITING IN SECONDARY REGISTRATION. If the Corporation undertakes a registration under Section 5.1, any Holder wishing to distribute the Registrable Shares which such Holder has requested to be registered in such registration by means of an underwriting, such Holder shall so advise the Corporation in such Holder's request to participate in such registration under Section 5.1(b). The Holders of a majority of the Registrable Shares being offered may select one or more underwriters for the registration under Section 5.1, which selection shall be approved by the Corporation, which approval shall not be unreasonably withheld provided such underwriter(s) are experienced and reputable. The Corporation shall, together with the Holders engaged in the registration hereunder, enter into an underwriting agreement with the representative of the underwriter or underwriters selected for such underwriting in accordance with this Section 5.3(a).

(b) UNDERWRITING IN PIGGYBACK REGISTRATION. In the event of an underwritten registration pursuant to the provisions of Section 5.2, any Holder who requests to have Registrable Shares included in such registration shall enter into such custody agreements and powers of attorney as are reasonably requested by the Corporation and any such underwriter, and, if requested, enter into an underwriting agreement containing customary terms.

(c) RIGHT OF WITHDRAWAL FROM UNDERWRITING. In the event of an underwritten offering under Section 5.3(a) or (b), the right of a Holder to participate in a registration hereunder shall be conditioned upon the inclusion of such Holder's Registrable Shares in such underwriting. If a Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Corporation and the underwriter delivered at least seven days prior to the effective date of the Registration Statement. The securities so withdrawn shall also be withdrawn from the Registration Statement.

5.4. EFFECTIVENESS AND EXPENSES. The Corporation will use its best efforts through its officers, directors, auditors and counsel to cause any Registration Statement filed pursuant to this Section 5 to become effective as promptly as practicable. The Corporation shall be obligated to use its best efforts to maintain the effectiveness of such Registration Statement only until the earlier of (i) the Expiration Date, and (ii) the date on which no Registrable Shares remain outstanding (the "Registration Termination Date"). The Corporation shall be obligated to pay all expenses (other than the fees and disbursements of counsel for the Holders and underwriting discounts, if any, payable in respect of the Registrable Shares sold by the Holders) in connection with any such registration statement.

5.5. BLUE SKY REGISTRATIONS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall use its best efforts to cause the Registrable Shares so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Holders may reasonably request; provided, however, that the Corporation shall not be required to qualify to do business in any state by reason of this Section 5.5 in which it is not otherwise required to qualify to do business.

5.6. CONTINUING EFFECTIVENESS. Until the Registration Termination Date, the Corporation shall use its best efforts to keep effective any registration or qualification contemplated by this Section 5 and shall from time to time amend or supplement each applicable registration statement, preliminary prospectus, final prospectus, application, document and communication for such period of time as shall be required to permit the Holders to complete the offer and sale of the Registrable Shares covered thereby.

5.7. COPIES OF REGISTRATION STATEMENT AND RELATED DOCUMENTS. In the event of a registration pursuant to the provisions of this Section 5, the Corporation shall furnish to each Holder a copy of the Registration Statement and of each amendment and supplement thereto (in each case, including all exhibits), and a reasonable number of copies of each prospectus contained in such registration statement and each supplement or amendment thereto (including each preliminary prospectus), all of which shall conform to the requirements of the Act, and the rules and regulations thereunder, and such other documents, as any Holder may reasonably request to facilitate the disposition of the Registrable Shares included in such registration.

5.8. RULE 144 ELIGIBILITY. The Corporation agrees that, following the Expiration Date, until all the Registrable Shares have been sold under a registration statement or pursuant to Rule 144 under the Act, the Corporation shall use its best efforts to keep current in filing all reports, statements and other materials required to be filed with the Commission to permit holders of the Registrable Shares to sell such securities under Rule 144.

6. Indemnity.

6.1. CORPORATION INDEMNIFICATION OF THE HOLDERS. Subject to the conditions set forth below, the Corporation agrees to indemnify and hold harmless each Holder, its officers, directors, partners, employees, agents and counsel, and each person, if any, who controls any such person within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all loss, liability, charge, claim, damage and expense whatsoever (which shall include, for all purposes of this Section 6, without limitation, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), as and when incurred, arising out of, based upon, or in connection with any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, relating to the sale of any of the Registrable Shares, filed with the Commission or any securities exchange; or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such person expressly for inclusion in any registration statement, preliminary prospectus, or final prospectus, or any amendment or supplement thereto, as the case may be. The foregoing agreement to indemnify shall be in addition to any liability the Corporation may otherwise have, including liabilities arising under this Agreement.

If any action is brought against any Holder or any of its officers, directors, partners, employees, agents or counsel, or any controlling persons of

such person (an "Indemnified Party") in respect of which indemnity may be sought against the Corporation pursuant to the foregoing paragraph, such Indemnified Party or Parties shall promptly notify the Corporation in writing of the institution of such action (but the failure so to notify shall not relieve the Corporation from any liability other than pursuant to this Section 6.1) and the Corporation shall promptly assume the defense of such action, including the employment of counsel (reasonably satisfactory to such Indemnified Party or parties) and payment of expenses. Such Indemnified Party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless the employment of such counsel shall have been authorized in writing by the Corporation in connection with the defense of such action or the Corporation shall not have promptly employed counsel reasonably satisfactory to such Indemnified Party or Parties to have charge of the defense of such action or such Indemnified Party or parties shall have reasonably concluded that there may be one or more legal defenses available to it or them or to other indemnified parties which are different from or additional to those available to the Corporation, in any of which events such fees and expenses shall be borne by the Corporation, and the Corporation shall not have the right to direct the defense of such action on behalf of the Indemnified Party or Parties. Anything in this Section 5 to the contrary notwithstanding, the Corporation shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld. The Corporation shall not, without

the prior written consent of each Indemnified Party that is not released as described in this sentence, settle or compromise any action, or permit a default or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, in respect of which indemnity may be sought hereunder (whether or not any Indemnified Party is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all liability in respect of such action. The Corporation agrees promptly to notify the Holders of the commencement of any litigation or proceedings against the Corporation or any of its officers or directors in connection with the sale of any Registrable Shares or any preliminary prospectus, prospectus, registration statement or amendment or supplement thereto, or any application relating to any sale of any Registrable Shares.

6.2. HOLDER INDEMNIFICATION OF THE CORPORATION. Each Holder participating in any such registration shall indemnify and hold harmless the Corporation, each director of the Corporation, each officer of the Corporation who shall have signed the registration statement covering Registrable Shares held by the Holder, each other person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and its or their respective counsel, to the same extent as the foregoing indemnity from the Corporation to the Holders in Section 6.1, but only with respect to statements or omissions, if any, made in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Corporation with respect to such Holder by or on behalf of such Holder expressly for inclusion in any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, as the case may be. If any action shall be brought against the Corporation or any other person so indemnified based on any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, and in respect of which indemnity may be sought against such Holder pursuant to this Section 6.2, such Holder shall have the rights and duties given to the Corporation and the Corporation and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 6.1.

6.3. CONTRIBUTION. To provide for just and equitable contribution, if (i) an Indemnified Party makes a claim for indemnification pursuant to Section 6.1 or 6.2 but it is found in a final judicial determination, not subject to further appeal, that such indemnification may not be enforced in such case, even though this Agreement expressly provides for indemnification in such case, or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act or otherwise, then the Corporation (including for this purpose any contribution made by or on behalf of any director of the Corporation, any officer of the Corporation who signed any such registration statement, any controlling person of the Corporation, and its or their respective counsel), as one entity, and the Holders of the Registrable Shares included in such registration in the aggregate (including for this purpose any contribution by or on behalf of an Indemnified Party), as a second entity, shall contribute to the losses, liabilities, claims, damages and expenses whatsoever to which any of them may be

subject, on the basis of relevant equitable considerations such as the relative fault of the Corporation and such Holders in connection with the facts which resulted in such losses, liabilities, claims, damages and expenses. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission, shall be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Corporation or by such Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Corporation and the Holder agree that it would be unjust and inequitable if the respective obligations of the Corporation and the Holders for the contribution were determined by pro rata or per capita allocation of the aggregate losses, liabilities, claims, damages and expenses (even if the Holder and the other indemnified parties were treated as one entity for such purpose) or by any other method of allocation that does not reflect the equitable considerations, referred to in this Section 6.3. In no case shall any Holder be responsible for a portion of the contribution obligation imposed on all Holders in excess of its pro rata share based on the number of Registrable Shares of by it and included in such registration as compared to the number of Registrable Shares owned by all Holders and included in such registration. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 6.3, each person, if any, who controls any Holder within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each officer, director, partner, employee, agent and counsel of each such Holder or control person shall have the same rights to contribution as such Holder or control person and each person, if any, who controls the Corporation within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Corporation who shall have signed any such registration statement, each director of the Corporation and its or their respective counsel shall have the same right to contribution as the Corporation, subject in each case to the provisions of this Section 6.3. Anything in this Section 6.3 to the contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 6.3 is intended to supersede any right to contribution under the Act, the Exchange Act or otherwise.

7. MISCELLANEOUS.

7.1. NOTICES. All notices, requests, demands or other communications provided for in this Agreement shall be in writing and shall be delivered by hand, sent prepaid by Federal Express (or a comparable overnight delivery service) or sent by the United States mail, certified, postage prepaid, return receipt request, to the following

If to the Corporation,

MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22201
Attention: David V. Mastran

If to the Executive,

Lynn P. Davenport
MAXIMUS, Inc.
36 Washington Street, #320
Wellesley, MA 02181-1904

Any notice, request, demand or other communication delivered or sent in the foregoing manner shall be deemed given or made (as the case may be) upon the earliest of (i) the date it is actually received, (ii) the business-day after the day on which it is delivered by hand, (iii) the business day after the day on which it is properly delivered to Federal Express (or a comparable overnight

delivery service), or (iv) the third business day after the date on which it is deposited in the United States mail. Either party may change its address by notifying the other party of the new address in any manner permitted by this paragraph. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not affect the date of such notice, election or demand sent in accordance with the foregoing provisions.

7.2. REMEDIES. The parties hereto further agree and acknowledge that any violation by the Executive of the terms hereof may result in irreparable injury and damage to the Executive, Corporation or its clients, as the case may be, which will not adequately be compensable in monetary damages, that the Corporation will have no adequate remedy at law therefor, and that the Corporation may obtain such preliminary, temporary or permanent mandatory or restraining injunctions, orders or decrees as may be necessary to protect it against, or on account of, any breach of the provisions contained in this Agreement.

7.3. NO OBLIGATION OF CONTINUED EMPLOYMENT AFTER TERMINATION OF SECTION 1. Except as set forth in Section 1 hereof, the Executive understands that this Agreement does not constitute a contract of employment or create an obligation on the part of the Corporation to continue the Executive's employment with the Corporation.

7.4. BENEFIT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the parties and their respective personal representatives, heirs, successors and assigns, provided this Agreement may not be assigned by either party without the consent of the other except that the Corporation may assign this Agreement in connection with the merger, consolidation or sale of all or substantially all of its business or assets. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

7.5. ENTIRE AGREEMENT. This Agreement supersedes all prior agreements, written or oral, with respect to the subject matter of this Agreement, including the Shareholder Agreement dated January 2, 1996.

7.6. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any of the provisions of this Agreement is held to be excessively broad, it shall be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

7.7. WAIVERS. No delay or omission by the Corporation in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Corporation on any occasion if effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7.8. CAPTIONS. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

7.9. GOVERNING LAW. This Agreement shall be construed as a sealed instrument and shall in all events and for all purposes be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia without regard to any choice of law principle that would dictate the application of the laws of another jurisdiction. Any action, suit or other legal proceeding which the Executive may commence to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Virginia (or, if appropriate, a federal court located within Virginia), and the Executive hereby consent to the jurisdiction of such court with respect to any action, suit or proceeding

commenced in such court by the Corporation. The Section headings are included

solely for convenience and shall in no event affect or be used in connection with, the interpretation of this Agreement.

THE EXECUTIVE HAS READ ALL OF THE PROVISIONS OF THIS AGREEMENT AND THE EXECUTIVE UNDERSTANDS, AND AGREES TO, EACH OF SUCH PROVISIONS. THE EXECUTIVE UNDERSTANDS THAT THIS AGREEMENT MAY AFFECT THE EXECUTIVE'S RIGHT TO ACCEPT EMPLOYMENT WITH OTHER COMPANIES SUBSEQUENT TO THE EXECUTIVE'S EMPLOYMENT WITH THE CORPORATION.

7.10. AMENDMENTS. No alterations or additions to this Agreement shall be binding unless in writing and signed by both the parties.

7.11. GENDERS. Whenever reasonably necessary, pronouns of any gender shall be deemed synonymous, as shall singular and plural pronouns.

7.12. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one instrument.

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

Lynn P. Davenport

MAXIMUS, INC.

By:

Name:
Title:

EXHIBIT A

FORM OF AGREEMENT TO BE BOUND

[DATE]

MAXIMUS, INC.
1356 Beverly Road
McLean, VA 22101

Ladies and Gentlemen:

Reference is made to the Executive Non-Compete, Confidentiality and Stock Restriction Agreement (the "Agreement") dated as of _____ __, 1997 between MAXIMUS, Inc. (the "Company") and Ilene R. Baylinson (the "Transferor").

The undersigned is the transferee of _____ shares of _____ Common Stock of the Corporation from the Transferor (the "Shares").

In consideration of the representations, covenants and agreements contained in the Agreement, the undersigned hereby confirms and agrees to be bound by all of the provisions of Section 3 of the Agreement applicable to the Transferor with respect to the Shares.

This letter shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to the conflicts of law rules of such state.

Very truly yours,

Exhibit 10.10

FORM OF
INDEMNIFICATION AGREEMENT

[Director]

This Agreement dated _____ __, 199_ is between MAXIMUS, Inc. (the "Company"), a Virginia corporation, and _____ (the "Indemnitee"), who is a director of the Company. Its purpose is to provide the maximum protection for the Indemnitee against personal liability arising out of his service to the Company so as to encourage the continuation of such service and the effective exercise of his business judgment in connection herewith.

The parties hereto agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings hereafter assigned to them:

(a) "CHANGE IN CONTROL" shall mean that the following has occurred: (i) there has been a change in control of the Company, not approved by a resolution of the Company's Board of Directors, of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any successor provision thereof, including in any event the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act) of beneficial ownership, directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities, (ii) followed within a period of not more than two years by a change in the identity of a majority of the members of the Company's Board of Directors otherwise than through death, disability or retirement in accordance with the Company's normal retirement policies.

(b) "CLAIM" shall mean any threatened, pending or completed action, suit or proceeding, or any inquiry or investigation, whether conducted by the Company or any other party, that the Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

(c) "EXPENSES" shall include attorneys' fees and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

(d) "INDEMNIFIABLE EVENT" shall mean any event or occurrence related to the fact that the Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership,

joint venture, employee benefit plan, trust or other enterprise, or by reason of anything done or not done by the Indemnitee in any such capacity.

(e) "POTENTIAL CHANGE IN CONTROL" shall mean that any of the following have occurred: (i) any person publicly announces an intention to take or to consider taking actions which if consummated might result in a Change in Control, (ii) any "person" (as such term is used in Section 13(d) and 14(d)(2) of the Exchange Act) acquires beneficial ownership, directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities, or (iii) the Company's Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(f) "REVIEWING PARTY" shall mean the person or body appointed by the Company's Board of Directors pursuant to SECTION 2(b) hereof, which shall not be or include a person who is a party to the particular Claim for which the Indemnitee is seeking indemnification.

2. BASIC INDEMNIFICATION ARRANGEMENT.

(a) If the Indemnitee was or is a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify the Indemnitee to the fullest extent permitted by law as soon as practicable but in any event no later than thirty days after written demand is presented to the Company,

against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of such Claim. If so requested by the Indemnitee, the Company shall advance (within two business days of such request) all Expenses to the Indemnitee (an "Expense Advance"). Notwithstanding anything in this Agreement to the contrary, prior to a Change in Control, the Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by the Indemnitee against the Company or any director or officer of the Company (otherwise than to enforce his rights under this Agreement) unless the Company has consented to the initiation of such Claim.

(b) In the event of any demand by the Indemnitee for indemnification hereunder or under the Company's Articles of Incorporation or By-laws, the Board of Directors of the Company shall designate a Reviewing Party, who shall, if there has been a Change of Control of the Company, be the special independent counsel referred to in SECTION 3 hereof. The obligations of the Company under SECTION 2(a) shall be subject to the condition that the Reviewing Party shall not have determined (in a written opinion, in any case in which the special independent counsel referred to in SECTION 3 hereof is involved) that the Indemnitee is not permitted to be indemnified under applicable law, and the obligation of the Company to make an Expense Advance pursuant to SECTION 2(a) shall be subject to the condition that, if, when and

to the extent that the Reviewing Party determines that the Indemnitee is not permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by the Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid. If the Indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that the Indemnitee may be indemnified under applicable law, any determination made by the Reviewing Party that the Indemnitee is not permitted to be indemnified under applicable law shall not be binding, and the Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect hereto (as to which all rights of appeal therefrom have been exhausted or lapsed). If there has been no determination by the Reviewing Party or if the Reviewing Party determines that the Indemnitee is not permitted to be indemnified in whole or in part under applicable law, the Indemnitee shall have the right to commence litigation in any court in the Commonwealth of Virginia having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and the Indemnitee.

3. CHANGE IN CONTROL. The Company agrees that if there is a Change in Control of the Company, then with respect to all matters thereafter arising concerning the rights of the Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or under the Company's Articles of Incorporation or By-laws now or hereafter in effect relating to Claims for Indemnifiable Events, the Company shall seek legal advice only from special independent counsel selected by the Indemnitee and approved by the Company (which approval shall not be unreasonably withheld) who has not otherwise performed services for the Company within the last ten years (other than in connection with such matters) or for the Indemnitee. Such counsel among other things, shall render its written opinion to the Company and the Indemnitee as to whether and to what extent the Indemnitee is permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the special independent counsel and to indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages relating to this Agreement or its engagement pursuant hereto.

4. ESTABLISHMENT OF TRUST. In the event of a Potential Change in Control, the Company may create a Trust for the benefit of the Indemnitee (either alone or together with one or more other indemnitees) and from time to time fund such Trust in such amounts as the Company's Board of Directors may determine to satisfy Expenses reasonably anticipated to be incurred in connection with investigating, preparing for and defending any Claim relating to an Indemnifiable Event, and all judgments, fines, penalties and settlement amounts of all Claims relating to an Indemnifiable Event from time to time paid or claimed, reasonably anticipated or proposed to be paid. The terms of any Trust established pursuant hereto shall provide that upon a Change in Control (i) the Trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee, (ii) the Trustee shall advance, within two business days of a request by the Indemnitee, all Expenses to the Indemnitee (and the Indemnitee hereby agrees to reimburse the Trust under the circumstances

under which the Indemnitee would be required to reimburse the Company under SECTION 2(b) of this Agreement), (iii) the Trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise, and (iv) all unexpended funds in such Trust shall revert to the Company upon a final determination by the Reviewing Party or a court of competent jurisdiction, as the case may be, that the Indemnitee has been fully indemnified under the terms of this Agreement. The Trustee shall be a person or entity satisfactory to the Indemnitee. Nothing in this Section 4 shall relieve the Company of any of its obligations under this Agreement.

5. INDEMNIFICATION FOR ADDITIONAL EXPENSES. The Company shall indemnify the Indemnitee against all expenses (including attorneys' fees) and, if requested by the Indemnitee, shall (within two business days of such request) advance such expenses to the Indemnitee, which are incurred by the Indemnitee in connection with any claim asserted against or action brought by the Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement, any other agreement or provision of the Company's Articles of Incorporation or By-laws now or hereafter in effect relating to Claims for Indemnifiable Events or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether the Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

6. PARTIAL INDEMNITY, ETC. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not for the total amount thereof, the Company shall indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled. Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee has been successful on the merits or otherwise in defense of Claims relating to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, the Indemnitee shall be indemnified against all Expenses incurred in connection therewith. In connection with any determination by the Reviewing Party or otherwise as to whether the Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish that the Indemnitee is not so entitled.

7. NO PRESUMPTION. For purposes of this Agreement, the termination of any claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

8. NON-EXCLUSIVITY, ETC. The rights of the Indemnitee hereunder shall be in addition to any other rights the Indemnitee may have under the Company's Articles of Incorporation and By-laws or the Virginia Stock Corporation Act or otherwise. To the extent that a change in the Virginia Stock Corporation Act (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Company's Articles of Incorporation and By-laws and this Agreement, it is the

intent of the parties hereto that the Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change.

9. LIABILITY INSURANCE. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, the Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent to the coverage available for any Company director or officer.

10. AMENDMENTS, ETC. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

11. SUBROGATION. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all such papers and do all such things as may be necessary or desirable to secure such rights.

12. NO DUPLICATION OF PAYMENTS. The Company shall not be liable under this Agreement to make any payment in connection with any claim made against the Indemnitee to the extent the Indemnitee has otherwise received payment (under any insurance policy, the Company's Articles of Incorporation, or the Company's By-laws or otherwise) of the amounts otherwise indemnifiable hereunder.

13. BINDING EFFECT, ETC. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business

or assets of the Company, spouses, heirs, and personal and legal representatives. This Agreement shall continue in effect regardless of whether the Indemnitee continues to serve as an officer or director of the Company or of any other enterprise at the Company's request.

14. SEVERABILITY. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.

15. GOVERNING LAW. This Agreement shall be governed by and construed and enforced in accordance with the laws of The Commonwealth of Virginia applicable to contracts made and to be performed in such commonwealth without giving effect to the principles of conflicts of law.

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

MAXIMUS, INC.

By: _____

Name:
Title:

_____
[Director]

Exhibit 10.11

MAXIMUS
HELPING GOVERNMENT SERVE THE PEOPLE

January 30, 1997

Mr. John M. Cannon
Crestar Bank
8245 Boone Boulevard
Vienna, Virginia 22182-3871

Re: Consents and Extension Request

Dear John:

MAXIMUS, Inc. (the "Borrower") currently has a $10,000,000.00 revolving line of credit (the "Line") with Crestar Bank (the "Bank"). The Line is evidenced by a commercial note (the "Note") dated April 10, 1996 and is governed by the letter agreement dated June 29, 1995, as amended by the letter amendment dated April 10, 1996 (collectively, the "Agreement"). The Borrower is writing to request (i) certain waiver and consents under the Note and Agreement in connection with the Borrower's proposed Offering (defined below) and (ii) an extension of the term of the Line. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Agreement and Note.

1. Request for Waiver and Consents

The Borrower anticipates making an initial public offering of its Common Stock in March 1997 (the "Offering"). In connection with and prior to the Offering, the Borrower will make a distribution to its current shareholders of all or a portion of the Borrower's retained earnings on which taxes have been paid, or will be due, to date (the "Distribution"). In order for the Borrower to effect both the Distribution and the Offering, the Bank needs to grant certain waiver and consents. By executing a copy of this letter the Bank agrees as follows:

1.1 Waiver of Notice and Consent to the Distribution: The Bank hereby waives the requirement, under subsection (h) of the Section entitled "Covenants" in the Agreement, that the Borrower must notify the Bank in writing, 60 days prior to the payment of the Distribution described in this letter. And, further, the Bank consents to such Distribution subject to (a) the Borrower closing the Offering simultaneously with the Distribution and (b) the Borrower's stockholders equity (as defined per GAAP) does not decline as a result of the Distribution and Offering.

1.2 Consent of the Offering to the Public: The Bank hereby consents to the Offering of shares of Common Stock of the Borrower to the public, which Offering shall not be deemed an event triggering default of the line under subsection (g), or any other subsection, of the section entitled "Default, Acceleration and Setoff" in the Note.

2. Request for an Extension of the Term of the Line

The Line is currently due to terminate on March 31, 1997 (the "Termination Date"). By Execution of this letter, the Bank agrees to the Termination Date of the line, as defined in the second paragraph of the Agreement, to mean April 30, 1997.

Please execute a copy of this letter in the space provided below.

Sincerely,

MAXIMUS, Inc.

By: /s/ F. Arthur Nerret

Title: Chief Financial Officer

Accepted and Agreed:

Crestar Bank

By: /s/ John M. Cannon

Title: Vice President

MAXIMUS

Crestar Bank
8245 Boone Boulevard
Vienna, VA 22182-3871

April 10, 1996

Mr. David V. Mastran
Chief Executive Officer
MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22101

Dear David:

The purpose of this letter amendment (the Amendment) is to amend certain provisions of the letter agreement, dated June 29, 1995 (as amended from time to time, the Agreement), between Crestar Bank, a Virginia banking corporation (the Bank), and MAXIMUS, Inc., a Virginia corporation (the Borrower). Terms defined in the Agreement shall have the same defined meanings when such terms are used in this Amendment.

The Borrower has requested that the Bank amend certain terms of the Agreement. The Bank has agreed to do so, subject to the terms and conditions of this Amendment. Accordingly, by signing below, the Bank and the Borrower agree as follows:

1. The first sentence of the first paragraph of the Agreement is deleted in its entirety and is replaced with the following language:

> "Crestar Bank (the BANK) is pleased to advise you that it has established a $10,000,000 revolving line of credit (the LINE), under which up to $5,000,000 in letters of credit (the LC SUBFACILITY) may be issued, for MAXIMUS, Inc., a Virginia corporation (the BORROWER), subject to the terms, covenants and conditions set forth in this letter agreement (as amended from time to time, the AGREEMENT)."

2. The second paragraph of the Agreement, entitled "AMOUNT," is deleted in its entirety and is replaced with the following language:

> "AMOUNT. The aggregate principal amount of Advances under the Line outstanding at any time shall not exceed the lesser of the Borrowing Base or $10,000,000 (the MAXIMUM AMOUNT); provided, however, that the Maximum Amount shall be reduced by an amount equal to the aggregate of the face amounts of the Letters of Credit, whether such Letters of Credit are now outstanding or hereafter issued. Within this limit, the Borrower may borrow, repay and reborrow until

March 31, 1997 (the TERMINATION DATE); provided, however, that no Advance shall be disbursed and no Letter of Credit shall be issued by the Bank if, after such disbursement or issuance, the aggregate outstanding principal amount of the Advances and the aggregate outstanding face amounts of the Letters of Credit would exceed the Borrowing Base. The Borrower shall immediately prepay the Advances to the extent that the aggregate outstanding principal amount of the Advances and the aggregate outstanding face amounts of the Letters of Credit exceed the Borrowing Base at any time, and if no Advances are then outstanding, the Borrower shall cash collateralize any Letter of Credit exceeding the then-applicable Borrowing

Base in a manner satisfactory to the Bank. The Bank in its sole discretion may continue to make Advances or issue Letters of Credit after the Termination Date, but it shall have no obligation to do so. Advances made or Letters of Credit issued after the Termination Date on any one or more occasions shall not be deemed to be an extension of the Termination Date and shall not obligate the Bank to make Advances or issue Letters of Credit on any subsequent occasion. The Bank shall have the right to cancel the Line at any time upon written notice to the Borrower given at least 30 days prior to the effective date of such cancellation. Any Advances made or Letters of Credit issued subsequent to the giving of such notice shall be made in the sole and absolute discretion of the Bank."

3. The third paragraph of the Agreement, entitled "INTEREST," is deleted in its entirety and replaced with the following language:

"INTEREST. Advances shall bear interest at a per annum rate equal to LIBOR plus 2.00%. Accrued interest shall be payable monthly, in arrears, on the first day of each month, and on the Termination Date. Interest shall be calculated on the basis of a year of 360 days and for actual days elapsed."

4. The fifth paragraph of the Agreement, entitled "LC FACILITY," together with its caption, is deleted in its entirety and replaced with the following language:

"LC SUBFACILITY. The Borrower may request that the Bank issue Letters of Credit for the account of the Borrower from time to time prior to the Termination Date, the aggregate principal face amounts of which shall not exceed $5,000,000 at any one time outstanding; provided, however, that no Letter of Credit will be issued by the Bank if, after such issuance, the aggregate principal amount of the outstanding Advances and the aggregate outstanding face amounts of the Letters of Credit would exceed the Borrowing Base. The purpose, form and substance of each Letter of Credit must be acceptable to the Bank. Unless otherwise approved by the Bank in its sole discretion, the initial term of a Letter of Credit shall not exceed 12 months and may be renewable annually thereafter, subject to the Bank's prior cancellation of such Letter of Credit, in its sole discretion, within 30 days prior to the anniversary date of the issuance of such Letter of Credit. At least three days prior to the issuance of a Letter of Credit, the Borrower shall execute and deliver to the Bank an Application and Agreement for Irrevocable Standby

Letter of Credit on the Bank's standard form. The Bank shall be reimbursed on demand by the Borrower for any draws paid by the Bank under a Letter of Credit, together with interest from the date of such demand at the Prime Rate. Subject to the terms of this Agreement, the Borrower may use the proceeds of an Advance to pay any Indebtedness arising out of a Letter of Credit. The Borrower shall pay (a) a nonrefundable commission to the Bank for each Letter of Credit, payable quarterly in advance, beginning on the date of issuance of each Letter of Credit and on the first day of each calendar quarter thereafter, equal to (1) 1.25% per annum of the face amount if such Letter of Credit is not cash collateralized, and (2) 0.75% per annum of the face amount if such Letter of Credit is cash collateralized in a manner satisfactory to the Bank, and (b) a non-refundable opening fee for all Letters of Credit of $200, payable in advance on the date of issuance of each Letter of Credit."

5. The tenth paragraph of the Agreement, entitled "LC FACILITY FEE," together with its caption, is deleted in its entirety and replaced with the following language:

"LC SUBFACILITY FEE. The Borrower agrees to pay to the Bank a subfacility fee of $2,500 per year, due at closing and on any renewal of the LC Subfacility."

6. Subclause (j)(2) of the thirteenth paragraph of the Agreement, entitled "COVENANTS," is deleted in its entirety and replaced with the following language:

"(2) Tangible Net Worth of not less than $10,500,000, and"

7. The definition of "Indebtedness" contained in the SCHEDULE OF DEFINITIONS to the Agreement is deleted in its entirety and replaced with the following language:

"`Indebtedness' means all indebtedness, liabilities and obligations of the Borrower to the Bank, whether now existing or arising in the future, direct or indirect, fixed or contingent, whether related or unrelated to the Line or the LC Subfacility, and whether of a similar or different class, including, without limitation, overdrafts, guaranties and obligations to reimburse the Bank for amounts paid by it under Letters of

Credit."

8. The following definition is added to the SCHEDULE OF DEFINITIONS to the Agreement:

"`LIBOR' shall have the meaning given such term in EXHIBIT A attached to the Note."

9. Simultaneously with the execution of this Amendment, the Borrower agrees to execute and deliver to the Bank a new Note, in the principal amount of $10,000,000 and otherwise in form and substance satisfactory to the Bank. Each reference in the Agreement and any other Loan Document to the Note shall be a reference to the Note as amended,

restated and replaced by the Note required hereunder, and each reference in the Loan Documents to the Agreement shall be deemed to be a reference to the Agreement as amended hereby. Except for these amendments, the remaining terms of the Agreement and other Loan Documents shall remain in full force and effect, and are ratified and affirmed by the Borrower in all respects.

10. The Borrower represents and warrants that this Amendment has been duly authorized, executed and delivered by it in accordance with resolutions adopted by its board of directors. All other representations and warranties made by the Borrower in the Loan Documents are incorporated by reference in this Amendment and are deemed to have been repeated as of the date of this Amendment with the same force and effect as if set forth in this Amendment, except that any representation or warranty relating to any financial statements shall be deemed to be applicable to the financial statements most recently delivered to the Bank in accordance with the provisions of the Loan Documents.

11. The Borrower acknowledges and agrees that this Amendment and the new Note required by paragraph 9 above only amend certain terms of the Loan Documents and do not effect a novation, and the Borrower ratifies and confirms the terms and provisions of, and its obligations under, the Agreement and each other Loan Document in all respects. The Borrower acknowledges and agrees that (a) there are no defenses, counterclaims or setoffs against any of its obligations under the Loan Documents, and (b) the prior grant of a security interest in the Collateral created by the Security Agreement continues to secure the Indebtedness (including, but not limited to, the new Note required by paragraph 9 above), is in full force and effect, and is ratified and confirmed by the Borrower in all respects.

12. The Borrower agrees to pay all reasonable attorney's fees and expenses incurred by the Bank in connection with this Amendment.

13. This Amendment shall be governed by the laws of the Commonwealth of Virginia, without reference to conflict of laws principles.

Please sign below to indicate your acceptance of these terms and return an executed copy of this Amendment to me by April 26, 1996. Upon our receipt of the executed copy, this Amendment will become a binding agreement between the Bank and the Borrower.

Sincerely yours,

CRESTAR BANK

By: /s/ John M. Cannon

John M. Cannon
Vice President

ACCEPTED AND AGREED as of April 10, 1996

BORROWER:
- --------

MAXIMUS, INC.

By: /s/ David V. Mastran

David V. Mastran
Chief Executive Officer

By: /s/ Raymond B. Ruddy

Raymond B. Ruddy
Chairman of the Board

Crestar Bank
8245 Boone Boulevard
Vienna, VA 22182-3871

June 29, 1995

Mr. David V. Mastran
Chief Executive Officer
MAXIMUS, Inc.
1356 Beverly Road
McLean, Virginia 22101

Dear David:

Crestar Bank (the BANK) is pleased to advise you that it has established a $5,000,000 revolving line of credit (the Line) and a $5,000,000 letter of credit facility (the LC Facility) for MAXIMUS, Inc., a Virginia corporation (the BORROWER), subject to the terms, covenants and conditions set forth in this letter agreement (as amended from time to time, the AGREEMENT). Certain capitalized terms used in this Agreement are defined on the attached Schedule of Definitions.

AMOUNT. The aggregate principal amount of Advances under the Line outstanding at any time shall not exceed the lesser of the Borrowing Base or $5,000,000. Within this limit, the Borrower may borrow, repay and reborrow until March 31, 1996 (the TERMINATION DATE); provided, however, that no Advance shall be disbursed and no Letter of Credit shall be issued by the Bank if, after such disbursement or issuance, the aggregate principal amount of the Advances and 50% of the outstanding face amounts of the Letters of Credit would exceed the Borrowing Base. The Bank may in its sole discretion continue to make Advances after the Termination Date, but it shall have no obligation to do so. Advances made after the Termination Date on any one or more occasions shall not be deemed to be an extension of the Termination Date and shall not obligate the Bank to make Advances on any subsequent occasion. The Bank shall have the right to cancel the Lien at any time upon written notice to the Borrower given at least 30 days prior to the effective date of such cancellation. Any Advances subsequent to the giving of such notice shall be made in the sole and absolute discretion of the Bank.

INTEREST. Advances shall bear interest at a per annum rate equal to the Prime Rate. Accrued interest shall be payable monthly, in arrears, on the first day of each month, and on the Termination Date. Interest shall be calculated on the basis of a year of 360 days and for actual days elapsed. The interest rate shall be adjusted daily when and as the Prime Rate is changed.

USE OF PROCEEDS. The proceeds of Advances shall be used to pay current operating expenses, carry accounts receivable and for other short-term working capital needs of the Borrower.

LC FACILITY. The Borrower may request that the Bank issue Letters of Credit for the account of the Borrower from time to time prior to the Termination Date, the aggregate principal face amounts of which shall not exceed $5,000,000 at any one time outstanding; provided, however, that no Letter of Credit will be issued by the Bank if, after such issuance, the aggregate principal amount of the outstanding Advances and 50% of the outstanding face amounts of the Letters of Credit would exceed the Borrowing Base. The purpose, form and substance of each Letter of Credit must be acceptable to the Bank. Unless otherwise approved by the Bank in its sole discretion, the initial term of a Letter of Credit shall not exceed 12 months and may be renewable annually thereafter subject to the Bank's cancellation of such Letter of Credit, in its sole discretion, within 30 days prior to the anniversary date of the issuance of such Letter of Credit. At least three days prior to the issuance of a Letter of Credit, the Borrower shall execute and deliver an Application and Agreement for Irrevocable Standby letter of Credit on the Bank's standard form. The Bank shall be reimbursed on demand by the Borrower for any draws paid by the Bank under a

Letter of Credit, together with interest from the date of such demand at the Prime Rate. The Borrower shall pay a nonrefundable commission to the Bank for each Letter of Credit equal to (a) 1.50% per annum of the face amount if such Letter of Credit is not cash collateralized, and (b) 0.75% per annum of the face amount if such Letter of Credit is cash collateralized in a manner satisfactory to the Bank, such fees, as applicable, to be payable quarterly in advance on the date of issuance and each quarter thereafter and a non-refundable opening fee for all Letters of Credit of $200.

PREPAYMENTS. The Borrower shall immediately prepay the Advances to the extent that the aggregate unpaid principal balance of the Advances plus 50% of the outstanding face amounts of the Letters of Credit at any time exceeds the Borrowing Base. If, after prepayment of all advances, 50% of the aggregate outstanding face amount of the Letters of Credit exceeds the Borrowing Base, the Borrower, within seven days of the Bank's demand therefor, shall pledge cash collateral to the Bank in an amount equal to the difference between 50% of the aggregate face amount of the Letters of Credit then outstanding and the Borrowing Base, and any such cash deposited by the Borrower shall be held by the Bank in the Cash Collateral Account.

PAYMENTS. Advances shall be repaid on demand, or if demand is not sooner made, on the Termination Date. The Borrower agrees that the Bank may demand payment even if an Event of Default has not occurred.

COLLATERAL. The Indebtedness shall be secured by a security interest in all accounts, chattel paper, general intangibles, instruments and inventory of the Borrower, as described in the Security Agreement.

ADMINISTRATIVE FEE. The Borrower agrees to pay to the Bank an audit and administrative fee of $2,500 per year, due at closing and on any renewal of the Termination Date.

LC FACILITY FEE. The Borrower agrees to pay to the Bank a facility fee of $2,500 per year, due at closing and on any renewal of the LC Facility.

CONDITIONS. The following are conditions precedent to each advance or the issuance of each Letter of Credit:

(a) LOAN DOCUMENTS. Receipt by the Bank of all Loan Documents, duly executed by all applicable parties;

(b) ORGANIZATIONAL DOCUMENTS. Receipt by the Bank of certified copies of resolutions and organizational documents of the Borrower, a certificate as to the incumbency and signatures of the authorized officers or representatives of the Borrower, and current good standing certificates issued by the appropriate public officials in the Borrower's state of formation and each jurisdiction in which it does business;

(c) PERFECTION. Financing statements perfecting the Bank's security interest in the Collateral shall be filed, all conflicting financing statements shall be terminated and all other actions required by the Bank to perfect its Liens in the Collateral shall be completed to the Bank's satisfaction.

(d) INSURANCE. Receipt by the Bank of certificates or policies of insurance confirming that all insurance required by the Loan Documents has been obtained;

(e) COLLATERAL/SYSTEMS REPORT. Completion by the Bank of a satisfactory examination report of the Collateral and the Borrower's systems;

(f) LANDLORD WAIVERS. Receipt by the Bank of such landlord and mortgagee waivers as it deems to be necessary to protect its security interest in the Collateral;

(g) SATISFACTORY DOCUMENTS. All documents, certificates and opinions delivered under this Agreement must be in form and substance satisfactory to the Bank and its counsel; and

(h) NO DEFAULTS. No default shall be continuing.

REPRESENTATIONS AND WARRANTIES. In order to induce the Bank to extend credit to the Borrower, the Borrower represents and warrants as follows:

(a) EXECUTION OF DOCUMENTS. The Borrower has the power and has taken all of the necessary actions to execute, deliver and perform the terms of the Loan Documents. When executed and delivered, the Loan Documents will be binding obligations of the Borrower, enforceable in accordance with their terms and will not violate any provisions of law or conflict with, result in a breach of or constitute a default under the organizational documents of the Borrower or under any other agreement to which the Borrower is a party.

(b) FINANCIAL STATEMENTS. All financial statements and information delivered to the Bank by the Borrower in connection with this Agreement are correct and complete and present fairly the financial condition, and reflect all known liabilities, contingent or otherwise, of the Borrower as of the dates of such statements and information, were prepared in accordance with GAAP in the case of the Borrower and, since such dates, no material adverse change in the assets, liabilities, financial condition, business or operations of the Borrower has occurred.

(c) NO LITIGATION. There is no action, suit or proceeding pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that may, either in any case or in the aggregate, result in any material adverse change in the business, properties or assets or in the condition, financial or otherwise, of the Borrower, or that may result in any material liability on the part of the Borrower.

(d) DEBARMENT. No event has occurred and no condition exists that is likely to result in the debarment or suspension of the Borrower from any Government Contracts, and the Borrower has not, nor has any Affiliate, been subject to any such debarment or suspension.

(e) COMPLIANCE WITH LAWS. The Borrower is in compliance in all material respects with all federal, state and local laws, regulations and ordinances.

(f) DEBT. The Borrower is not in default with respect to any debt.

(g) SUBSIDIARIES. The Borrower does not have any subsidiaries.

COVENANTS. In consideration of credit extended or to be extended by the Bank, the Borrower covenants and agrees that, unless the Bank otherwise consents in writing:

(a) FINANCIAL REPORTING REQUIREMENTS. The Borrower shall deliver to the Bank (1) within 90 days after the close of each of its fiscal years, audited financial statements of the Borrower, prepared in accordance with GAAP, including a balance sheet, income statement, statements of stockholders' equity and of cash flows, prepared by an independent certified public accounting firm acceptable to the Bank and accompanied by an unqualified opinion of such firm; (2) within 30 days after the end of each calendar month (I) unaudited financial statements of the Borrower, including a balance sheet and income statement, prepared in accordance with GAAP, except as it relates to the Borrower's practice of accruing undeclared dividends, (ii) an appropriately completed Borrowing Base Certificate setting forth a calculation of the Borrowing Base as of the end of the preceding calendar month, (iii) agings of accounts receivable of the Borrower, and (iv) a report listing by contract any Billings in Excess of Cost and Cost in Excess of Billings for work under the Borrower's contracts; (3) within 30 days after the end of each calendar quarter, a Covenant Compliance Certificate of the Borrower's chief financial officer and status and backlog reports relating to the Borrower's contracts; (4) promptly upon receipt, copies of any reports submitted to the Borrower by its independent certified public accountants in connection with examinations of the Borrower's financial statements; and (5) such other information concerning the Collateral or the financial condition of the Borrower as the Bank from time to time may reasonably request. All financial statements and reports shall be in form and detail

acceptable to the Bank and shall be certified to be accurate by a duly authorized officer of the Borrower.

(b) NOTICES. The Borrower shall furnish to the Bank prompt written notice of (1) the occurrence of each Default or an Event of Default, (2) the institution of any material litigation concerning the Borrower, (3) any final decision of a contracting officer disallowing costs aggregating more than $75,000 with respect to a Government Contract, and (4) any material modifications to, or any termination of, any contract or agreement relating to any Eligible Receivables.

(c) COLLATERAL/SYSTEMS EXAMINATIONS. The Bank shall have the right to perform Collateral and systems examinations from time to time in accordance with its standard procedures.

(d) COMPLIANCE WITH LAWS. The Borrower shall comply with all applicable laws and regulations and shall pay all taxes, assessments or governmental charges lawfully levied or imposed on or against it or any of its properties. The Borrower shall not take any action that would result in the

debarment or suspension of the Borrower from contracting with the Government.

(e) LIENS. The Borrower shall not permit any Lien to attach to any of its assets other than Permitted Liens.

(f) GUARANTIES. The Borrower shall not guarantee, endorse, become contingently liable upon or assume the obligations of any Person, except by the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

(g) DEBT. The Borrower shall not permit to exist any debt other than Permitted Debt.

(h) DIVIDENDS AND DISTRIBUTIONS. The Borrower shall notify the Bank in writing 60 days prior to (1) the declaration or payment of any dividend or any other distribution to its equity owners or (2) the issuance, redemption, repurchase or retirement of any of its equity interests; provided, however, that if the Borrower is a Subchapter S Corporation, a limited liability company or a limited partnership, the Borrower may without notification pay distributions to its equity owners in amounts sufficient to allow such owners to pay income taxes on their respective shares of the net taxable income of the Borrower.

(i) LOANS AND INVESTMENTS. Without the Bank's consent, the Borrower shall not make or permit to exist any loans to, or debt or equity investments in, acquire all or substantially all of the assets of, or merge or consolidate with any Person, other than accounts receivable that arise in the ordinary course of business. This not withstanding, the Borrower may make advances or loans of up to $100,000 to any individual shareholder as long as the total sum of all such outstanding advances or loans does not exceed $500,000 at any one time.

Without limiting the generality of the foregoing, the Borrower shall not acquire or form any subsidiary, enter into any joint venture agreement, or become a partner in any partnership; provided that, with the consent of the Bank, the Borrower may enter into joint venture or teaming agreements with other Persons to perform contracts.

(j) FINANCIAL COVENANTS. The Borrower shall maintain at all times (1) a ratio of current assets to current liabilities of not less than 1.25 to 1, (2) Tangible Net Worth of not less than $8,500,000, and (3) a ratio of total liabilities to Tangible Net Worth of not more than 1.75 to 1.

(k) KEY MAN LIFE INSURANCE. The Borrower shall maintain life insurance in an amount acceptable to the Bank on David V. Mastran and Raymond B. Ruddy with the Borrower as the beneficiary.

DEFAULT. Upon the occurrence of an Event of Default, any obligation of the Bank to make Advances or issue Letters of Credit shall terminate and the Bank, at its option, by written notice to the Borrower, may declare all Indebtedness to the Bank to be immediately due and payable. Upon the occurrence of an Event of Default, the Bank also may require the Borrower to pay, and the Borrower agrees to pay, to the Bank an amount of cash equal to the aggregate face amount of the Letters of Credit then outstanding, and any amounts paid by the Borrower shall be held by the Bank in the Cash Collateral Account.

ACCOUNTING TERMS. Each accounting term used in this Agreement, not otherwise defined, will have the meaning given to it under GAAP as in effect on the date of this Agreement, applied on a consistent basis.

NOTICES. All notices, requests, demands or other communications provided for in this Agreement or any other Loan Document shall be in writing and shall be delivered by hand, sent prepaid by a recognized overnight delivery service or sent by the United States mail, certified, postage prepaid, return receipt requested, to the Bank or to the Borrower at their addresses set forth in this Agreement.

SUCCESSORS AND ASSIGNS. This Agreement will be binding upon and inure to the benefit of the Bank and the Borrower, and their respective successors and assigns, provided that the Borrower may not assign or transfer its rights under this Agreement.

SOLE AGREEMENT. This Agreement and the other Loan Documents represent the entire agreement between the Bank and the Borrower, and supersede all prior commitments and may be modified only by an agreement in writing. The other Loan Documents shall contain such terms as the Bank customarily requires for financings of the type described in this Agreement.

SURVIVAL OF AGREEMENT. All terms contained in this Agreement shall survive the delivery of this Agreement and the other Loan Documents, the making of the Advances and the issuance of the Letters of Credit and shall remain in full

force and effect until the Indebtedness is fully discharged.

GOVERNING LAW. This Agreement will be governed by the laws of the Commonwealth of Virginia, without reference to conflict of laws principles.

EXPENSES. Whether or not any Advances are made or Letters of Credit issued under this Agreement, the Borrower shall pay all out-of-pocket expenses incurred by the Bank in connection with the preparation of this Agreement and the other Loan Documents and the transactions contemplated by this Agreement.

COUNTERPARTS. This Agreement may be executed in counterparts, and all such counterparts together shall constitute one and the same Agreement.

The Borrower may accept this Agreement by signing below and returning an executed copy to the Bank prior to July 21, 1995. Upon receipt by the Bank of such executed copy prior to such date, this Agreement will become a binding agreement between the Bank and the Borrower.

Sincerely yours,

CRESTAR BANK

By: /s/ John M. Cannon

John M. Cannon
Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

ACCEPTED: July 10, 1995

MAXIMUS, INC., a Virginia Corporation

By: /s/ David V. Mastran	By: /s/ Raymond B. Ruddy 7/5/95
Name: David V. Mastran	Name: Raymond S. Ruddy
Title: Chief Executive Officer	Title: Chairman of the Board

SCHEDULE OF DEFINITIONS

The following terms shall have the meanings set forth below when such terms are used in the Loan Documents:

"Advance" means any advance of funds under the Line.

"Affiliate" means any Person in which the Borrower has an ownership interest, whether direct or indirect, and any joint venture to which the Borrower is a party.

"At-Risk Work" means work performed under Government Contracts, or any other contract, (a) for which funds have not been appropriated and allocated, (b) that have not been awarded or (c) for which all required contract documents, including any documents required to modify or renew a contract previously awarded, have not been executed.

"Bonded Receivables" means any account receivable arising out of a contract under which the performance of the Borrower is guaranteed by a surety bond.

"Borrowing Base" means, at the time in question, 90% of Eligible Receivables.

"Borrowing Base Certificate" means a certificate of the Borrower containing a computation of the Borrowing Base and certifying that no Default has occurred and is continuing, in form and substance satisfactory to the Bank.

"Cash Collateral Account" means an account established with the Bank in the name of the Borrower, over which the Bank has the exclusive right of withdrawal, which account serves as additional security for the repayment of the Indebtedness.

"Collateral" means any real or personal property securing any Indebtedness at any time.

"Contras" means any account receivable of the Borrower that is due from a Customer to whom the Borrower is indebted.

"Covenant Compliance Certificate" means a certificate setting forth calculations and otherwise reflecting compliance by the Borrower with the covenants in the Loan Documents, in form and substance acceptable to the Bank.

"Customer" means any Person obligated on an account receivable of the Borrower.

"Default" means any Event of Default or any event that with the giving of notice, or lapse of time, or both, would constitute an Event of Default.

"Eligible Receivables" means such accounts receivable of the Borrower that are and at all times continue to be acceptable to the Bank in all respects. Criteria for eligibility shall be fixed and revised by the Bank from time to time in its sole discretion. In general, an account receivable shall not be an Eligible Receivable unless (a) it represents a valid obligation of the Customer to pay for goods sold or services rendered, (b) it has been appropriately billed in accordance with the terms of the applicable contract and no more than 90 days have elapsed from the initial invoice date, (c) the goods or services have been finally accepted by the Customer, (d) all payments, setoffs, bad debt reserves, discounts, allowances and credits have been deducted, (e) it conforms to the representations and warranties contained in the Security Agreement, (f) the Customer is not an Affiliate, a foreign Person or a creditor of the Borrower, (g) the Bank is satisfied with the credit standing of the Customer ,and (h) if it arises out of a Government Contract, such receivable arises out of a Government Contract on which the borrower is the prime contractor. Eligible Receivables shall not include At-Risk Work, Bonded Receivables that are not subordinated to the Bank on terms acceptable to the Bank, Contras, cost overruns, progress payments, costs incurred in excess of approved or allowed billing rates, rebillings or retainages. No Eligible Receivable shall be included in more than three month-end Borrowing Base calculations.

"Event of Default" means the occurrence of a default or event of default under any Loan Document after the expiration of all applicable grace periods.

"FACA" means, collectively, the Federal Assignment of Claims Act of 1940, as amended, 31 U.S.C. ss. 3727, 41 U.S.C. ss. 15, any applicable rules, regulations and interpretations issued pursuant thereto, and any amendments to any of the foregoing.

"GAAP" means generally accepted accounting principles consistently applied.

"Government" means the United States of America and any of its departments and agencies.

"Government Contracts" means any contract with the Government under which the Borrower is the prime contractor or a subcontractor.

"Indebtedness" means all indebtedness, liabilities and obligations of the Borrower to the Bank, whether now existing or arising in the future, direct or indirect, fixed or contingent, whether related or unrelated to the Line or the LC Facility, and whether of a similar or different class, including, without limitation, overdrafts, guaranties and obligations to reimburse the Bank for amounts paid by it under letters of credit issued by the Bank for the account of the Borrower.

"Letter of Credit" means, collectively and individually, any letter of credit issued by the Bank for the account of the Borrower pursuant to the Agreement, as any of the same may be amended, modified or supplemented, renewed or extended from time to time.

"Lien" means any mortgage, deed of trust, assignment, pledge, lien, security interest, charge or encumbrance of any kind or nature, including the interest of a lessor under a capitalized lease.

"Loan Documents" means the Agreement, the Note, the Security Agreement and any other document that evidences, secures, governs or otherwise relates to any of the Indebtedness, including, without limitation, any letter of credit application and agreement,

negative pledge agreement, deed of trust, mortgage security agreement, pledge agreement or assignment.

"Note" means a promissory note, on the Bank's standard form, in the principal amount of the Line, made by the Borrower, and evidencing the obligation of the Borrower to repay the Advances, together with accrued interest, and any amendments to or replacements of such promissory note.

"Permitted Debt" means (a) the Indebtedness, (b) purchase money financing and capitalized lease obligations for fixed assets not exceeding $250,000 in the aggregate outstanding at any time, (c) Subordinated Debt, and (d) ordinary and customary trade accounts payable.

"Permitted Liens" means (a) Liens securing the Indebtedness, and (b) Liens securing any purchase money financing or capitalized lease obligations described in the definition of Permitted Debt.

"Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, governmental subdivision or agency or any other entity of any nature.

"Prime Rate" means the rate established by the Bank from time to time and recorded in its Credit Administration Division as a reference for fixing the lending rate on certain commercial loans. The Prime Rate is not necessarily the lowest or most favorable interest rate charged by the Bank.

"Security Agreement" means a security agreement from the Borrower on the Bank's standard form, creating a first priority security interest in the Collateral.

"Subordinated Debt" means debt of the Borrower subordinated to the Indebtedness on terms acceptable to the Bank.

"Tangible Net Worth" means, at any time, amounts that would be included under stockholders' equity on the balance sheet of the Borrower in accordance with GAAP consistently applied, provided that, in any event, such amounts are to be net of amounts carried on the books of the Borrower for (1) any write-up in the book value of any assets of the Borrower resulting from a revaluation subsequent to the date of this Agreement, (2) treasury stock, (3) unamortized debt discount expense, (4) any cost of investments in excess of net assets acquired at any time of acquisition by the Borrower, (5) loans, advances or other amounts owed to the Borrower by any Affiliate or investments in any Affiliate, (6) unmarketable securities, and (7) patents, patent applications, copyrights, trademarks, trade names, goodwill, research and development costs, organizational expenses, capitalized software costs and other like intangibles.

EXHIBIT A

INTEREST RATE PROVISIONS

THIS EXHIBIT A is attached to and forms a part of that certain Commercial Note (as amended, modified, supplemented or replaced from time to time, the

Note), dated April 10, 1996, in the principal amount of $10,000,000 made by MAXIMUS, INC., a Virginia corporation (the Borrower), and payable to the order of CRESTAR BANK, a Virginia banking corporation (the Bank). Terms defined in the Note and not otherwise defined in Paragraph 5 below shall have the same defined meanings when such terms are used herein.

1. INTEREST RATE. On the terms and subject to the conditions set forth below and in the Agreement, any amounts outstanding, or to be disbursed, under the Note shall bear interest at a per annum rate equal to LIBOR plus 2.00% (the LIBOR Option). Interest based on the LIBOR Option shall be adjusted on the first day of each calendar month, beginning on May 1, 1996, to reflect LIBOR then in effect (each, an Interest Period). Notwithstanding any contrary provision of the note or this EXHIBIT A, interest shall be calculated on the basis of the Prime Rate if (i) the Bank, in good faith, is unable to ascertain the LIBOR Option by reason of circumstances then affecting the applicable money market or otherwise, (ii) dollar deposits are not available in the applicable money market or are not available in sufficient quantities for the Bank, in its sole discretion, to ascertain the LIBOR Option, (iii) in the sole judgment of the Bank, it becomes unlawful or impracticable for the Bank to maintain loans based upon the LIBOR Option for any reason, including, without limitation, the introduction of or any change in any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive (whether or not having the force of law) of any such authority, or (iv) the Bank, in good faith, determines that it is impracticable to maintain loans based on the LIBOR Option because of increased taxes, regulatory costs, reserve requirements, expenses or any other costs or charges that affect such interest rate option. Upon the occurrence of any of the above events, the outstanding principal balance of the Note immediately (or at any time thereafter at the option of the Bank), without further action of the Borrower or the Bank, shall accrue interest at the Prime Rate, adjusted on the same days on which the Bank changes its Prime Rate.

2. ADVANCES. The Borrower authorizes the Bank to make advances under the Note from time to time in amounts sufficient to pay checks drawn on the Borrower's operating account with the Bank, subject to the limitations set forth in the paragraph entitled, "Amount," in the Agreement. In addition, the Borrower may request an advance under the Note (each, a Request) by telephonic notice to the Bank no later than 10:00 a.m. (Washington, D.C. time) on the Business Day on which such advance is to be made. If required by the Bank, Requests made by telephone shall be confirmed in writing and delivered to the Bank within three Business Days after the date of the Request.

3. PREPAYMENTS. The Borrower may prepay amounts owing under the Note at any time and from time to time, without premium or penalty.

4. INDEMNITY. The Borrower agrees to indemnify the Bank and to hold the Bank harmless from, and to reimburse the Bank on demand for, any loss, cost, liability or expense that the Bank may sustain or incur as a result of (a) any failure by the Borrower to make a borrowing or prepayment after the Borrower has given notice thereof, if applicable, including, without limitation, any loss incurred in liquidating or employing deposits from third parties and loss of profit for the period after failure to borrow or prepay, or (b) any domestic or foreign taxes, regulatory costs, reserve requirements, assessments, expenses or other costs or charges that increase the cost to the Bank of making available to the Borrower funds at the LIBOR Option. A written statement of the Bank to the Borrower of such loss or expense shall be conclusive and binding, absent manifest error, for all purposes. Notwithstanding the foregoing, the Bank may require by notice to the Borrower that the Borrower pay directly to the appropriate governmental authority any tax, levy, impost or any other charge of any nature whatsoever as set forth herein in lieu of reimbursing the Bank for said costs and expenses. This covenant shall survive repayment of the Note and payment by the Borrower of all obligations arising under this EXHIBIT A.

5. DEFINED TERMS. The following terms as used in this EXHIBIT A shall have the following meanings:

AGREEMENT means the letter agreement dated June 29, 1995, between the Borrower and the Bank, as the same may be amended, modified or supplemented from time to time.

BUSINESS DAY shall mean a day on which commercial banks are open for business and dealing in deposits in Washington, D.C., Richmond, Virginia, and New York, New York.

LIBOR shall mean the rate per annum quoted by the Bank from time to time, as determined by the Bank based upon the rates of interest at which one-month deposits would be offered to the Bank, in the amount of the aggregate outstanding principal balance of the Note (as adjusted upwards, if necessary, if such adjustment is required for the Bank to determine such rate) at the LIBOR

Option, by major banks in the London or Nassau inter- bank market (whichever is greater) upon request of such banks at 11:00 a.m. (London or Nassau time, as the case may be) on the day that is two Business Days prior to the first day of each Interest Periods, as adjusted from time to time in the Bank's sole discretion, for then-applicable reserve requirements, deposit insurance assessment rates, broker's commissions and other regulatory costs.

PRIME RATE shall have the meaning ascribed to it in the Note.

6. FUNDING. The Bank shall be entitled, but not obligated, to fund all or any portion of the Note in any manner it may determine in its sole discretion, including, without limitation, in the Grand Cayman inter-bank market, the Nassau inter-bank market, the London inter-bank market and within the United States, but all calculations and transactions hereunder shall be conducted as though the Bank actually funds all such amounts through the purchase in London or Nassau, as the case may be, of one-month offshore dollar deposits in the relevant principal amount.

IN WITNESS WHEREOF, the Borrower has caused this Exhibit A to be executed by its duly authorized representatives as of April 10, 1996.

MAXIMUS, INC., a Virginia Corporation

By: /s/ David V. Mastran

David V. Mastran
Chief Executive Officer

By: /s/ Raymond B. Ruddy

Raymond B. Ruddy
Chairman of the Board

COMMERCIAL NOTE - CRESTAR BANK

BORROWER: MAXIMUS, Inc.

LOAN AMOUNT: Ten Million Dollars and No Cents ($10,000,000.00)

BORROWER'S ADDRESS: 1356 Beverly Road, Suite 300
McLean, VA 22101-3625

OFFICER: John M. Cannon J.C.(initials) DATE: April 10, 1996

ACCOUNT NO: 04300022378842 NOTE NO: 4003 NOTE TYPE: Renewal Loan

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For Value Received, the undersigned (whether one or more) jointly and severally promise to pay to the order of Crestar Bank (the "Bank") at any of its offices, or at such place as the Bank may designate in writing, without offset and in immediately available funds, the Loan Amount shown above, including or plus interest, and any other amounts due, upon the terms specified below.

LOAN TYPE AND REPAYMENT TERMS
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LOAN TYPE: Revolving Master Borrowing Line

This is an open end revolving line of credit. You may borrow an aggregate principal amount up to the Loan Amount shown above outstanding at any one time.

REPAYMENT TERMS

Principal on demand, plus interest, but the undersigned shall be liable for only so much of the Loan Amount as shall be equal to the total advanced to or for the undersigned, or any of them, by the Bank from time to time, less all payments made by or for the undersigned

and applied by the Bank to principal, plus interest on each such advance, and any other amounts due all as shown on the Bank's books and records, which shall be prima facie evidence of the amount owed.

This Master Borrowing arrangement will terminate upon written notice from the Bank to the undersigned, or if such notice is not sooner given, 12 months from the date of this Note, unless an alternate termination date is indicated in the"Agreement," as defined below.

THE BANK SHALL HAVE THE RIGHT TO DEMAND PAYMENT AT ANY TIME EVEN IF AN EVENT OF DEFAULT (AS OUTLINED IN THIS NOTE) HAS NOT OCCURRED.

ADDITIONAL TERMS AND CONDITIONS:

This Note is governed by additional terms and conditions contained in a(n) Letter Agreement between the undersigned and the Bank dated June 29, 1995, and any modifications, renewals, extensions or replacements thereof (the "Agreement"), which is incorporated in this Note by reference. In the event of a conflict between any term or condition contained in this Note and in the Agreement, such term or condition of the Agreement shall control.

INTEREST

Accrued interest will be payable on the first day of each month beginning on May 1, 1996.

Interest will accrue daily on an actual/360 basis (that is, on the actual number of days elapsed over a year of 360 days).

Each scheduled payment made on this Note will be applied to accrued interest before it is applied to principal. Interest will accrue from the date of this Note on the unpaid balance and will continue to accrue after maturity, whether by acceleration or otherwise, until this Note is paid in full. If this is a variable rate transaction, the interest rate is prospectively subject to increase or decrease without prior notice, and if this is a Term-Variable Payment loan, adjustments in the payment schedule will be made as necessary. If the stated Rate (as defined below) is based on a Prime Rate of Crestar Bank, the interest rate is subject to increase or decrease at the sole option of the Bank.

Subject to the above, interest per annum on this Note (the "Rate") will be the applicable Rate as outlined in Exhibit A, incorporated herein by reference. Adjustments to the Rate shall be effective as of in accordance with Exhibit A.

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IMPORTANT NOTICE

THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

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This Note includes a renewal and refinance of the balance owed on note number 043000223788424003 dated July 5, 1995, in the original principal amount of $5,000,000.00

COLLATERAL

Any collateral pledged to the Bank to secure any of the undersigned's existing or future liabilities to the Bank shall secure this Note. To the extent permitted by law, each of the undersigned grants to the Bank a security interest in and a lien upon all deposits or investments maintained by the undersigned with, and all indebtedness owed to the undersigned by, the Bank or any of its affiliates.

This Note is also secured by the following collateral and proceeds thereof;

All inventory, accounts general intangibles, leases, contracts, proceeds, lease payments and insurance proceeds now existing or hereafter acquired and all proceeds and products thereof as more particularly described in a Security Agreement by MAXIMUS, Inc. dated July 5, 1995.

All of this security is referred to collectively as the "Collateral." The Collateral is security for the payment of this Note and any other liability (including overdrafts and future advances) of the undersigned to the Bank, however evidenced, now existing or hereafter incurred, matured or unmatured, direct or indirect, absolute or contingent, several, joint, or joint and several, including any extensions, modifications or renewals. The proceeds of any Collateral may be applied against the liabilities of the undersigned to the Bank in any order at the option of the Bank.

LOAN PURPOSE AND UPDATED FINANCIAL INFORMATION REQUIRED
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The undersigned warrant and represent that the loan evidenced by this Note is being made solely for the purpose of acquiring or carrying on a business, professional or commercial activity or acquiring real or personal property as an investment (other than a personal investment or for carrying on an investment activity (other than a personal investment activity). The undersigned agree to provide to the Bank updated financial information, including but not limited to, tax returns, current financial statements in form satisfactory to the Bank, as well as additional information, reports or schedules (financial or otherwise), all as the Bank may from time to time request.

DEFAULT, ACCELERATION AND SETOFF
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Any one of the following shall constitute an event of default under the terms of this Note: (1) the failure to make when due any installment or other payment, whether of principal, interest, late charges or other authorized charges due under this Note, or the failure to pay the amount demanded by the Bank if this Note is payable on demand; (2) the death, dissolution, merger, acquisition, consolidation or termination of existence of the undersigned, any guarantor of the indebtedness of any of the undersigned to the Bank, any endorser, or any other party to this Note (collectively called a "Party"); (3) the insolvency or inability to pay debts as they mature of any Party, or the application for the appointment of a receiver for any Party or the filing of a petition under any provision of the Bankruptcy Code or other insolvency law, statute or proceeding by or against any Party or any assignment for the benefit of creditors by or against any Party; (4) the entry of a judgment against any Party or the issuance or service of any attachment, levy or garnishment against any Party or the property of any Party, or the repossession or seizure of property of any Party; (5) a determination by the Bank that it deems itself insecure or that a material adverse change in the financial condition of any Party or decline or depreciation in the value or market value of any Collateral has occurred since the date of this Note or is reasonably anticipated; (6) the failure of any Party to perform any other obligation to the Bank under this Note or under any other agreement with the Bank; (7) the occurrence of an event of default with respect to any existing or future indebtedness of any Party to the Bank or any other creditor of the Party; (8) a material change in the ownership, control or management of any Party that is an entity, unless such change is approved by the Bank in its sole discretion; (9) if any Party gives notice to the Bank purporting to terminate such Party's obligations under or with respect to this Note; (10) the sale or transfer by a Party of all or substantially all of such Party's assets other than in the ordinary course of business; or (11) any Party commits fraud or makes a material misrepresentation at any time in connection with this Note. If an event of default occurs, or in the event of non-payment of this Note in full at maturity, the entire unpaid balance of this Note will, at the option of the Bank, become immediately due and payable, without notice or demand. Upon the occurrence of an event of default, the Bank shall be entitled to interest on the unpaid balance at the stated Rate plus 2.00% (the "Default Rate"), unless otherwise required by law, until paid in full. To the extent permitted by law, upon default, the Bank will have the right, in addition to all other remedies permitted by law, to set off the amount due under this Note or due under any other obligation to the Bank against any and all accounts, whether checking or savings or otherwise, credits, money, stocks, bonds or other security or property of any nature whatsoever on deposit with, held by, owed by, or in the possession of, the Bank or any of its affiliates to the credit of or for the account of any Party, without notice to or consent by any Party. The remedies provided in this Note and any other agreement between the Bank and any Party are cumulative and not exclusive of any remedies provided by law.

CAPITAL ADEQUACY
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Should the Bank, after the date hereof, determine that the adoption of any law or regulation regarding capital adequacy, or any change in the interpretation or administration, has or would have the effect of reducing the Bank's rate of return hereunder to a level below that which the Bank could have achieved but for such adoption or change, by an amount which the Bank considers to be material, then, from time to time, 30 days after written demand by the Bank, the undersigned shall pay to the Bank such additional amounts as will compensate the Bank for such reduction. Each demand by the Bank shall be made in good faith and shall be accompanied by a certificate claiming compensation under this paragraph and stating the amounts to be paid to it hereunder and the basis therefor.

LATE CHARGES AND OTHER AUTHORIZED CHARGES
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If any portion of a payment is at least ten (10) days past due, the undersigned agree to pay a late charge of 5.00% of the amount which is past due. Unless prohibited by applicable law, the undersigned agree to pay the fee established by the Bank from time to time for returned checks if a payment is made on this Note with a check and the check is dishonored for any reason after the second presentment. In addition, as permitted by applicable law, the undersigned agree to pay the following: (1) all expenses, including, without limitation, all court or collection costs, and attorney's fees of 25% of the unpaid balance of this Note, or actual attorneys' fees if in excess of such amount, whether suit be brought or not, incurred in collecting this note; (2) all costs incurred in evaluating, preserving or disposing of any Collateral granted as security for the payment of this Note, including the cost of any audits, appraisals, appraisal updates, reappraisals or environmental inspections which the Bank from time to time in its sole discretion may deem necessary; (3) any premiums for property insurance purchased on behalf of the undersigned or on behalf of the owner(s) of the Collateral pursuant to any security instrument relating to the Collateral; (4) any expenses or costs incurred in defending any claim arising out of the execution of this Note or the obligation which it evidences, or otherwise involving the employment by the Bank of attorneys with respect to this Note and the obligations it evidences; and (5) any other charges permitted by applicable law. The undersigned agree to pay these authorized charges on demand or, at the Bank's option, the charges may be added to the unpaid balance of the Note and will accrue interest at the stated Rate. Upon the occurrence of an event of default, interest will accrue at the Default Rate.

WAIVERS
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The undersigned and each other Party waive presentment, demand, protest, notice of protest and notice of dishonor and waive all exemptions, whether homestead or otherwise, as to the obligations evidenced by this note. The undersigned and each other Party waive any rights to require the Bank to proceed against any other Party or person or any Collateral before proceeding against the undersigned or any of them, or any other Party, and agree that without notice to any Party and without affecting any Party's liability, the Bank, at any time or times, may grant extensions of the time for payment or other indulgences to any Party or permit the renewal or modification of this Note, or permit the substitution, exchange or release of any Collateral for this Note and may add or release any Party primarily or secondarily liable. The undersigned and each other Party agree that the Bank may apply all monies made available to it from any part of the proceeds of the disposition of any Collateral or by exercise of the right of setoff either to the obligations under this Note or to any other obligations of any Party to the Bank, as the Bank may elect from time to time. The undersigned also waive any rights afforded to them by Sections 49-25 and 49-26 of the Code of Virginia of 1950 as amended. TO THE EXTENT LEGALLY PERMISSIBLE, THE UNDERSIGNED WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION RELATING TO TRANSACTIONS UNDER THIS NOTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

JUDGMENT BY CONFESSION
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The undersigned hereby duly constitute and appoint Susan M. Banks or C.B. Bohannon or Carl J. Wallace as the true and lawful attorney-in-fact for them in any or all of their names, place and stead, and upon the occurrence of an event of default, to confess judgment against them, or any of them, in the Circuit Court for the County of Fairfax, Virginia, upon this Note and all amounts owed hereunder, including all costs of collection, attorney's fees equal to 25% of the unpaid principal balance hereof and court costs, hereby ratifying and confirming the acts of said attorney-in-fact as if done by themselves, expressly waiving benefit of any homestead or other exemption laws.

SEVERABILITY, AMENDMENTS AND NO WAIVER BY BANK
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Any provision of this Note which is prohibited or unenforceable will be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Note. No amendment, modification, termination or waiver of any provision of this Note, nor consent to any departure by the undersigned from any term of this Note, will in any event be effective unless it is in writing and signed by an authorized employee of the Bank, and then the waiver or consent will be effective only in the specific instance and for the specific purpose for which given. If the interest Rate is tied to an external index and the index becomes unavailable during the term of this loan, the Bank may designate a substitute index with notice to Borrower. No failure or delay on the part of the Bank to exercise any right, power or remedy under this Note may be construed as a waiver of the right to exercise the same or any other right at any time.

LIABILITY, SUCCESSORS AND ASSIGNS AND GOVERNING LAW

Each of the undersigned shall be jointly and severally obligated and liable on this Note. This Note shall apply to and bind each of the undersigned's heirs, personal representatives, successors and assigns and shall inure to the benefit of the Bank, its successors and assigns. This Note shall be governed by the internal laws of the Commonwealth of Virginia and applicable federal law.

By signing below, the undersigned agree to the terms of this Note and acknowledge receipt of a loan in the Loan Amount shown above.

MAXIMUS, Inc.

By: /s/ David V. Mastran (SEAL)

David V. Mastran, Chief Executive Officer

By: /s/ Raymond B. Ruddy (SEAL)

Raymond B. Ruddy, Chairman of the Board

SECURITY AGREEMENT

This Security Agreement is made by MAXIMUS, INC. (the Owner) for the use and benefit of Crestar Bank (the Bank).

1. SECURITY AGREEMENT. In order to induce the Bank from time to time to extend or continue to extend credit to MAXIMUS, INC. (the Borrower), the Owner (which may include the Borrower) hereby grants the Bank, its successors and assigns, a security interest in the collateral and all proceeds, products, rents and profits thereof and all revenues from the right to use the collateral as described below (the Collateral) to secure the payment of all present and future indebtedness of every kind and description, however evidenced, of the borrower to the Bank, whether such indebtedness is direct or indirect, fixed or contingent, liquidated or unliquidated, including any extensions, modifications or renewals thereof (the Indebtedness) and to secure the performance by the Owner of the agreements and warranties contained in this Security Agreement.

2. COLLATERAL. As used in this Security Agreement, the term "Collateral," whether now existing or hereafter acquired, shall mean (check all that are applicable):

IF THE COLLATERAL IS NOT SPECIFICALLY DESIGNATED BY A CHECK MARK, THEN THE OWNER GRANTS THE BANK A BLANKET SECURITY INTEREST.

[ ]	Blanket Security Interest	All accounts ("Accounts"), inventory ("Inventory"), furniture, fixtures and equipment ("Equipment"), general intangibles ("General Intangibles"), instruments, documents and chattel paper, including, without limitation, all goods represented thereby and all goods that may be reclaimed or repossessed from or returned by account debtors and all proceeds, products, rents and profits thereof (as all such terms are defined in the Uniform Commercial Code). [ ] All or a portion of the Collateral will be attached as a fixture to realty located at ---------- ----------.
[ ]	Accounts and General Intangibles	All of the Owner's rights, now existing or arising in the future, to payment for goods sold or leased or for services rendered, whether or not earned by performance, and whether or not such right to payment is evidenced by an instrument, document or chattel paper (the "Accounts"), together with all interest of the Owner in goods, the sale or lease of which shall have given rise or may give rise to any Account, including Notes Receivable and all of the Owner's

personal property,including things in action, all returned goods, reclaimed and repossessed goods, chattel paper, documents, instruments and money, including, without limitation, returned and unearned insurance premiums, tax refunds, contract rights and causes in action of any kind and nature whatsoever ("General Intangibles") and all proceeds and products thereof and all substitutions and replacements therefore.

[X] Inventory, Accounts, and General Intangibles

All goods of every nature which are held for sale or furnished or are to be furnished under contracts of service or sale of lease, supplies, stock- in-trade, all raw materials, work-in-process, finished goods, all items of personal property, and all returned, reclaimed and repossessed goods, whether now in the Owner's possession or control, in transit, in storage, or hereafter acquired by way of replacement, substitution, addition or otherwise and all other inventory as defined in the Uniform Commercial Code ("Inventory"), all accounts as defined in the Uniform Commercial Code ("Accounts"), General Intangibles and all proceeds, products, rents and profits thereof.

[ ] Furniture, Fixtures, and Equipment

All of the Owner's furniture, fixtures, equipment, and leasehold improvements including all equipment as defined in the Uniform Commercial Code ("Equipment"), and including, but not limited to, any leases, rental agreements, chattel paper, rental payments and insurance proceeds together with all accessories, accessions, attachments, parts, replacements, substitutions, improvements, repairs installed in or affixed to any Equipment, and all proceeds and products thereof.

[ ] All or a portion of the Collateral will e attached as a fixture to realty located at

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[ ] Equipment and Consumer Goods

All of the following Equipment or Consumer Goods:

Make	Body Type	Year	Model	Serial Number/ Motor Number
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including, but not limited to, any leases, rental agreements, chattel paper, rental payments and insurance proceeds together with all licenses, tires, tools, equipment, accessories and other accessions now or hereafter installed in or affixed to the Equipment or Consumer Goods and all substitutions, renewals and replacements thereof, and all proceeds, products, rents and profits thereof.

[ ] All or a portion of the Collateral will be attached as a fixture to realty located at

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[ ]	Securities, Instruments, Certificates of Deposit, Documents, Chattel Paper, and General Intangibles	The following securities, instruments, including unsecured notes and notes secured by deeds of trust or otherwise, certificates of deposit,documents, including documents of title, documentary drafts, accounts, letters of credit, chattel paper, general intangibles, including interests in estates and trusts, and other property described as:_____ _____ _____ _____and all proceeds and products thereof and all substitutions and replacements therefore.

The Owner also grants the Bank a security interest in all rights to which an owner of the Collateral is now or may become entitled by virtue of owning such Collateral including, without limitation, interest, cash dividends, stock dividends and stock rights, all of which shall, when received, and upon request by the Bank, be delivered to the bank with written authority to sell, transfer or rehypothecate the same.

If the Collateral includes all rights, title and interest in an Estate or Trust, the security interest shall not apply to any shares of capital stock of Crestar Financial Corporation or any of its affiliates, or to any units of participation in the Bank's Common Trust Fund held by the Estate or Trust, but shall apply to any proceeds from the sale of such stocks and units or cash dividends thereof.

3. ACCOUNTS. If the Collateral includes Accounts:
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a) The Owner warrants that each and every Account, now owned or hereafter acquired, is a bona fide existing obligation, valid and enforceable against the account debtor, for goods sold or leased and delivered or services rendered in the ordinary course of business; it is subject to no dispute, defense or offset; the Owner has good title to the Account and has full right and power to grant the Bank a security interest in the Collateral;

b) The Owner will immediately notify the Bank of any Account to which the above warranties are or become untrue;

c) The Owner will prepare and deliver to the Bank, at the Bank's request, a listing and aging of all Accounts and any further schedules or information that the Bank may require.

d) The Bank shall have the right at any time to notify account debtors of its security interest in the Accounts and require payments to be made directly to the Bank. The Owner hereby appoints the Bank and any officer or employee of the Bank, as the Bank may from time to time designate, as its attorneys-in-fact for the Owner, to sign and endorse in the name of the Owner, to give notice in the name of the Owner, and to perform all other actions necessary or desirable at the reasonable discretion of the Bank to effect these provisions and carry out the intent hereof, all at the cost and expense of the Owner. The Owner hereby ratifies and approves all acts of such attorneys-in-fact and neither the Bank nor any other such attorneys-in-fact will be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. This power being coupled with an interest is irrevocable so long as any Account or General Intangible assigned to the Bank remains unpaid and the Borrower has any Indebtedness to the Bank. The costs of such collection and enforcement, including attorneys' fees and out-of-pocket expenses, shall be borne solely by the Owner whether the same are incurred by the Bank or the Owner;

e) At the option of the Bank, all payments on the Accounts received by the Owner shall be remitted to the Bank in their original form on the day of receipt; all notes, checks, drafts and other instruments so received shall be duly endorsed to the order of the Bank. At the Bank's election, the payments shall be deposited into a special deposit account ("Special Account") maintained with the Bank. The Bank may designate with each such deposit the

particular Account upon which payment was made. The Special Account shall be held by the Bank as security for the Indebtedness. Prior to depositing payments on the Accounts into the Special Account, the Owner agrees that it will not commingle such payments with any of the Owner's funds or property, but will hold them separate and apart and in trust for the Bank. The Bank will have the power to withdraw from the Special Account. The Bank may at any time and from time to time,in its sole discretion, apply any part of the funds in the Special Account to the Indebtedness whether or not the same is due. Upon full and final satisfaction of the Indebtedness plus termination of any commitment to extend additional funds, the Bank will pay to the Owner any excess funds, whether received by the Bank as a deposit in the Special Account or as a direct payment on any of the Indebtedness;

f) If any of the Owner's Accounts arise out of contracts with the United States or any department, agency, or instrumentality thereof, the Owner will immediately notify the Bank in writing and execute any instruments and take any steps required by the Bank in order that all monies due and to become due under such contracts shall be assigned to the Bank and in order that proper notice be given under the Federal Assignment of Claims Act;

g) The Bank shall not be liable and shall suffer no loss on account of loss or deprivation of any Account due to acts or omissions of the Bank unless the Bank's conduct is willful and malicious, and the Bank shall have no duty to take any action to preserve the Collateral or collect Account.

4. INVENTORY. If the Collateral includes Inventory:

a) The Owner agrees to maintain books and records pertaining to the Inventory in such detail, form and scope as the Bank shall require. The Owner shall promptly advise the Bank of any substantial changes relating to the type, quality or quantity of the Inventory or any event which would have a material effect on the value of the Inventory or on the security interest granted to the Bank. Upon reasonable notice by the Bank, the Owner shall assemble and make readily available for inspection and examination of the Inventory and all books and records pertaining to the Inventory at any time;

b) If the Inventory remains in the possession or control of any of the Owner's agents or processors, the Owner shall notify such agents or processors of the Bank's security interest, and upon request, instruct them to hold such Inventory for the Bank's account and subject to the Bank's instructions;

c) The Owner will prepare and deliver to the Bank, at the Bank's request, a listing of all Inventory and such information regarding the Inventory as the Bank may require.

5. SECURITIES, INSTRUMENTS, CERTIFICATES OF DEPOSIT, DOCUMENTS, CHATTEL PAPER AND GENERAL INTANGIBLES. If the Collateral includes securities, instruments, certificates of deposit, documents, chattel paper or general intangibles:

a) The Owner represents and warrants, as may be applicable that

(i) The Owner has good and marketable title to the Collateral. The Collateral is valid and genuine and represents a bona fide, binding, legal obligation of the maker, issuer, or grantor, and all signatures are genuine;

(ii) The Collateral is in full force and effect and is not in default and no prepayments have been made;

(iii) The Collateral is not represented by a judgment or any other document not provided to the Bank;

(iv) The Collateral is not subject to any assignment, claim, lien, right of setoff or security interest of any other party;

(v) Unless otherwise stated, the face amount on the Collateral is the correct amount actually and unconditionally due or to become due according to the terms of the Collateral, and such amount is not disputed or subject to any setoff, credit, deduction, or counterclaim;

(vi) With respect to the security on the Collateral, the lien or security interest represented thereby is not subject to prior claim, lien, or security interest of any other party, unless otherwise stated herein, or in the document evidencing such security;

(vii) With respect to the security on the Collateral, it has been properly perfected by the filing or recording of all necessary financing statements, deeds of trust or other documents and the payment of all recording, transfer and other taxes and fees made in the appropriate public offices.

b) At any time, and from time to time, whether before or after default, without notice, and at the expense of the Owner, the Bank in its name or in the name of its nominee or of the Owner, may, but shall not be obligated to:

(i) Notify the obligors on any Collateral to make payment to the Bank of any or all dividends, interest, principal payments and other sums now or hereafter payable upon or on account of the Collateral, may collect the same by legal proceedings or otherwise, and may perform any contract or endorse in the name of the Owner any checks, drafts, notes, instruments or other documents which constitute the Collateral:

(ii) Enter into any extension, reorganization, deposit, merger or consolidation agreement or any agreement in any way relating to or affecting the Collateral and in connection therewith may deposit or surrender control of the Collateral, accept other property in exchange for the Collateral and do and perform such acts and things as it may deem proper, and any money or property received in exchange for the Collateral may be either applied to any Indebtedness or may be held by the Bank pursuant to the provisions of this Security Agreement:

(iii) Make any compromise or settlement it deems desirable or proper with reference to the Collateral;

(iv) Insure, process and preserve the Collateral;

(v) Cause the Collateral to be transferred to its name or the name of its nominee;

(vi) Exercise as to the Collateral all the rights, powers and remedies of an owner.

6. REPRESENTATIONS AND WARRANTIES. The Owner represents and warrants to the Bank as follows:

a) The Owner is and will continue to be the absolute owner of the Collateral and that there are no other liens or security interests affecting the Collateral other than the security interest granted in this Security Agreement except those previously disclosed to the Bank in writing by the Owner; if the Owner is acting in the capacity of trustee, administrator or executor of an estate, such fact shall be disclosed and evidence of capacity shall be provided to the Bank:

b) The Owner will defend the Collateral against the claims and demands of all parties. The Owner will not, without prior written consent of the Bank, grant any security interest in the Collateral and will keep it free from any lien, encumbrance or security interest;

c) The Owner represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used for the generation, collection, manufacture, storage, treatment, disposal, release or threatened release of any hazardous substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), Superfund Amendments and Reauthorization Act ("SARA"), applicable state laws, or

regulations adopted pursuant to either of the foregoing. The Owner agrees to comply with any federal, state or local law, statute, ordinance or regulation, court or administrative order or decree or private agreement regarding materials which require special handling in collection, storage, treatment or disposal because of their impact on the environment ("Environmental Requirements"). The Owner agrees to indemnify and hold the Bank harmless against any and all claims, losses and expenses resulting from a breach of this provision of this Agreement and the Owner will pay or reimburse the Bank for all costs and expenses for expert opinions or investigations required or requested by the Bank which, in the Bank's sole discretion, are necessary to ensure compliance with this provision of this Agreement. This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of the Agreement;

d) The Collateral is and will be used or bought for use primarily for the following purpose:

[ ] personal, family or household; [ ] farm; [ ] business;

e) The Owner warrants and represents that all Collateral has been produced in compliance with the Fair Labor Standards Act or other applicable wage and employee law, rule, regulation or order, and that no existing or future liability shall occur as a result thereof. The Owner may contest, in good faith, the applicability of any such law, rule, regulation or order, including prosecuting any appeals, so long as the Bank's interest in the Collateral, in the opinion of the Bank, is not jeopardized thereby;

f) The Owner, if an individual, is above the age of majority and has the legal capacity to enter into this Security Agreement;

g) If an individual, the Owner's home address is

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h) The Owner, if a corporation, is duly organized and existing under the laws of the Commonwealth of Virginia is duly qualified and in good standing as a foreign corporation in every jurisdiction where such qualification is necessary; the execution and performance of this Security Agreement have been duly authorized by action of its Board of Directors, no action of its shareholders being necessary; the execution and performance of this Security Agreement will not violate or contravene any provisions of law or regulation or its Articles of Incorporation, Shareholder Agreement, By-Laws or other agreements to which it is a party or by which it is bound; and that no consent or approval of any governmental agency or authority is required in making or performing the obligations under this Security Agreement;

i) The Owner, if a partnership, is duly qualified and in good standing to do business in every jurisdiction where such qualification is necessary; the execution and performance of this Security Agreement have been duly authorized by its partners, no further actions of its partners is necessary; the execution and performance of this Security Agreement will not violate or contravene any provisions of law or regulation or its Partnership Agreement or other agreements to which it is a party or by which it is bound; and that no consent or approval of any governmental agency or authority is required in making or performing the obligations under this Security Agreement;

j) If a corporation, partnership or proprietorship, the location of the Owner's principal place of business in Virginia (Jurisdiction) is Fairfax (County) and it does |_| does not |X| have a place of business in another city or county in that jurisdiction (list other jurisdiction if applicable);

k) The Collateral will be located at see below* ;

l) The Owner will maintain the Collateral in the above locations. The collateral shall not be moved from the above locations without the prior written consent of the Bank. The Owner must notify the Bank in writing at least 30 days prior to any change of its name, corporate structure or identity;

m) The Owner maintains its books of account and records only at 1356 Beverly Road, McLean, VA 22101

n) All information supplied and statements made to the Bank in any financial or credit statement or application are true, correct, complete, valid and genuine in all material respects.

The Owner further represents (check if applicable)

[ ] The Collateral is being acquired with funds simultaneously advanced to the Borrower by the Bank, and such funds will be used for no other purpose.

7. COVENANTS.

a) The Owner shall maintain complete and accurate books of account and records, and its principal books of account and records, including all records concerning Accounts and contract rights, shall be kept and maintained at the place(s) specified above. The Owner shall not move such books of account and records without giving the Bank at least 30 days prior written notice and executing and delivering to the Bank financing statements satisfactory to the Bank prior to any such move. All accounting records and financial reports furnished to the Bank shall be maintained and prepared in accordance with generally accepted accounting principles consistently applied. It is specifically agreed that the Bank shall have and the Owner hereby grants to the Bank a security interest in all books of account and records of the Owner and shall have access to them at any time for inspection, verification, examination and audit;

b) The Owner shall furnish to the Bank such financial and business information and reports in form and content satisfactory to the Bank as and when the Bank may from time to time require;

c) The Owner, if a corporation, shall maintain its corporate existence in good standing and shall not consolidate or merge with or acquire the stock of any other corporation without the prior written consent of the Bank. If the Owner is a corporation, the Owner shall, at the request of the Bank, qualify as a foreign corporation and obtain all requisite licenses and permits in each jurisdiction where the Owner does business. The Owner shall not discontinue business, liquidate, sell, transfer, assign or otherwise dispose of any of its assets, except with the prior written permission of the Bank, provided, however, that it may sell in the ordinary course of business and for a full consideration in money or money's worth, any product, merchandise or service produced or marketed by it. The Bank's security interest shall attach to all proceeds of all sales or dispositions of the Collateral;

d) The Owner shall maintain all of the Collateral in good condition and repair. The Bank shall have the right to inspect the Collateral at any reasonable time and shall have the right to obtain such appraisals, reappraisals, appraisal updates or environmental inspections as the Bank, in its sole discretion, may deem necessary from time to time.

e) The Owner shall at all times keep insurable Collateral insured against any and all risks, including, without limitation, fire, and such other insurance as may be required by the Bank from time to time; and in such amounts as may be satisfactory to the Bank. The Bank shall be named as Loss Payee on any such insurance policies. Insurance may be purchased from an insurer of the Owner's choice, except as otherwise required by law. The Owner shall pay and discharge all taxes, assessments and charges of every kind prior to the date when such taxes, assessments or charges shall become delinquent and provide proof of such payments to the Bank, upon request. However, nothing contained in this Security Agreement shall require the Owner to pay any such taxes, assessments and charges so long as it shall contest its validity in good faith and shall post any bond or security required by the Bank against the payment. Upon the failure of the Owner to pay such required amounts, the Bank, at its option, and at the Owner's expense, may obtain such insurance or pay such taxes, assessments or charges with the costs or premiums becoming part of the Indebtedness at the option of the Bank, such amounts may be

payable on demand. Any insurance obtained by the Bank, at its option, may be single or dual interest, protecting its rights, rights of the Owner or joint rights. Any insurance obtained by the Bank may provide, at its option, that such insurance will pay the lesser of the unpaid balance of the indebtedness or the repair or replacement value of the Collateral. The Owner authorizes the Bank to give effect to any of these options without prior notice to Owner or further consent from Owner. No matter which insurance coverage or repayment options the Bank chooses, the collateral will secure payment of these amounts. The Bank may use the proceeds of any insurance obtained by Owner or by the Bank to repair or replace the collateral or, if the Bank elects to do so, to repay part or all of the indebtedness, and the Borrowers will still be responsible to repay any remaining unpaid balance of the indebtedness. Owner assigns to the Bank all amounts payable under the insurance, including unearned premiums, directing the insurer to make payment to the Bank, and Owner appoints us attorney-in-fact to endorse any draft.

f) The Owner will not pledge or grant any security interest in any of the Collateral to anyone except the Bank, or permit any lien or encumbrance to attach to any of the Collateral, or any levy to be made on the Collateral, or any financing statement (except financing statements in favor of the Bank) to be on file against the Collateral;

g) The Owner agrees that it will not permit any return of merchandise, the sale of which gave rise to any of the Accounts, except in the usual and regular course of business.

8. DEFAULT. In addition to any right which the Bank may have to demand payment of the Indebtedness under any other agreement, upon the occurrence of any of the following events of default, the Bank, at its option, may declare any or all of the Indebtedness immediately due and payable and may exercise any and all of the rights and remedies of default of a secured party under the Uniform Commercial Code and other applicable law and all rights provided herein, all of which rights and remedies shall, to the full extent permitted by law, be cumulative;

a) If the Borrower fails to pay when due any Indebtedness or shall otherwise be in default under any agreement of the Borrower with the Bank or with Crestar Financial Corporation, or any subsidiary or affiliate of Crestar Financial Corporation, or any subsidiary or affiliate of such subsidiary or affiliate (whether now existing or hereafter organized or acquired); or

b) The failure of the Owner to observe or perform any of the terms or provisions of this Security Agreement, or any such default by the Borrower, any endorser, or any guarantor of any Indebtedness of the Borrower to the Bank (a Party); or

c) The breach of any of the Owner's representations or warranties in this Security Agreement or any other agreement with the Bank; or

d) The death, dissolution, merger, consolidation or termination of existence of the Owner or any Party; or

e) The insolvency or inability to pay debts as they mature of the Owner or any Party, or the application for the appointment of a receiver for any of them, or the filing of a petition under any provision of the Bankruptcy Code or other insolvency law, statute or proceeding by or against any of them, or any assignment for the benefit of creditors by or against any of them; or

f) The entry of a judgment against the Owner or any Party or the issuance or service of any attachment, levy or garnishment against the Owner or any Party or the property of any of them or the repossession or seizure of property of the Owner or any Party;

g) Any deterioration or impairment of the Collateral or any part of the Collateral or any decline or depreciation in the value or market value of the Collateral (whether actual or reasonably anticipated), which causes the Collateral, in the judgment of the Bank, to become unsatisfactory as to character or value; or

h) A determination by the Bank that a material adverse change in the financial condition of the Owner or any Party has occurred since the date of this Security Agreement; or

i) The Owner or any Party commits fraud or makes a material misrepresentation at any time in connection with this Security Agreement.

The Bank may require the Owner to assemble the Collateral and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to the Bank and the Owner. The Bank may take possession of the Collateral without a court order. The Owner shall pay to the Bank on demand all legal expenses and reasonable attorneys' fees (not to exceed 15% of Indebtedness then owed if the Bank is Crestar Bank, N.A. or Crestar Bank MD or 25% of Indebtedness then owed if the Bank is Crestar Bank) if the Bank refers this Security Agreement to an attorney who is not a salaried employee of the Bank, appraisal fees and all expenses incurred or paid by the Bank, in protecting and enforcing the rights of the Bank under this Security Agreement, including the Bank's right to take possession of the Collateral and its proceeds, and to hold, prepare for sale, sell and dispose of the Collateral. Any required notice by the Bank of sale or other disposition on default, when placed in the mail and addressed to or left upon the premises of the Owner, at the address specified next to the Owner's signature below or such other address of the Owner as may from time to time be shown on the Bank's records, at least ten days prior to such action shall constitute reasonable notice to the Owner.

9. TERM. This Security Agreement shall be a continuing agreement and shall remain in full force and effect irrespective of any interruptions in the business relations of the Borrower with the Bank and shall apply to any ultimate balance which shall remain due by the Borrower to the Bank; provided, however, that the Owner may be written notice terminate this Security Agreement with respect to all Indebtedness of the Borrower incurred or contracted by the Borrower or acquired by the Bank after the date on which such notice is personally delivered to or mailed via registered mail and accepted by the Borrower's lending officer.

10. EXECUTION BY MORE THAN ONE PARTY. The term "Owner" as used in this Security Agreement shall, if this instrument is signed by more than one Party, mean the "Owner and each of them" and each shall be jointly and severally obligated and liable. If any Party shall be a partnership, the agreements and obligations on the part of the Owner shall remain in force and applicable regardless of any changes in the individuals composing the partnership and the term "Owner" shall include any altered or successive partnerships and the predecessor partnerships and their partners shall not be released from any obligation or liability.

11. WAIVERS BY THE OWNER. The Owner hereby waives (1) notice of acceptance of this Security Agreement and of any extension or renewals of credit by the Bank to the Borrower; (2) presentment and demand for payment of the Indebtedness; (3) protest and notice of dishonor or default to the Owner or to any other party with respect to the Indebtedness; (4) all other notices to which the Owner might otherwise be entitled; and (5) if for business purposes, the benefit of the Homestead Exemption. The Owner further waives any right to require that any action be brought against the Borrower or any other party, to require that resort be had to any security or to any balance of any deposit account or credit on the books of the Bank in favor of the Borrower or any other party. The Owner further agrees that it shall not be subrogated and will not enforce on its part or behalf any right of action which the Bank may have against the Borrower until every Indebtedness secured under this Security Agreement is paid in full.

12. NO OBLIGATIONS TO EXTEND CREDIT. This Contract shall not be construed to impose any obligation on the Bank to extend or continue to extend any credit at any time.

13. INDEMNITY. The Owner agrees to indemnify and hold harmless the Bank and its subsidiaries, affiliates, successors, parents, and assigns and their respective agents, directors, employees, and officers from and against any and all complaints, claims, defenses, demands, actions, bills, causes of action (including, without limitation, costs and attorneys' fees), and losses of every nature and kind whatsoever, which may be raised or sustained by any directors, officers, employees, shareholders, creditors, regulators, successors in interest, or receivers of the Borrower or any third party as a result of or arising out of, directly or indirectly, the Bank extending credit as evidenced by the Indebtedness to the Borrower, and taking the Collateral as security for the Indebtedness, and the Owner further agrees to be liable for any and all judgments which may be recovered in any such action, claim, proceeding, suit, or bill, including any compromise or settlement thereof, and defray any and all expenses, including, without limitation, costs and attorneys' fees, that may be

incurred in or by reason of such actions, claims, proceedings, suits, or bills.

14. FINANCING STATEMENTS. The Owner will deliver such instruments of further assignment or assurance as the Bank may from time to time request to carry out the intent of this Security Agreement, and will join with the Bank in executing financing statements and other documents in form satisfactory to the Bank and pay the cost of filing the same, including all recordation, transfer and other taxes and fees, continuation statements and any other documents in any public office deemed advisable by the Bank. The Owner agrees that a carbon, photographic or other reproduction of a financing statement or this Security Agreement shall be sufficient as a financing statement.

15. SUCCESSOR IN INTEREST. This Security Agreement shall be binding upon the Owner, its successors and assigns, and the benefits hereof shall inure to the Bank, its successors and assigns.

16. WAIVER BY THE BANK. The Bank may waive any default or remedy any default without waiving the default remedied or any other prior or subsequent default. The Bank's failure to exercise any right or take any action under this Security Agreement shall not constitute a waiver of that or any other right or action.

17. WAIVER OF JURY TRIAL. To the extent legally permissible, the Owner waives all right to trial by jury in any litigation relating to transactions under this Security Agreement, whether sounding in contract, tort or otherwise.

18. GOVERNING LAW. The laws of the jurisdiction in which the Bank is located shall govern the construction of this Security Agreement and the rights and duties of the Owner and Parties.

The undersigned have executed or caused this Security Agreement to be executed, under seal, as of this 5th day of July, 1995

1356 Beverly Road — MAXIMUS, Inc. (SEAL)
Street and Number — Owner

McLean, VA 22101 — By /s/ David V. Mastian
City State Zip — (Name and Title)

(SEAL)
Street and Number — Owner

By /s/ Raymond B. Ruddy, Chairman
City State Zip — (Name and Title)

McLean, VA 22101 — By /s/ David V. Mastran
City State Zip — (Name and Title)

(SEAL)
Street and Number — Owner

By /s/ Raymond B. Ruddy, Chairman
City State Zip — (Name and Title)

EXHIBIT 11

STATEMENT RE COMPUTATION OF PRO FORMA NET INCOME PER SHARE

<TABLE>
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		YEAR ENDED SEPTEMBER 30, 1996	THREE MONTHS ENDED DECEMBER 31, 1996
		(IN THOUSANDS, EXCEPT PER SHARE DATA)	
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Pro forma net income		$ 7,106	$ 2,253
Shares used in computing pro forma net income per share:			
Weighted average shares outstanding for period		11,418	11,453
Effect of options granted in January 1997:			
Options granted	404		
Option price	$ 1.46		
Assumed proceeds	582		
Estimated net IPO proceeds per share	$ 13.75		
Shares assumed repurchased	42		
Shares deemed outstanding	362	362	362
Effect on distribution to stockholders:			
S Corporation Dividend	17,500		
Less: Net income for period from January 1, 1996 to December 31, 1996	13,400		
Dividend in excess of income	4,100		
Estimated net IPO proceeds per share	$ 13.75		
Shares deemed outstanding	298	298	298
Shares used in computing pro forma net income per share:		12,078	12,113
Pro forma net income per share		$ 0.59	$ 0.19

</TABLE>

EXHIBIT 23.1

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the captions "Selected Financial Data" and "Experts" and to the use of our report dated February 7, 1997, in the Registration Statement (Form S-1 No. 333-) and related Prospectus of MAXIMUS, Inc. for the registration of shares of its common stock.

/s/ ERNST & YOUNG LLP

Washington, DC
February 11, 1997

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