

MD 4.12.99

04-15-1999

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



101014017

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ **New**
- ☐ **Resubmission (Non-Recordation)**
Document ID #
- ☐ **Correction of PTO Error**
Reel # Frame #
- ☐ **Corrective Document**
Reel # Frame #

Conveyance Type

- ☐ **Assignment** ☐ **License**
- ☒ **Security Agreement** ☐ **Nunc Pro Tunc Assignment**
- ☐ **Merger** **Effective Date**
Month Day Year
- ☐ **Change of Name**
- ☐ **Other**

Conveying Party

☐ Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year
9 10 98

Formerly

- ☐ **Individual** ☐ **General Partnership** ☐ **Limited Partnership** ☐ **Corporation** ☐ **Association**
- ☐ **Other**

☒ **Citizenship/State of Incorporation/Organization**

Receiving Party

☒ Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- ☐ **Individual** ☐ **General Partnership** ☐ **Limited Partnership** ☐ **Corporation** ☐ **Association**
- ☒ **Other**

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

☒ **Citizenship/State of Incorporation/Organization**

FOR OFFICE USE ONLY

04/14/1999 VIBRON

00000297 031721 1642832

01 FC:481
02 FC:482

25.00 CH

40.00 OP
225.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 1883 FRAME: 0511

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

☒ Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1642832"/>	<input type="text" value="1367680"/>	<input type="text" value="1202689"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1675886"/>	<input type="text" value="1314655"/>	<input type="text" value="1237365"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1369040"/>	<input type="text" value="1284354"/>	<input type="text" value="1260724"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed ☒

Deposit Account ☒

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

☒

No

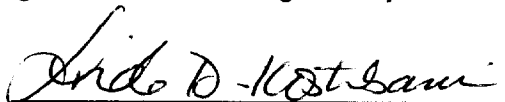
☐

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Linda D. Kostrubanic

Name of Person Signing



Signature

April 6, 1999

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

☐ Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

☐ Individual ☐ General Partnership ☐ Limited Partnership ☐ Corporation ☐ Association

☐ Other

☐ Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

☐ Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

Providence

City

Rhode Island

State/Country

USA

02903

Zip Code

☐ Individual ☐ General Partnership ☐ Limited Partnership

☐ Corporation ☐ Association

☒ Other Rhode Island trust company

☐ Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Trademark Application Number(s) or Registration Number(s)

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

☐ Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

1068987		

SCHEDULE "A"
to
Security Agreement
(Places of business and location of records
pursuant to Section 3(b))

I. Additional Places of Business:

<u>Mailing Address</u>	<u>County</u>	<u>State</u>
172 Industrial Road, Fitchburg	Worcester	Massachusetts
14 South Pleasant Street, Ashburnham	Worcester	Massachusetts
159 Industrial Road, Leominster	Worcester	Massachusetts
215 Cleghorn Street, Fitchburg	Worcester	Massachusetts
140 Industrial Road, Fitchburg	Worcester	Massachusetts

II. Location of Records:

<u>Mailing Address</u>	<u>County</u>	<u>State</u>
172 Industrial Road, Fitchburg	Worcester	Massachusetts
14 South Pleasant Street, Ashburnham	Worcester	Massachusetts
159 Industrial Road, Leominster	Worcester	Massachusetts
215 Cleghorn Street, Fitchburg	Worcester	Massachusetts
140 Industrial Road, Fitchburg	Worcester	Massachusetts

SECURITY AGREEMENT

This SECURITY AGREEMENT ("Agreement"), dated as of the ¹¹11 day of September, 1998, by and between **Modu Form, Inc.**, a Massachusetts corporation having its principal place of business at 172 Industrial Road, Fitchburg, Massachusetts 01420-0400 (the "Debtor"), and **Citizens Bank of Massachusetts**, a Massachusetts trust company having its principal place of business at 28 State Street, Boston, Massachusetts 02109 ("Lender") and **Citizens Bank of Rhode Island**, a Rhode Island trust company having an office at One Citizens Plaza, Providence, Rhode Island 02903 ("Letter of Credit Bank", and together with Lender, "Secured Party").

WITNESSETH:

WHEREAS, the Debtor and the Weissman Realty Trust (the "Trust"), as borrowers, and the Lender, as lender, have entered into a Revolving Credit and Term Loan Agreement of even date herewith (the "Credit Agreement"); and

WHEREAS, pursuant to the Credit Agreement, (i) the Debtor contemporaneously herewith has executed and delivered to the Lender a Revolving Credit Note of even date herewith in the original principal amount of \$3,000,000 (the "Revolving Credit Note") evidencing the Debtor's obligations to the Lender, and (ii) the Trust contemporaneously herewith has executed and delivered to the Lender (A) a Term Note of even date herewith in the original principal amount of \$1,525,000 (the "A Term Note") and (B) a Term Note of even date herewith in the original principal amount of \$1,000,000 (the "B Term Note", and together with the A Term Note, the "Term Notes") evidencing the Trust's obligations to the Lender; and -

WHEREAS, pursuant to a certain Letter of Credit and Reimbursement Agreement dated as of August 1, 1998 between the Trust and the Letter of Credit Bank (the "Reimbursement Agreement"), the Letter of Credit Bank has issued the Letters of Credit (as defined in the Reimbursement Agreement) for the account of the Trust; and

WHEREAS, as a condition to the obligation of the Secured Party to extend credit to the Trust pursuant to the Credit Agreement and the Reimbursement Agreement, the Secured Party is requiring that the Debtor execute and deliver to the Secured Party its Guaranty (the "Guaranty") of even date herewith, guaranteeing all obligations of the Trust under the Term Notes, the Credit Agreement, the Reimbursement Agreement and the other Loan Documents to which the Trust is a party; and

WHEREAS, the obligation of the Secured Party to extend credit and other financial accommodations to the Debtor is subject to the condition, among others, that the Debtor enter into this Security Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Security Interest. As security for the Secured Obligations described in Section 2 hereof, the Debtor hereby grants to the Secured Party a security interest in and lien on all of the tangible and intangible personal property and fixtures of the Debtor, including but not limited to

the property described below, whether now owned or existing, or hereafter acquired or arising, and wherever situated, together with any and all additions and accessions thereto, and replacements, substitutions, proceeds and products thereof (the "Collateral"):

(i) all "Accounts" (as hereinafter defined); (ii) all "Equipment" (as hereinafter defined); (iii) all "General Intangibles" (as hereinafter defined); (iv) all "Inventory" (as hereinafter defined); (v) all contract rights, including without limitation, all right, title and interest of the Debtor in and to any lease of real or personal property, whether as lessor or lessee (including any option to purchase thereunder); (vi) all chattel paper; (vii) all deposit accounts (whether general or special) with and credits or other claims against the Secured Party or any Affiliate of the Secured Party, or any other financial institution with which the Debtor maintains deposits; (viii) all monies, and any and all other property now or hereafter coming into the actual possession, custody or control of the Secured Party or any agent of the Secured Party, in any way or for any purpose (whether for safekeeping, deposit, custody, pledge, transmission, collection or otherwise); (ix) all other rights of the Debtor to the payment of money, whether evidenced by instruments, letters of credit, chattel paper or otherwise, insurance proceeds, amounts due under factoring agreements, and all rights to deposits or advance payments; (x) all files, customer lists, subscription lists, records (including without limitation, computer programs, disks, tapes, object codes, source codes and related electronic data processing media) and writings of the Debtor or in which the Debtor has an interest in any way relating to the property and assets described herein, and all rights of the Debtor to retrieval from third parties of electronically processed and recorded information pertaining to any of such property or assets; (xi) all documents, documents of title, instruments and promissory notes (in any case, whether negotiable or non-negotiable); (xii) all licenses and permits (whether issued by private parties or public authorities), and all agreements in respect thereof; and (xiii) all other tangible and intangible personal property and assets of the Debtor, and all guaranties and securities therefor.

The term "Accounts" shall mean and include all accounts, accounts receivable, and all rights to payment for goods sold or leased or for services rendered, all sums of money or other proceeds due or becoming due thereon, all instruments pertaining thereto, all guaranties and security therefor, and all goods giving rise thereto and the rights pertaining thereto, including the right of stoppage in transit, all related insurance and all related contracts, contract rights, documents, notes, bills, drafts, acceptances, general intangibles, choses in action and all other forms of obligations.

The term "Equipment" shall mean and include all equipment, machinery, tools, appliances, "Vehicles" (as hereinafter defined), furniture, fixtures and office supplies (including, without limitation, telephones, facsimile transmission equipment, all audio and/or visual equipment of every name, nature and description, and all computer hardware and software), and other tangible personal property (other than Inventory), together with all accessions, parts and appurtenances thereto.

The term "General Intangibles" shall mean and include all general intangibles, choses in action, causes of action and all other intangible personal property of every kind and nature (other than Accounts), including without limitation, corporate or other business records, inventions, designs, patents, patent applications, service marks, service mark applications, trademarks, trademark applications, tradenames, brands, tradestyles, trade secrets, goodwill, registrations,

computer software, operational manuals, product formulae, blueprints, drawings, copyrights, copyright applications, licenses, license agreements, permits, franchises, customer lists, mailing lists, tax loss carryovers, tax refund claims and the like.

The term "Inventory" shall mean and include all inventory, goods, merchandise, raw materials, supplies, work in process, finished goods, goods in transit, and other tangible personal property now or hereafter held by or on behalf of the Debtor for processing, sale or lease or furnished or to be furnished by the Debtor under contracts of service or to be used or consumed in the Debtor's business, including but not limited to, Inventory owned by the Debtor in the possession or under the control of third parties, and such property, the sale or other disposition of which has given rise to Accounts and which has been returned to, or repossessed or stopped in transit by or on behalf of the Debtor.

The term "Vehicles" shall mean and include all vehicles, rolling stock or other movable personal property, whether or not motorized or self-propelled and whether or not required by applicable law to be registered and/or titled.

2. Secured Obligations.

The security interest hereby granted shall secure the due and punctual payment and performance of the following liabilities and obligations of the Debtor to the Secured Party (herein called the "Secured Obligations"):

(a) Any and all indebtedness and obligations of the Debtor to the Secured Party under the Revolving Credit Note or under any agreement or instrument relating thereto, all as may be amended, restated, or amended and restated from time to time;

(b) Any and all obligations of the Debtor in respect of its Guaranty as may be amended, restated, or amended and restated from time to time;

(c) Any and all other indebtedness and obligations of the Debtor to the Secured Party, whether direct or indirect, absolute or contingent, due or to become due or now existing or hereafter arising, and whether pursuant to any of the Loan Documents or otherwise and

(d) all costs and expenses incurred or paid by Secured Party in respect of the foregoing, including without limitation, costs of collection, reasonable attorneys' or other professional fees and disbursements, and court costs and expenses, and all obligations and liabilities that Secured Party may incur or become liable for on account of or as a result of any transactions between Secured Party and any guarantor, or action brought or threatened against Secured Party by any guarantor or any endorser of the Obligations and/or by any third party on account of any and all damages, losses, liabilities, penalties, claims, litigation, demands, suits, proceedings, judgments, costs, expenses or fees thereto, including reasonable attorneys' fees, which may at any time be imposed upon, incurred or asserted or awarded against Secured Party arising therefrom.

3. Representations, Warranties and Covenants of Debtor. The Debtor hereby represents, warrants and covenants to the Secured Party that:

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(a) Other liens and encumbrances. Except for the security interest created hereunder or pursuant to any of the other Loan Documents, or under any other document, instrument or agreement in favor of the Secured Party, the Debtor is and will be the owner of the Collateral free from any lien, security interest or encumbrance, except as disclosed in or permitted pursuant to the Credit Agreement and will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(b) Locations. The address shown at the beginning of this Agreement is the principal place of business of the Debtor. All of the Debtor's additional places of business and locations where records relating to the Collateral are kept, if any, are listed in Schedule "A" attached hereto. The Debtor will not change its principal or any other place of business without at least thirty (30) days prior written notice to the Secured Party unless otherwise permitted in writing by the Secured Party. The Collateral, and all records related thereto, will be kept at the addresses first stated above and in Schedule "A" hereto and the Debtor will not remove any Collateral or records from such addresses (except in connection with processing or sales of Inventory in the ordinary course of business) without the prior written consent of the Secured Party. The Debtor will not sell, transfer or otherwise dispose of the Collateral or any interest therein, except as may otherwise be permitted in the Credit Agreement.

(c) Use, repair and taxes. The Debtor will keep all of the Collateral in good order and repair, ordinary wear and tear excepted, and will not use the same in violation of Law (which violation would have a Material Adverse Effect) or any policy of insurance thereon. Subject to the terms of the Credit Agreement, the Secured Party may inspect the Collateral at any reasonable time upon reasonable advance notice, wherever located. The Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement, except where such taxes or assessments are being contested in good faith by the Debtor and where adequate reserves, to the extent required by GAAP, have been set aside by the Debtor. After ten (10) days' prior written notice to the Debtor, subject to the immediately preceding sentence, the Secured Party in its discretion may pay and discharge taxes and other encumbrances at any time levied or placed on the Collateral, make reasonably necessary repairs thereto and pay any necessary filing fees. The Debtor agrees to reimburse the Secured Party on demand for any and all expenditures so made, and such expenditures shall constitute Secured Obligations hereunder. The Secured Party shall have no obligations to the Debtor to make any such expenditures, nor shall the making thereof relieve the Debtor of any default.

(d) Further assurances. The Debtor shall promptly execute and deliver to the Secured Party upon request such financing statements, certificates and other documents or instruments as the Secured Party deems reasonably necessary to enable the Secured Party to perfect, or from time to time renew or reaffirm, or continue the perfection of, the security interest granted hereby, including such financing statements, certificates and other documents as may be necessary to perfect a security interest in any additional Collateral hereafter acquired by the Debtor or in any replacements or proceeds thereof. The Debtor irrevocably authorizes and appoints the Secured Party as its attorney-in-fact, with full power of substitution, to execute after the occurrence and during the continuance of an Event of Default such financing statements, certificates and other documents. The Debtor further agrees that a carbon, photographic or other reproduction of a security agreement or financing statement is sufficient as a financing statement under this

Agreement. With respect to any investments or other Collateral hereunder which are book entry or uncertificated securities, the Debtor authorizes the Secured Party to cause its security interest therein to be noted on the books and records of the issuer thereof or other registrar therefor and to take such other actions as may be reasonably necessary to perfect the Secured Party's security interest therein.

(e) Insurance. The Debtor shall have and maintain at all times with respect to the tangible Collateral insurance against risks of fire, so-called extended coverage, sprinkler leakage and other risks customarily insured against by companies engaged in business similar to that of the Debtor, in amounts, containing such terms, in such form, for such periods and written by such companies as may be satisfactory to the Secured Party, such insurance to be payable to the Secured Party and to the Debtor as their interests may appear. All policies of insurance shall provide for thirty (30) days' written minimum cancellation notice to the Secured Party. In the event of failure to provide and maintain insurance as herein provided, the Secured Party may, at its option after ten (10) days' prior written notice to the Debtor, provide such insurance, and the Debtor hereby promises to pay to the Secured Party on demand the amount of any disbursements made by the Secured Party for such purpose, which reimbursement obligation shall constitute a Secured Obligation hereunder. The Debtor shall furnish from time to time to the Secured Party certificates or other evidence reasonably satisfactory to the Secured Party of compliance with the foregoing insurance provisions. The Debtor hereby irrevocably appoints the Secured Party as its attorney-in-fact, with full power of substitution, to obtain, adjust, settle and cancel such insurance and endorse any drafts after the occurrence and during the continuance of an Event of Default. After the occurrence and during the continuance of a Default or an Event of Default, any amounts collected or received at any time under any such policies may be applied by the Secured Party to any indebtedness secured hereby in such order or preference as the Secured Party in its discretion may determine, or at the option of the Secured Party, the same may be released to the Debtor, but such application or release shall not cure or waive any default hereunder or any "Event of Default", and no amount so released shall be deemed a payment on any of the Secured Obligations.

(f) Accounts. The Debtor hereby irrevocably appoints the Secured Party as its true and lawful attorney-in-fact, with full power of substitution, in the name of the Secured Party or in the name of the Debtor or otherwise, for the sole benefit of the Secured Party but at the sole expense of the Debtor, without notice to or demand upon the Debtor, after the occurrence and during the continuance of an Event of Default: (i) to demand, collect, receive payment of, receipt for, settle, compromise or adjust, and give discharges and releases in respect of the Accounts or any of them; (ii) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Accounts or any of them and to enforce any other rights in respect thereof or in respect of the goods which have given rise thereto; (iii) to defend any suit, action or proceeding brought against the Debtor with respect to any Accounts or the goods which have given rise thereto; (iv) to settle, compromise or adjust any suit, action or proceeding described in clause (ii) or (iii) above, and, in connection therewith, to give such discharges or releases as the Secured Party may deem appropriate; (v) to endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing or securing the Accounts or any of them; (vi) to receive, open and dispose of all mail addressed to the Debtor and to notify the post office authorities to change the address of delivery of mail addressed to the Debtor to such address, care of the Secured Party, as the

Secured Party may designate; and (vii) generally to sell, assign, transfer, pledge, make any agreement in respect of or otherwise deal with any Accounts or the goods which have given rise thereto as fully and completely as though the Secured Party were the absolute owner thereof for all purposes. The powers conferred on the Secured Party by this Agreement are solely to protect any interest of the Secured Party and shall not impose any duty upon the Secured Party to exercise any such power.

(g) Government contracts. Upon the request of the Secured Party, the Debtor will specifically assign to the Secured Party all federal government contracts and will cooperate with the Secured Party in giving notice of such assignment pursuant to the Federal Assignment of Claims Act. The Debtor will cooperate with the Secured Party in providing such further information with respect to contracts with any state, other unit of local government or agency as the Secured Party may require and will provide such instruments of further assurance with respect to such contracts as the Secured Party may require.

(h) Fixtures. The parties hereto intend that none of the Collateral shall become fixtures and the Debtor shall take all such reasonable action or actions as may be necessary to prevent any of the Collateral from becoming fixtures. Without limiting the generality of the foregoing, the Debtor shall, if requested by the Secured Party, use its best efforts to obtain waivers of lien, in form satisfactory to the Secured Party, from each lessor of real property on which any of the Collateral is or is to be located.

4. Rights and Remedies of Secured Party. Upon and after the occurrence of any Event of Default, such Event of Default not having previously been remedied or cured, the Secured Party without notice or demand may declare the Secured Obligations to be immediately due and payable and shall then have the following rights and remedies:

(a) All rights and remedies provided by law, including, without limitation, those provided by the Code and similar laws of jurisdictions where Collateral may be located, including the right to take possession of the Collateral, and the right to enter upon any premises where the Collateral may be located and to remove the same therefrom;

(b) All rights and remedies provided in this Agreement;

(c) All rights and remedies provided in any of the Loan Documents or in any instrument or document constituting or evidencing a portion of the Collateral or in any other agreement, document or instrument pertaining to any of the Secured Obligations; and

(d) To the extent permitted by law, by instrument in writing, to appoint one or more persons (whether officers of the Secured Party or otherwise), firms, or corporations to be a receiver or receivers of the Collateral to exercise any of the rights and remedies of the Secured Party granted hereunder or incorporated herein by reference, including the right to remove any such receiver so appointed and to appoint one or more others in such receiver's stead.

To the extent permitted by applicable law, and without in any way limiting the foregoing, any receiver appointed hereunder shall have all of the powers of a receiver appointed by a court of competent jurisdiction. With respect to the responsibility for the acts of any

receiver appointed hereunder, such receiver shall be deemed to be the agent of the Debtor, and the Secured Party shall not in any way be held responsible for any misconduct or negligence on the part of any receiver or any loss resulting therefrom.

5. Right to Dispose of Collateral. Without limiting the scope of Section 4 hereof, upon the occurrence and during the continuance of any Event of Default, the Secured Party, at its option, may transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Secured Obligations, and shall have the right to sell the Collateral. Upon the occurrence and during the continuance of an Event of Default, whether or not any of the Secured Obligations are due, the Secured Party may demand, sue for, collect, or make any settlement or compromise it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Secured Party to the Debtor may at any time be applied to or set off against any of the Obligations. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party will give the Debtor at least ten (10) days' prior written notice at the address of the Debtor set forth above (or at such other address or addresses as the Debtor shall specify in writing to the Secured Party) of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Code) that reasonable notification be given of the time and place of such sale or other disposition. After deducting all costs and expenses of collection, storage, custody, sale or other disposition and delivery (including legal costs and reasonable attorneys' fees), all costs of or incurred by any receiver appointed hereunder, and all other charges against the Collateral, the residue of the proceeds of any such sale or disposition shall be applied to the payment of the Secured Obligations and any surplus shall be returned to the Debtor or to any person or party lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). In the event the proceeds of any sale or other disposition of the Collateral, or the payments received by the Secured Party in respect thereof, are insufficient to pay all of the Secured Obligations in full, the Debtor shall be liable for the deficiency.

6. Right to Use and Operate Collateral. Upon the occurrence and during the continuance of any Event of Default, but subject to the provisions of the Code or other applicable law and similar laws of jurisdictions where Collateral may be located, the Secured Party shall have the right and power to take possession of all or any part of the Collateral and to exclude the Debtor and all persons claiming under the Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, the Secured Party may, from time to time, at the expense and risk of the Debtor, make all such reasonably necessary repairs, replacements, substitutions, alterations, additions and improvements to and of the Collateral as the Secured Party may deem reasonable and necessary. In any such case, the Secured Party shall have the right to manage and control the Collateral and to carry on the business and to exercise all rights and powers of the Debtor in respect to the operation of the Collateral or any part thereof as the Secured Party may see fit; and the Secured Party shall be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of holding and operating the Collateral and of

conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Secured Party may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which the Secured Party may be required or authorized to make under any provision of this Agreement (including legal costs and reasonable attorneys' and other professionals' fees and disbursements). The remainder of such rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Secured Obligations in such order of priority as the Secured Party shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any person or party lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). Without limiting the generality of the foregoing, the Secured Party shall have the right to apply for and have a receiver appointed by a court of competent jurisdiction in any action taken by the Secured Party to enforce its rights and remedies hereunder in order to manage, protect and preserve the Collateral and continue the operation of the business of the Debtor and to collect and apply all revenues to the payment of all expenses and other charges of such receivership, including the compensation of the receiver, and to the payment of the Secured Obligations as aforesaid until a sale or other disposition of such Collateral shall be finally made and consummated.

7. Marshaling. The Secured Party shall not be required to marshal any present or future security for or guaranties of the Secured Obligations (including without limitation the Collateral secured hereunder), or to resort to such security or guaranties in any particular order. All of the Secured Party's rights hereunder and in respect of the Collateral and any other security and guaranties shall be cumulative and in addition to all other rights of the Secured Party, however existing or arising.

8. Waivers, Etc. To the extent not prohibited by any applicable law that cannot be waived, the Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise provided herein, all other demands and notices in connection with this Agreement or the enforcement of the Secured Party's rights hereunder or in connection with any Secured Obligations or Collateral. The Debtor further consents to and waives notice of the granting of renewals, any extension or postponement of the time for payment of any of the Secured Obligations or any other indulgence, and the addition or release of Collateral or persons primarily or secondarily liable on any Secured Obligations, the acceptance of partial payments on any of the Secured Obligations or Collateral and/or the settlement or compromise thereof. No delay or omission on the part of the Secured Party in exercising any right hereunder or under any of the other Loan Documents shall operate as a waiver of such right or of any other right hereunder. Any waiver of any such right on any one occasion shall not be construed as a bar to or waiver of any such right on any such future occasion. To the extent not prohibited by any applicable law that cannot be waived, the Debtor further waives any right it may have under the constitution of The Commonwealth of Massachusetts, or under the Constitution of the United States of America, to notice (other than any requirement of notice provided herein) or to a judicial hearing prior to the exercise of any right or remedy provided by this Agreement to the Secured Party and waives its rights, if any, to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing.

THE DEBTOR'S WAIVERS UNDER THIS SECTION HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY AND AFTER THE DEBTOR HAS BEEN APPRISED AND COUNSELED BY ITS ATTORNEYS AS TO THE NATURE THEREOF AND ITS POSSIBLE ALTERNATIVE RIGHTS.

9. Termination; Assignment, Etc. This Agreement and the security interest in Collateral created hereby shall terminate when the Secured Obligations have been paid and finally discharged in full. Subject to the provisions of Section 10 hereof, the Secured Party shall execute and deliver to the Debtor such UCC-3 termination statements as may be necessary to terminate any currently effective UCC-1 financing statements upon the termination of this Agreement. No waiver by the Secured Party or by any other holder of the Secured Obligations of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. In the event of a sale or assignment by the Secured Party of the Secured Obligations held by it, the Secured Party may assign or transfer its rights and interests under this Agreement in whole or in part to the purchaser or purchasers of such Secured Obligations, whereupon such purchaser or purchasers shall become vested with all of the powers and rights of the Secured Party hereunder, and the Secured Party shall thereafter be forever released and fully discharged from any liability or responsibility hereunder with respect to the rights and interests so assigned.

10. Reinstatement. The provisions of Section 9 hereof notwithstanding, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Party in respect of the Collateral is rescinded or must otherwise be restored or returned by the Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Debtor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, the Debtor or any substantial part of its properties, or otherwise, all as though such payments had not been made.

11. Governmental Approvals. Upon the exercise by the Secured Party of any power, right, privilege or remedy pursuant to this Agreement which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Debtor will execute and deliver, or will cause the execution and delivery of, all applications, certificates, instruments and other documents and papers that the Secured Party may be required to obtain for such governmental consent, approval, registration, qualification or authorization.

12. Certain Definitions. Capitalized terms used herein without definition which are defined in the Credit Agreement shall have the respective meanings ascribed to them therein. In addition to the descriptions contained in Section 1 hereof, the items of Collateral referred to therein shall have all of the meanings ascribed to them in the Code as in effect from time to time.

13. Notices. Except as otherwise expressly provided herein, any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered upon the earlier of (a) personal delivery to the address set forth below, (b) in the case of mailed notice, three (3) days after deposit in the United States mails, with proper postage for certified mail, return receipt requested, prepaid, (c) in the case of telex, facsimile or other telecommunications transmission, upon receipt, or (d) in the case of notice by Federal Express or other reputable overnight courier service, one (1) Business Day after delivery to such courier service, addressed to the party to be notified as follows:

(i) If to Secured Party at:

Citizens Bank of Massachusetts
28 State Street
Boston, Massachusetts 02109
Attention: Bruce A. Bernier, Vice President
Telecopy: 617.725.5690

with a copy to:

Peter S. Johnson, Esq.
Gadsby & Hannah LLP
225 Franklin Street
Boston, Massachusetts 02110
Telecopy: 617.345.7050

(ii) If to Debtor at:

Modu Form, Inc.
172 Industrial Road
Fitchburg, Massachusetts 01420-0400
Attention: William L. Weissman, President
Telecopy: 978.345.0188

with a copy to:

David F. Dietz, Esq.
John G. Loughnane, Esq.
Goodwin, Proctor & Hoar LLP
Exchange Place
Boston, MA 02109
Telecopy: 617.523.1231

or to such other address as each party designates to the other in the manner herein prescribed.

14. Miscellaneous. This Agreement and the other Loan Documents incorporate all discussions and negotiations between the Debtor and the Secured Party concerning this Security Agreement. This Agreement shall inure to the benefit of and be binding upon the Secured Party and the Debtor and their respective successors and assigns, and the term "Secured Party" shall be deemed to include any other holder or holders of any of the Secured Obligations. No provision hereof may be altered, amended, waived, cancelled or modified, except by a written instrument executed, sealed and acknowledged by a duly authorized officer of the Secured Party. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

15. Letters of Credit. Debtor understands and agrees that the issuance by the Secured Party of the Letters of Credit in connection with the Bond Issue are subject to certain conditions. In the event that one or more Letter of Credit is issued by the Secured Party, Debtor agrees that all obligations under the Reimbursement Agreement shall be secured hereby without any further action by the parties hereto.

16. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, references to the singular include the plural, the term "including" is not limiting and means "including without limitation", and the term "or" has the inclusive meaning represented by the phrase "and/or." The terms "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, exhibit and schedule references are to this Agreement unless otherwise specified. Section and subsection headings used herein are included for convenience of reference only and shall not be applied in interpreting the meaning or intent of any text herein.

17. Governing Law; Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts. The Debtor, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in The Commonwealth of Massachusetts and consents to the jurisdiction of the courts of The Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts from which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of this Agreement or any of its obligations hereunder or with respect to the transactions contemplated hereby, and expressly waives any and all objections it may have as to venue in any such courts. The Debtor further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address set forth above or as otherwise provided under the laws of The Commonwealth of Massachusetts.

The Debtor makes the following waiver knowingly, voluntarily, and intentionally, after consultation with its attorneys, and understands that the Secured Party, in the establishment and maintenance of its relationship with the Debtor, is relying thereon:

THE DEBTOR, TO THE EXTENT ENTITLED UNDER APPLICABLE LAW, IRREVOCABLY WAIVES ANY PRESENT OR FUTURE RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY OF ANY CASE OR CONTROVERSY IN WHICH THE SECURED PARTY IS OR BECOMES A PARTY (WHETHER INITIATED BY OR AGAINST THE SECURED PARTY OR WHETHER THE SECURED PARTY IS JOINED AS PARTY THERETO), WHICH CASE OR CONTROVERSY ARISES OUT OF, OR IS IN RESPECT OF, ANY RELATIONSHIP BETWEEN THE SECURED PARTY AND THE DEBTOR.

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IN WITNESS WHEREOF, the parties have executed this Security Agreement as a sealed instrument as of the date first above written.

DEBTOR:

MODUFORM, INC.

By: 

William L. Weissman
President

SECURED PARTY:

CITIZENS BANK OF MASSACHUSETTS

By: 

Bruce A. Bernier
Vice President

RIDER "A"
to
UCC-1 Financing Statement

Debtor (the "Debtor"):

Modu Form, Inc.
172 Industrial Road
Fitchburg, MA 01420-0400

Secured Party:

Citizens Bank of Massachusetts
28 State Street
Boston, MA 02109

all of the tangible and intangible personal property and fixtures of the Debtor, including but not limited to the property described below, whether now owned or existing, or hereafter acquired or arising, and wherever situated, together with any and all additions and accessions thereto, and replacements, substitutions, proceeds and products thereof (the "Collateral"):

(i) all "Accounts" (as hereinafter defined); (ii) all "Equipment" (as hereinafter defined); (iii) all "General Intangibles" (as hereinafter defined); (iv) all "Inventory" (as hereinafter defined); (v) all contract rights, including without limitation, all right, title and interest of the Debtor in and to any lease of real or personal property, whether as lessor or lessee (including any option to purchase thereunder); (vi) all chattel paper; (vii) all deposit accounts (whether general or special) with and credits or other claims against the Secured Party or any Affiliate of the Secured Party, or any other financial institution with which the Debtor maintains deposits; (viii) all monies, and any and all other property now or hereafter coming into the actual possession, custody or control of the Secured Party or any agent or Affiliate of the Secured Party, in any way or for any purpose (whether for safekeeping, deposit, custody, pledge, transmission, collection or otherwise); (ix) all other rights of the Debtor to the payment of money, whether evidenced by instruments, letters of credit, chattel paper or otherwise, insurance proceeds, amounts due under factoring agreements, and all rights to deposits or advance payments; (x) all files, customer lists, subscription lists, records (including without limitation, computer programs, disks, tapes, object codes, source codes and related electronic data processing media) and writings of the Debtor or in which the Debtor has an interest in any way relating to the property and assets described herein, and all rights of the Debtor to retrieval from third parties of electronically processed and recorded information pertaining to any of such property or assets; (xi) all documents, documents of title, instruments and promissory notes (in any case, whether negotiable or non-negotiable); (xii) all licenses and permits (whether issued by private parties or public authorities), and all agreements in respect thereof; and (xiii) all other tangible and intangible personal property and assets of the Debtor, and all guaranties and securities therefor.

The term "Accounts" shall mean and include all accounts, accounts receivable, and all rights to payment for goods sold or leased or for services rendered, all sums of money or other proceeds due or becoming due thereon, all instruments pertaining thereto, all guaranties and security therefor, and all goods giving rise thereto and the rights pertaining thereto, including the right of stoppage in transit, all related insurance and all related contracts, contract rights,

documents, notes, bills, drafts, acceptances, general intangibles, choses in action and all other forms of obligations.

The term "Equipment" shall mean and include all equipment, machinery, tools, appliances, "Vehicles" (as hereinafter defined), furniture, fixtures and office supplies (including, without limitation, telephones, facsimile transmission equipment, all audio and/or visual equipment of every name, nature and description, and all computer hardware and software), and other tangible personal property (other than Inventory), together with all accessions, parts and appurtenances thereto.

The term "General Intangibles" shall mean and include all general intangibles, choses in action, causes of action and all other intangible personal property of every kind and nature (other than Accounts), including without limitation, corporate or other business records, inventions, designs, patents, patent applications, service marks, service mark applications, trademarks, trademark applications, tradenames, brands, tradestyles, trade secrets, goodwill, registrations, computer software, operational manuals, product formulae, blueprints, drawings, copyrights, copyright applications, licenses, license agreements, permits, franchises, customer lists, mailing lists, tax loss carryovers, tax refund claims and the like.

The term "Inventory" shall mean and include all inventory, goods, merchandise, raw materials, supplies, work in process, finished goods, goods in transit, and other tangible personal property now or hereafter held by or on behalf of the Debtor for processing, sale or lease or furnished or to be furnished by the Debtor under contracts of service or to be used or consumed in the Debtor's business, including but not limited to, Inventory owned by the Debtor in the possession or under the control of third parties, and such property, the sale or other disposition of which has given rise to Accounts and which has been returned to, or repossessed or stopped in transit by or on behalf of the Debtor.

The term "Vehicles" shall mean and include all vehicles, rolling stock or other movable personal property, whether or not motorized or self-propelled and whether or not required by applicable law to be registered and/or titled.