

07-23-1999

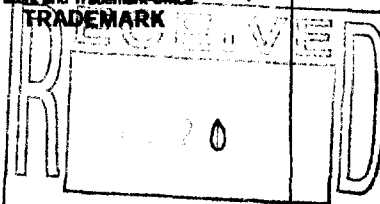


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TRADEMARK

7-20-99

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 Change of Name
 - Other _____
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name JEVCO, Inc.

Execution Date
Month Day Year
012599

Formerly _____

- Individual General Partnership Limited Partnership Corporation Association
- Other _____
- Citizenship/State of Incorporation/Organization Massachusetts

Receiving Party

Mark if additional names of receiving parties attached

Name Fleet National Bank

DBA/AKA/TA _____

Composed of _____

Address (line 1) One Federal Street

Address (line 2) _____

Address (line 3) Boston

MA

02110

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership Corporation Association
- Other National Banking Association
- Citizenship/State of Incorporation/Organization United States

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.)

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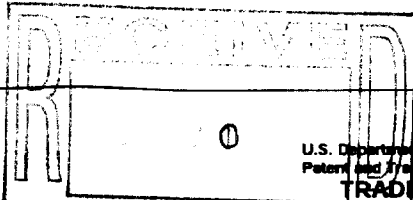
FOR OFFICE USE ONLY

165E

01 FC:481 40.00 DP
02 FC:482 125.00 DP

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



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" value="75/157,406"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75/157,319"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1,264,598"/>	<input type="text" value="1,916,636"/>	<input type="text"/>
<input type="text" value="1,913,489"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="1,212,225"/>	<input type="text"/>	<input type="text"/>

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.

Amy Span Wergeles
Name of Person Signing

Signature

7/20/99
Date Signed

COMMERCIAL TERM LOAN, REVOLVING LOAN AND SECURITY AGREEMENT

DATED AS OF JANUARY 25, 1999

by and between

FLEET NATIONAL BANK

and

JEVCO, INC.

COMMERCIAL TERM LOAN, REVOLVING LOAN AND SECURITY AGREEMENT

COMMERCIAL TERM LOAN, REVOLVING LOAN AND SECURITY AGREEMENT (as it may be amended and supplemented from time to time, the "Agreement"), dated as of January 25, 1999, by and between JEVCO, Inc., a Massachusetts corporation with its principal place of business at 130 Condor Street, East Boston, MA ("Borrower") and Fleet National Bank, with its principal office at One Federal Street, Boston, MA 02110 ("Lender").

Lender has agreed, subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties set forth herein, to establish for Borrower's benefit the Term Loan and the Revolving Loan set forth below. All schedules and exhibits referred to in this Agreement are annexed hereto and made a part hereof.

In consideration of the foregoing and in further consideration of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

1.1 General Terms. As used in this Agreement, the following terms shall have the following respective meanings:

"Accounts" shall have the meaning given to that term in Section 3.1. hereof.

"Account Debtor" shall mean the Persons liable on an Account.

"Banking Day" means a day other than a Saturday, Sunday or banking holiday in the Commonwealth of Massachusetts.

"Borrower" shall have the meaning given to that term in the preamble of this Agreement.

"Borrower's Account" means Borrower's main operating account maintained with Lender bearing Borrower's name and in which all advances by Lender to Borrower and all payments by Borrower to Lender pursuant to this Agreement shall be recorded.

"Borrowing Base" means, at the time in question, the sum of the following: (i) eighty percent (80%) of the value of the Borrower's then existing Eligible Accounts; plus (ii) Twenty-five percent (25%) of the value of the Borrower's then existing Eligible Inventory which is in the form of raw materials; plus (iii) Fifty percent (50%) of the value of the Borrower's then existing Eligible Inventory which is in the form of finished goods not manufactured by the Borrower, each of (ii) and (iii) determined on a FIFO basis, up to a maximum of the amount of unused Eligible Inventory; less any amounts which may in the future be due from Lender to third

parties under standby letters of credit and bankers' acceptances issued by Lender at Borrower's request.

"Borrowing Base Certificate" shall have the meaning given to that term in Section 6.4(E).

"Capital Expenditures" means, during the period being measured, the total amount of Borrower's expenditures for the acquisition, construction, improvement, replacement or purchase of property or plant assets or any other assets that in accordance with GAAP is required or permitted to be treated as a capital asset, including, expenditures under capital leases.

"Closing Date" means January 25, 1999.

"Code" means the Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder, in each case as in effect from time to time.

"Collateral" means any and all assets of Borrower or any of Borrower's Affiliates or any other Person with respect to which Lender is now or hereafter granted a lien, security interest, mortgage or any other interest pursuant to this Agreement or any other agreement entered into with respect to the transactions contemplated by this Agreement, including the items described in Section 3.1 hereof.

"Default" means an event that with the giving of notice or lapse of time, or both, would constitute an Event of Default.

"Eligible Account" means an Account lawfully owned by Borrower arising from the sale of Inventory in the ordinary course of Borrower's business with respect to which Lender has a valid and perfected first priority security interest and net of any credit to which the Account Debtor may be entitled (for any deposit or similar advance payment), which Account (i) is not aged more than ninety (90) calendar days past the original invoice date or sixty (60) day past trade terms; (ii) is the valid and binding obligation of a Solvent Account Debtor thereunder and enforceable by Borrower in the courts of the jurisdiction in which such Account Debtor is located and is not subject to any dispute or claim of offset by such Account Debtor; (iii) does not arise out of a transaction with an Account Debtor who is located outside the United States of America and Canada (iv) does not arise out of a transaction with an officer, director, shareholder, employee, agent or affiliated company of Borrower; (v) in the case of an Account arising from a sale or sales to a vendor and/or supplier of Borrower, such Account is net of any amounts owing by Borrower to such third party; (vi) is not an obligation with respect to which the Account Debtor's obligation to pay the Account is conditional or otherwise subject to any repurchase obligation or return right, including sales made on a bill and hold, new product introduction, guaranteed sale, sale and return, sale on approval or consignment basis; (vii) has not arisen out of a transaction with an Account Debtor fifteen percent (15%) or more of whose dollar amount of Accounts with Borrower are aged more than ninety (90) calendar days past the original invoice date; (viii) has not been determined by Lender in Lender's commercially

reasonable discretion to be Ineligible by reason of Lender's opinion regarding collectability of the account and/or the creditworthiness of the Account Debtor.

"Eligible Inventory" means the Inventory owned by Borrower which (A) are in good condition and meet all standards imposed by any regulatory authority having jurisdiction over such goods, their use and/or sale, and are otherwise currently saleable by Borrower, or currently usable by Borrower, in the ordinary course of Borrower's business; (B) are raw materials utilized to fabricate those items set forth in Subsection (A) above; (C) are not subject to any third party dispute, offset or lien; (D) are otherwise satisfactory to Lender in Lender's commercially reasonable discretion; (E) are located on the premises of Borrower at 130 Condor Street, East Boston, Massachusetts 02128, or as set forth on Schedule 5.20; (F) with respect to which Lender has a valid, perfected, first priority security interest; and (G) conform to the representation set forth in Section 5.20. In the event of any dispute as to whether or not any Inventory is Eligible Inventory, the determination of the Bank shall at all times control.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and all regulations and rulings promulgated thereunder, in each case as in effect from time to time.

"ERISA Affiliate" means each trade or business (whether or not incorporated) that together with Borrower or any of Borrower's Affiliates would be treated as a single employer under Section 414 of the Code for any purpose or would be treated as a single employer under Section 4001 of ERISA.

"Event of Default" shall have the meaning given to that term in Section 9.1.

"GAAP" means generally accepted accounting principles in effect from time to time in the United States of America, consistently applied.

"General Account" means Borrower's disbursement account with Lender.

"Indebtedness" means all items of borrowed money, guarantees and capital lease obligations.

"Indemnified Person" means each of Lender and Lender's Affiliates, successors and assigns and each of their respective past, present and future stockholders, officers, directors, employees, agents, attorneys and representatives, and their respective heirs, executors, legal representatives, successors and assigns.

"Interest Expense" means for the period measured the total interest expense paid or payable during such period.

"Inventory" shall have the meaning given to such term in Section 3.1(D) hereof.

"Laws" means all ordinances, statutes, rules, regulations, guidelines, orders, injunctions, writs or decrees of any governmental or political subdivision or agency thereof, or any court or similar entity established by any such governmental or political subdivision or agency thereof.

"Legal Rate" means, at any time, the maximum rate of interest which may be charged on any Loan under applicable Law.

"Lender" shall have the meaning given to that term in the preamble of this Agreement.

"Multiemployer Plan" means a Plan defined as such in Section 3(37) of ERISA to which Borrower or any ERISA Affiliate has or had any obligation to contribute or has made contributions.

"Obligations" means all loans, advances, debts, liabilities, obligations, Indebtedness, covenants and duties owing by Borrower to Lender of every kind and description (whether or not evidenced by any note or other instrument and whether or not for the payment of money), direct or indirect, primary or secondary, absolute or contingent, fixed or otherwise (including obligations of performance) due or to become due, now existing or hereafter arising, including all principal, interest, charges, expenses, attorneys' fees and other sums chargeable to Borrower by Lender pursuant to this Agreement, the Term Note, the Revolving Note or any Related Agreements and all reimbursement obligations under letters of credit, and/or banker's acceptances and the performance and fulfillment by Borrower of all of the terms, conditions, promises, covenants and provisions contained in this Agreement, the Term Note, the Revolving Note or any Related Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation established under Title IV of ERISA or any other governmental agency, department or instrumentality succeeding to the functions of said corporation.

"Permitted Encumbrances" means (A) liens incurred or deposits made in the ordinary course of Borrower's business in connection with worker's compensation, unemployment insurance and other types of social security, or to secure Borrower's performance of leases, utility contracts, franchises, licenses, statutory obligations, surety and appeal bonds, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) incurred in the ordinary course of Borrower's business; (B) liens set forth on Schedule 7.1; (C) liens arising from judgments, attachments or decrees, provided however said liens do not otherwise give rise to a breach of warranty, covenant, negative covenant or other Event of Default hereunder; (D) inchoate liens which have not ripened into liens otherwise not permitted hereunder and (E) purchase money security interests held by the sellers of an after-acquired property.

"Permitted Indebtedness" shall have the meaning given to that term in Section 7.2.

"Person" means a corporation, association, general or limited partnership, limited liability company, limited liability partnership, organization, business, joint venture, individual, sole proprietorship, government or political subdivision thereof or a governmental agency.

"Plan" means any employee pension or benefit plan (A) to which Section 4021 of ERISA applies to Borrower or any ERISA Affiliate; or (B) to which Borrower or any ERISA Affiliate made, or was required to make, contributions at any time within the five (5) years preceding the Closing Date.

"Prohibited Transaction" means with respect to any Plan or Multiemployer Plan any transaction described in Section 406 of ERISA which is not exempt by reason of Section 408 of ERISA and any transaction described in Section 4975 of the Code which is not exempt by reason of Section 4975(c)(2) or 4975(d) of the Code.

"Related Agreements" means those documents described on the Index of Closing Documents attached hereto as Schedule 1.1(b).

"Reportable Event" means (A) a reportable event described in Section 4043 of ERISA; (B) a withdrawal by a substantial employer from any Plan that has two or more contributing sponsors at least two of which are not under common control, as referred to in Section 4063(b) of ERISA; or (C) a cessation of operations at a facility causing more than twenty percent (20%) of any Plan's participants to be separated from employment, as referred to in Section 4068(f) of ERISA.

"Revolving Loan" shall have the meaning given to that term in Section 2.1.

"Revolving Note" shall have the meaning given to that term in Section 2.1.

"Seller" shall have the meaning given to that term in Section 2.10.

"Senior Management" shall mean the Chief Financial Officer, Chief Executive Officer, President or Treasurer of the Borrower.

"Solvent" means, as to any Person, that such Person (A) has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage, (B) is able to pay its debts as they mature, (C) owns property having both a fair salable value in the ordinary course of such Person's business and a fair valuation that is greater than the amount required to pay its Indebtedness (D) has not been dissolved, terminated or ceased normal business operations, a receiver has not been appointed in connection with such Person and no proceedings under bankruptcy, insolvency or other similar laws have been commenced by or against such Person.

"Subordinate Lenders" shall mean the Massachusetts Capital Resource Company, Thomas Cronin, John T. Vinton, their successors and assigns, and any other obligee of any Permitted Indebtedness.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions is at the time in question directly or indirectly owned or controlled by such Person.

"Term Loan" shall have the meaning given the term in Section 2.8.

"Term Note" shall have the meaning given the term in Section 2.8.

"Unfunded Vested Liabilities" means, with respect to any Plan, the amount (if any) by which the present value of all vested benefits under the Plan exceeds the fair market value of all Plan assets allocable to such benefits, as determined on the most recent valuation date of the Plan and in accordance with the provisions of ERISA for calculating the potential liability of Borrower or any ERISA Affiliate to the PBGC or the Plan under Title IV of ERISA.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements required hereunder and in connection with the financial covenants set forth herein.

SECTION 2. THE LOAN TRANSACTIONS

Lender shall make the Loans to Borrower upon the following terms and conditions:

2.1 Revolving Loans. Subject to the terms and conditions set forth in this Agreement, Lender will make advances to Borrower ("Revolving Loans") up to, but not exceeding, an aggregate principal amount outstanding of the lesser of One Million Three Hundred Thousand Dollars (\$1,300,000) or the Borrowing Base. Within the foregoing limit, Borrower may borrow, repay and reborrow Revolving Loans at any time or from time to time from the Closing Date until April 10, 2000. On April 30, 2000 all principal, interest and other amounts outstanding in respect of Revolving Loans shall immediately become due and payable without any further action on the part of Lender. Borrower's obligation to repay Revolving Loans and to pay interest, fees, costs and expenses in connection therewith, shall be evidenced by Borrower's Revolving Line of Credit Note of even date (the "Revolving Note").

2.2 Advances under the Revolving Loan.

(A) If Borrower wishes to receive a Revolving Loan, Borrower shall make a written, telecopy or telephonic request (subject to written confirmation at Lender's request) for an advance no later than 2:00 p.m. Boston, Massachusetts, on the Banking Day which precedes the Banking Day proposed for such Loan. Each such request for a Revolving Loan shall be irrevocable and shall specify the aggregate principal amount and the date of such requested Loan. Lender shall not be obligated to honor any such request if at the time such request is made any Default or any Event of Default shall exist.

(B) Lender shall make each Revolving Loan by depositing the proceeds thereof in Borrower's Account. Each request by Borrower for a Revolving Loan shall constitute, without more, a representation and warranty by Borrower that no Default or Event of Default has occurred and is continuing.

2.3 Repayment Required under the Revolving Loan/Zero Balance Requirement.

If at any time the aggregate outstanding balance of the Revolving Loans shall exceed the lesser of One Million Three Hundred Thousand Dollars (\$1,300,000) or the Borrowing Base then the Borrower shall immediately repay the Revolving Loans in an amount equal to such excess. Borrower shall be required to maintain a zero balance under the Revolving Note for a minimum of thirty (30) consecutive days during each calendar year the Revolving Loan is in effect.

2.4 Manner, Time and Application of Scheduled Payments of the Revolving Loan.

(A) All scheduled payments made by Borrower hereunder on account of principal, interest, fees, costs and expenses shall be made to Lender on their respective due dates in immediately available funds not later than 11:00 a.m., Boston, Massachusetts, at Lender's address set forth herein or such other address as Lender may from time to time specify in writing. Each payment by Borrower with respect to the Revolving Loan will be applied, first, on account of fees, costs and expenses that are due and payable by Borrower hereunder, second, on account of any interest on the Revolving Loan then due and owing, third, to the principal balance of the Revolving Loan outstanding.

(B) Borrower hereby authorizes Lender to charge, from time to time, against Borrower's Account or any of Borrower's other accounts with Lender any amount so due, and Lender shall give the Borrower subsequent notice of any such charge.

2.5 Use of Proceeds under the Revolving Loan. Borrower shall use the proceeds of advances under the Revolving Loan only for Borrower's working capital purposes, as set forth below in Section 2.7 and to utilize an amount not in excess of \$200,000 hereunder to partially finance the acquisition of the assets of the Seller (as defined herein).

2.6 Unused Revolving Loan Fee. Borrower shall pay to Lender an unused line fee equal to one-eighth of one percent (.125%) of the unused amount of the Revolving Loan, calculated and payable quarterly in arrears.

2.7 Letters of Credit and Bankers' Acceptances. Lender may issue letters of credit and/or bankers' acceptances at Borrower's written request in connection herewith subject to such terms and conditions as Lender may impose. Lender reserves the right to impose a limit on the aggregate amount of letters of credit and/or banker's acceptances outstanding at any time, upon notice to Borrower. Any payments made by Lender pursuant to said letters of credit and/or bankers' acceptances shall be repaid to Lender, at Lender's option, by advances under the Revolving Note, which Lender is hereby authorized to make.

2.8 Term Loan. Borrower's obligation to repay the Term Loan, as defined below, and to pay interest, fees, costs and expenses in connection therewith, shall be evidenced by Borrower's Term Note of even date (the "Term Note"). Subject to the terms and conditions set forth in this Agreement, Lender will make one advance to Borrower (the "Term Loan") of One Million Five Hundred Eighty Thousand and 00/100 (\$1,580,000.00). On the maturity date of the Term Note as

set forth therein all principal, interest and other amounts outstanding in respect of Term Loan shall immediately become due and payable without any further action on the part of Lender.

2.9 Manner, Time and Application of Scheduled Payments of the Term Loan.

(A) All scheduled payments made by Borrower hereunder on account of principal, interest, fees, costs and expenses shall be made to Lender on their respective due dates in immediately available funds not later than 11:00 a.m., Boston, Massachusetts, at Lender's address set forth herein or such other address as Lender may from time to time specify in writing. Each payment by Borrower with respect to the Term Loan will be applied, first, on account of fees, costs and expenses that are due and payable by Borrower hereunder, second, on account of any interest on the Term Loan then due and owing, third, to the principal balance of the Term Loan outstanding in the manner prescribed in the Term Note.

(B) Borrower hereby authorizes Lender to charge, from time to time, against Borrower's Account or any of Borrower's other accounts with Lender any amount so due, and Lender shall provide subsequent notice to Borrower of any such change.

2.10 Use of Proceeds under the Term Loan. Borrower shall use the proceeds of advances under the Term Loan to finance in part its acquisition of the assets of CranBarry, Inc., S & C Sportswear Manufacturing, Inc. and Atlantis Weathergear, Inc. (collectively, the "Seller").

SECTION 3. SECURITY INTERESTS

3.1 Grant of Security Interest by Borrower. To secure Borrower's timely payment and performance of all of the Obligations, Borrower hereby mortgages, pledges, transfers, conveys and delivers to Lender, and grants to Lender an irrevocable, unconditional and continuing first and prior security interest in and lien upon the following property of Borrower (the "Collateral"):

(A) All accounts and accounts receivable related to or arising from the rendition of services or sale of goods by Borrower in the ordinary course of its business or arising in any other manner and all other accounts, bank accounts, contracts, contract rights, notes, documents, chattel paper, instruments, acceptances, drafts or other forms of obligations and receivables (collectively, the "Accounts"), whether or not the same are listed on any schedules, assignments or reports furnished to Lender from time to time, and whether such Accounts are now existing or are created at any time hereafter, together with all goods, inventory and merchandise returned by or reclaimed by or repossessed from customers wherever such goods, inventory and merchandise are located, and all proceeds thereto including without limitation, proceeds of insurance thereon and all guaranties, securities, and liens which Borrower may hold for the payment of any such Accounts, including without limitation, all rights of stoppage in transit, replevin and reclamation and all other rights and remedies of an unpaid vendor or lienor, and any liens held by Borrower as a mechanic, contractor, subcontractor, processor, materialman, machinist, manufacturer, artisan, or otherwise;

(B) All documents, instruments, securities, documents of title, general intangibles, policies and certificates of insurance, guaranties, securities, chattel paper, deposits, tax refunds, proceeds of insurance, proceeds of an eminent domain or condemnation award, cash, liens or other property (other than real property), which are now or may hereinafter be in the possession of the Borrower or as to which the Borrower may now or hereafter control possession by documents of title or otherwise, including, but not limited to, all property allocable to unshipped orders relating to Accounts and Inventory (as herein defined);

(C) All books, records, customer lists, supplier lists, ledgers, evidences of shipping, invoices, purchase orders, sales orders and all other evidences of Borrower's business records, including all cabinets, drawers, etc. that may hold the same; computer records, lists, software, programs, wherever located, all whether now existing or hereafter arising or acquired;

(D) All Borrower's inventory, whether now owned or hereafter acquired, including without limitation: (i) all goods manufactured or acquired for sale or lease, and any piece goods, raw materials, work in process and finished merchandise, findings or component materials, and all supplies, goods, incidentals, office supplies, packaging materials, and any and all items including machinery and equipment used or consumed in the operation of the business of Borrower or which contribute to the finished product or to the sale, promotion and shipment thereof, in which Borrower now or at any time hereafter may have an interest, whether or not such inventory is listed in this agreement on any reports furnished to Lender from time to time; (ii) all inventory whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of Borrower or is held by Borrower or by others for the Accounts, including without limitation, all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers; (iii) all inventory which may be located on premises of Borrower or of any carrier, forwarding agents, truckers, warehousemen, vendors, selling agents or third parties; (iv) all general intangibles relating to or arising out of inventory; and (v) all proceeds and products of the foregoing resulting from the sale, lease or other disposition of inventory, including cash, accounts receivable, other non-cash proceeds and trade-ins (collectively, "Inventory");

(E) All general intangibles, including without limitation, tax refunds, customer lists, proceeds of insurance, unearned insurance premium refunds, eminent domain awards, condemnation proceeds, and patents, copyrights, tradenames, trademarks, applications therefor, and licenses to any patent, copyright, trademark, or tradename that Borrower now owns, has the right to use or may hereafter own or acquire the right to use, including without limitation those listed on Schedule 3.1;

(F) All equipment, machinery, appliances, and furniture and fixtures, now existing or hereafter arising, wherever located, and all contracts, contract rights and chattel paper arising out of any lease of any of the foregoing or otherwise;

(G) All other collateral in which Borrower may hereafter grant to Lender a security interest; and

(H) All renewals, substitutions, replacements, additions, accessions, proceeds, and products of any and all of the foregoing.

3.2 Continuous Security Interest. Borrower and Lender expressly acknowledge that the security interest granted hereunder shall remain as security for payment and performance of the Obligations, whether now existing or which may hereafter be incurred by future advances, or otherwise. The notice of the continuing grant of this security interest therefore shall not be required to be stated on the face of any document representing any such Obligations, nor otherwise identify it as being secured hereby.

3.3 Priority of the Liens and Security Interests. The liens and security interests granted to Lender pursuant to Section 3.1 shall constitute valid and enforceable first priority liens and security interests against the Collateral, prior in right to all other liens, security interests, charges and other encumbrances except for purchase money security interests in after-acquired property. Borrower shall not take any action to impair or defeat the foregoing priority.

SECTION 4. CONDITIONS PRECEDENT TO THE LOANS

4.1 Initial Loans. Lender's obligation to make any initial Revolving Loans or the Term Loan on the Closing Date is subject to delivery by Borrower, prior to or at the time of the making thereof of each of the documents and items described on the Index of Closing Documents attached as Schedule 1.1(b) except to the extent said items are listed on said Schedule 1.1(b) to be delivered post closing.

4.2 Subsequent Loans. Lender's obligation to make any Revolving Loan subsequent to the Closing Date shall be subject to the further conditions precedent that on the date on which Lender makes such advance:

(A) Borrower shall have received and provided to Lender such other approvals, opinions, consents or documents as Lender may reasonably request; and

(B) the following statements shall be true, and each request for a Revolving Loan shall be deemed to be a representation and warranty by Borrower to the effect that, at and as of the date of such request:

(i) the representations and warranties contained in Section 5 are true and correct on and as of the date of such request as though made on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing, or would result from such advance.

SECTION 5. REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into this Agreement and to make the Loans, Borrower represents and warrants to Lender as follows:

5.1 Corporate Existence, Good Standing, Etc. Borrower is and will continue to be a corporation duly organized, validly existing and in good corporate standing under the Laws of the Commonwealth of Massachusetts. Borrower is and will continue to be duly qualified and licensed to transact business in all states or jurisdictions except those jurisdictions in which Borrower's failure to so qualify or be so licensed or in good standing would not, individually or in the aggregate, have a material adverse effect on Borrower's business, operations, affairs, condition, properties or prospects.

5.2 Licenses, Waivers, Material Contracts, Etc. Borrower possesses all material licenses, waivers, consents, rights, permits, orders and other governmental authorizations and approvals, and all material franchises, contracts and agreements, necessary to carry on its business as presently conducted. All of such licenses, waivers, consents, rights, permits, orders, authorizations, approvals, franchises, contracts and agreements are in full force and effect and there is no violation or failure of compliance or allegation of such violation or failure of compliance on the part of Borrower with respect to any of the foregoing.

5.3 Books and Records. Borrower's principal place of business is located at Borrower's address set forth in Section 10.8; all of Borrower's books and records are kept at such principal and only place of business; and Borrower does not invoice receivables from or maintain records relating to receivables at any location other than such principal place of business. Borrower has not changed its name, been the surviving corporation in any merger, acquired any business except with respect to the Seller's business, or changed its chief executive office within five (5) years prior to the date of this Agreement.

5.4 Power and Authority. Borrower has the corporate power to execute, deliver and carry out this Agreement, the Term Note, the Revolving Note and the Related Agreements to which it is a party and to incur the Obligations, and has taken all necessary corporate action to authorize its execution, delivery and performance of this Agreement, the Term Note, the Revolving Note and the Related Agreements to which it is a party and its incurring of the Obligations.

5.5 No Violation. Borrower's execution and delivery of this Agreement, the Term Note, the Revolving Note and the Related Agreements to which it is a party and compliance by Borrower with all of the terms and provisions hereof and thereof, will not violate any provision of any existing Law or any writ, order, judgment, injunction, determination, award or decree of any court or governmental instrumentality or of Borrower's certificate of incorporation or bylaws or any agreement or instrument to which Borrower is a party or which is binding upon Borrower or its assets, and will not result in, or require, the creation or imposition of any lien, security interest, charge or encumbrance of any nature whatsoever upon or in any of Borrower's assets except as contemplated by this Agreement, and no consent or approval of any other party (including Borrower's shareholders) and no consent, license, approval or authorization of, exemption of or registration or declaration with, any governmental bureau or agency (federal, state, municipal or

otherwise) or any other Person (except as contemplated in the Related Agreements) is required in connection with the execution, delivery, performance, validity and enforceability of this Agreement, the Term Note, the Revolving Note and the Related Agreements.

5.6 Valid and Binding Agreement. This Agreement, the Term Note, the Revolving Note and the Related Agreements delivered pursuant hereto will be valid and binding upon and enforceable against Borrower in accordance with their respective terms.

5.7 Litigation, Claims. Except as set forth in Schedule 5.7, there is not pending, nor to Borrower's knowledge is there threatened, against Borrower any action, suit, order, notice, claim, investigation or proceeding at law or in equity or by or before any governmental instrumentality or other agency which could materially adversely affect Borrower or any of Borrower's properties or rights, or which could have a material adverse effect upon Borrower's business operations or financial condition, or which could involve in the aggregate the payment by Borrower of \$100,000 or more or singularly the payment by Borrower of \$50,000 or more (whether or not covered by insurance) if adversely determined.

5.8 Existing Defaults. Except as set forth on Schedule 5.8, Borrower is not in default with respect to the payment or performance of any of its material obligations or in the performance of any material covenants or material conditions to be performed by Borrower pursuant to the terms and provisions of any agreement or instrument to which Borrower is a party or by which it or its property may be bound, which default has not been waived in writing, including any leases of premises on which the Collateral is or may be located, and Borrower has received no notice of default thereunder.

5.9 Title to Properties. Borrower has good and marketable title to all of its properties, real and personal and such properties are subject only to the Permitted Encumbrances.

5.10 Compliance With Laws. To Borrower's knowledge, Borrower is in compliance with, and has not received any notice that it is not in compliance with, all applicable Laws with respect to:

- (A) Any restrictions, specifications or other requirements pertaining to products which it sells or leases or to the services it performs;
- (B) The conduct of its business operations; and
- (C) The use, maintenance and operation of the property leased or owned by it in the operation of its business.

5.11 Guaranties, Etc. There are no outstanding contracts or agreements of guaranty or suretyship made by Borrower or to which Borrower is a party or to which Borrower or any of its assets are subject, except the Related Agreements and as set forth in Schedule 5.11.

5.12 Financial Statements. Except as previously disclosed to Lender, Borrower's financial statements heretofore furnished to Lender, including any schedules and notes pertaining thereto, have been prepared on a review basis, and fully and fairly present Borrower's financial condition at the

dates thereof and the results of Borrower's operations for the periods covered thereby, and there has been no material adverse change in Borrower's and/or Seller's financial condition or business from December 22, 1998, to the date of this Agreement. All projections furnished to Lender by Borrower have been prepared in good faith and represent the best opinion of Borrower as of the Closing Date as to the most probable course of Borrower's business. Such projections were prepared in accordance with practices usually followed in the preparation of accounting projections in good faith in the regular course of an ongoing business.

5.13 Existing Indebtedness. Borrower has no material Indebtedness of any nature, except as permitted by this Agreement and the Related Agreements, including as set forth on Schedule 7.2, and Borrower does not know of, or have reasonable grounds to know of, any basis for the assertion against it of any material Indebtedness of any nature.

5.14 Tax Returns. Except as set forth in Schedule 5.14, Borrower has filed or caused to be filed and will continue to file or cause to be filed all tax returns required to be filed and has paid and will continue to pay all federal, state and local taxes shown to be due and payable on said returns and all assessments made against it and has made or caused to be made adequate provision for the payment of such taxes, assessments or other charges accruing but not yet payable, and no claims for any of such taxes are being asserted with respect to such taxes. Except as set forth in Schedule 5.14, Borrower's federal tax returns have not been audited, or if audited have been accepted by the Internal Revenue Service as filed or amended.

5.15 Compliance With the Code and ERISA. Borrower is in compliance in all material respects with all applicable provisions of the Code and ERISA with respect to all Plans. Neither a Reportable Event nor a Prohibited Transaction has occurred with respect to any Plan; no notice of intent to terminate a Plan has been filed with any Person nor has any Plan been terminated; no circumstance exists which constitutes grounds under Section 4042 of ERISA entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings; and neither Borrower nor any ERISA Affiliate has incurred any liability to the PBGC or the U.S. Department of Labor under ERISA. Neither the PBGC nor the U.S. Department of Labor has imposed a lien on the assets of Borrower or any ERISA Affiliate.

5.16 Environmental Matters. To the best of its knowledge, Borrower:

(A) has obtained all permits, licenses and other authorizations which are required under all environmental Laws, including Laws relating to emissions, discharges, releases or threatened releases of pollutants, contamination, chemicals, or industrial, toxic or hazardous substances or waste into the environment (including air, surface water, ground water or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substance or wastes;

(B) is in material compliance with all terms and conditions of all such required permits, licenses and authorizations, and also is in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in

such Laws or contained in any Law, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder;

(C) has never caused any oil, friable asbestos, hazardous waste, hazardous material or other waste or material regulated or limited by applicable federal, state or local environmental Law ("Hazardous Material") to be spilled, placed, located or disposed of on, under or about, nor are any Hazardous Materials now existing on, under or about, any premises owned or leased by it (collectively, the "Premises") or into the atmosphere, any body of water or any wetlands in excess of the maximum permitted regulatory levels, except as set forth on Schedule 5.16;

(D) has no knowledge of any notice of any violation, or lien or any other notice issued by any governmental agency or other Person with respect to the environmental condition of the Premises.

(E) Borrower has not received any notice from any Person with respect to any of the matters described in this Section 5.16, except as set forth on Schedule 5.16.

5.17 Solvency. After giving effect to the consummation of each transaction contemplated by this Agreement, including without limitation the Term Loan, the Revolving Loan and the Permitted Indebtedness, Borrower will be Solvent.

5.18 No Untrue Statements, Etc. No representation or warranty by Borrower contained in this Agreement and no statement contained in any certificate or other document furnished or to be furnished by Borrower pursuant to this Agreement, or in connection with the transactions contemplated hereby, contains, or at the time of delivery will contain, any untrue statement of any material fact or omits or will omit any statement of any material fact necessary to make it not misleading.

5.19 Survival. Except to the extent the representation and warranty relates to a prior date, all of Borrower's representations and warranties set forth in this Section 5 shall survive until all Obligations are finally and indefeasibly satisfied in full.

5.20 Eligible Accounts. Each Eligible Account, at the time it comes into existence, will be a true and correct statement of (i) the bona fide indebtedness of the account debtor named thereon; and (ii) the amount of the Account for such inventory sold and delivered to, or for services performed for and accepted by, the account debtor, net of any charges, discounts, adjustments or other reductions whatsoever.

5.21 Inventory. With respect to Inventory scheduled, listed or referred to in any Borrowing Base Certificate or other writing as Eligible Inventory or which Borrower wants Lender to consider as Eligible Inventory, Borrower warrants that: (i) Borrower is the lawful owner of such Inventory and has the right to subject such Inventory to a lien in favor of Lender; (ii) such Inventory is located at the premises of the Borrower at 130 Condor Street, East Boston, Massachusetts or as set forth on Schedule 5.20 or is in transit on common carrier to the Borrower; (iii) such Inventory is not subject to any lien except that of Lender and the Permitted

Encumbrances; (iv) such Inventory is of good and merchantable quality, free from any material defects that would affect the market value of such Inventory; and (v) such Inventory satisfies the objective criteria set forth in the definition of Eligible Inventory.

SECTION 6. AFFIRMATIVE COVENANTS

Borrower covenants and agrees that so long as any of the Obligations remain outstanding and unpaid, it will perform and observe each and all of the following covenants and agreements:

6.1 Additional Information. Borrower will furnish to Lender, with reasonable promptness, such information regarding Borrower's business, affairs, operations and financial condition as Lender may reasonably request and, upon reasonable prior notice, give any representative of Lender (i) access during normal business hours to, and permit Lender to examine and copy and make extracts from, any and all books, records, accounts and documents in Borrower's possession relating to Borrower's affairs; (ii) access during normal business hours to inspect any of Borrower's properties; and (iii) access to discuss Borrower's affairs, finances and accounts with any of Borrower's officers and/or any independent certified public accountants of Borrower, provided that Lender's access to Borrower's properties and officers and employees shall be scheduled so as not to materially interfere with Borrower's business operations.

6.2 Taxes. Borrower will pay and discharge at or before the date any of the same would become delinquent, all taxes including without limitation payroll taxes, assessments, claims and charges, except where the same are being contested in good faith by appropriate proceedings, and will maintain appropriate reserves for the accrual of any of the same.

6.3 Maintenance of Corporate Existence; Properties. Borrower will do or cause to be done all things necessary to: preserve and keep in full force and effect its corporate existence, rights, franchises, privileges and contracts, and comply, in all material respects, with all Laws applicable thereto.

6.4 Reporting Requirements. Borrower will furnish or cause to be furnished to Lender the following financial statements and other information:

(A) Within one hundred and twenty (120) calendar days after the close of each fiscal year of Borrower (i) audited financial statements of Borrower at the close of such fiscal year setting forth, without limitation, a statement of income and retained earnings of Borrower for such fiscal year prepared by a certified public accountant acceptable to Lender and a statement of cash flows for Borrower for such fiscal year; prepared in conformity with GAAP, (except as otherwise consented to by the Lender, such consent not to be unreasonably withheld) on a basis consistent with that of the preceding year or containing disclosure of the effect on results of operation or cash flows of any change in the application of accounting principles during the year. Each such report shall also be accompanied by a compliance certificate prepared by Senior Management on a Lender approved form (an example of which is attached as Schedule 6.4 (A) showing whether the provisions of Sections 6, 7 and 8 of this Agreement have been complied with and stating that to the best of Senior Management's knowledge during the course of their review nothing came to their attention that

caused them to believe that Borrower failed to comply with the terms, covenants, provisions or conditions of Sections 6, 7 and 8 of this Agreement insofar as they relate to accounting matters.

(B) within forty-five (45) calendar days after the end of each fiscal quarter of Borrower, Borrower's financial statements and certificates of the type described in Section 6.4(A) above prepared internally by Borrower's management (except as otherwise consented to by the Lender, such consent not to be unreasonably withheld) in accordance with past practice.

(C) Not later than the forty-fifth (45th) calendar day following the end of each fiscal quarter, an accounts receivable and payable aging report and inventory listing as of the last calendar day of the preceding fiscal quarter, as applicable, certified as being accurate by Senior Management of Borrower and in form and substance acceptable to Lender.

(D) Promptly after the filing or receiving thereof, copies of all reports, including annual reports, and notices which Borrower or any ERISA Affiliate files with or receives from the Internal Revenue Service, the PBGC or the U.S. Department of Labor under the Code or ERISA.

(E) Not later than twenty (20) days following the end of each month, Borrower shall submit to Lender a monthly borrowing base certificate in the form of Exhibit A (a "Borrowing Base Certificate) executed by the President, or the chief financial officer of Borrower, together with a schedule of Eligible Receivables and Eligible Inventory, in each case certified as being accurate by the treasurer or the chief financial officer of Borrower.

(F) John T. Vinton shall provide annual personal financial statements on Lender approved forms within ninety (90) days of calendar year end and copies of his federal tax return with schedules attached on or before June 15th of each year (or at such filing due date in the event of an extension, but not beyond September 15th of each year.

6.5 Notices to Lender. Borrower will promptly give notice in writing to Lender of: (i) the occurrence of any Default or Event of Default of which it knows and (ii) all litigation and/or governmental proceedings affecting it in which the amount involved is \$50,000 or more, whether or not covered by insurance.

6.6 Maintenance of Bank Accounts. Borrower will maintain its main operating and depository accounts with Lender.

6.7 Maintenance of Property. Borrower will maintain its equipment, real estate and other properties, including the Collateral, in good condition and repair (normal wear and tear excepted), and will pay and discharge, or cause to be paid and discharged when due the cost of material repairs to or maintenance of the same, and will pay or cause to be paid when due all rental or mortgage payments due on such real estate, except as otherwise consented to in writing by the party entitled to such payment.

6.8 Liability Insurance. Borrower shall, at its expense, keep and maintain such public liability and third party property damage insurance in the minimum amount of \$1,000,000 and with

such deductibles as are reasonably acceptable to Lender and shall deliver to Lender the original (or a certified copy) of each policy of insurance and evidence of the payment of all premiums therefor. Such policies of insurance shall contain an endorsement showing Lender as additional insured thereunder and shall provide that said policy cannot be terminated or amended without the insurer providing thirty (30) days prior written notice to Lender.

6.9 Casualty Insurance. Borrower shall, at Borrower's expense, keep and maintain its assets, including its buildings, machinery, equipment, Inventory and all its other tangible personal property, insured against loss or damage by fire, explosion and other hazards customarily insured under extended and unnamed perils coverage and such other risks ordinarily insured against by other prudent owners or users of such properties in similar businesses in an amount at least equal to the full insurable value of all such property and with such deductibles as are reasonably acceptable to Lender. Borrower shall deliver to Lender the original (or a certified copy) of each policy of insurance and evidence of the payment of all premiums therefor. All of the policies of insurance pertaining to Borrower's personal property assets (excluding Borrower's real property) shall contain an endorsement showing all losses payable to Lender as lender loss payee and otherwise in form and substance reasonably satisfactory to Lender and shall provide that such policy cannot be terminated or amended without the insurer providing thirty (30) days prior written notice to Lender.

6.9A Business Interruption Insurance. Borrower shall, at its expense, keep and maintain such business interruption insurance in such amounts and with such deductibles as are reasonably acceptable to Lender and shall deliver to Lender the original (or a certified copy) of each policy of such insurance and evidence of the payment of all premiums therefor. Such policies of insurance shall contain an endorsement showing Lender as additional insured thereunder and shall provide that said policy cannot be terminated or amended without the insurer providing thirty (30) days prior written notice to Lender.

6.10 Attorney-In-Fact. Borrower hereby agrees to consult with Lender in making, adjusting, settling and receiving proceeds of claims under policies of insurance. If Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above or to pay any premium in whole or in part relating thereto, then Lender, without waiving or releasing any Obligation of or Default or Event of Default by Borrower hereunder, at any time or times thereafter, shall have the right, but not the obligation, in Lender's sole discretion, to obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto as Lender deems advisable, and all sums so expended, together with interest thereon at the rate prescribed in the Revolving Note shall be part of the Obligations, payable ON DEMAND and otherwise repaid as provided herein and secured by the Collateral.

(A) Borrower hereby assigns any and all other sums which may become payable under such property and casualty and liability insurance policies to Lender as additional security for the Obligations. Notwithstanding any other provision of this Agreement, provided no Default or Event of Default has occurred and is continuing, Borrower shall have the right to use the proceeds of insurance to replace any inventory, equipment or other personal property damaged by fire or other hazard covered by Borrower's casualty insurance. Any such insurance proceeds received by Lender shall be held as further security and Collateral hereunder, and Lender shall distribute such proceeds to

Borrower as the costs of repair or replacement of the insured property or other expenses relating to such loss become due and payable by Borrower and thereafter shall promptly distribute to Borrower such amount of such proceeds as are not needed for repair or replacement; provided that if at any time there is in existence an Event of Default, any such insurance proceeds may, in Lender's sole discretion, be applied, in whole or in part, to the payment of any of the Obligations, provided that Lender shall waive any prepayment fees which would otherwise be incurred as a result of such application.

(B) Borrower shall furnish Lender with certificates or other evidence satisfactory to Lender of compliance with the provisions of Sections 6.8 and 6.9.

6.11 Further Assurances. At any time or from time to time upon Lender's request, Borrower shall execute and deliver, or cause to be executed and delivered, to Lender and/or such other Persons as Lender may reasonably request such further documents and instruments and do such other acts and things and provide such additional information as Lender may reasonably request in order fully (i) to accomplish the purposes and carry out the terms of this Agreement, (ii) to be informed of Borrower's status and affairs, and (iii) to vest more completely in and assure to Lender its rights under this Agreement, the Term Note, the Revolving Note, any Related Agreements and in and to any Collateral.

6.12 Losses, Etc. Borrower shall promptly notify Lender in writing of any loss, theft, damage, destruction, encumbrance, levy, seizure or attachment of or on any of Borrower's assets if the asset is material to Borrower's business and has not been promptly replaced.

6.13 Plan Funding. Borrower shall fund all of its "Defined Benefit Plans" (as defined in ERISA) in accordance with no less than the minimum funding standards of ERISA.

6.14 Collection of Accounts. Borrower shall collect its Accounts and sell its Inventory only in the ordinary course of business.

6.15 Payment of Indebtedness. Borrower will pay when due (or within applicable grace periods) all Indebtedness due third persons, except when the amount thereof is being contested in good faith by appropriate proceedings and with adequate reserves therefor being set aside on Borrower's books.

6.16 Changes of Location. Borrower shall notify Lender at least thirty (30) calendar days in advance of any change in the location of any of Borrower's place of business or of the establishment of any new, or the discontinuance of any existing, place of business.

6.17 Field Audits. Lender shall have the right to audit the Collateral at such times (during normal business hours) as it reasonably deems appropriate. The Borrower shall be responsible for the cost of one (1) audit per year at a cost not to exceed \$1,000 per audit provided, however, Borrower shall be responsible for the cost of additional audits (at the prevailing cost without the foregoing cap) if an Event of Default hereunder has occurred and is continuing beyond applicable cure periods, if any.

6.18 Environmental Matters. Borrower shall, with respect to environmental matters:

(A) obtain and maintain all permits and other authorizations as described in Section 5.16 (including any such permits and other authorizations which may be required after the date of this Agreement; comply in all material respects with the requirements of all applicable federal, state and local environmental Laws to the extent of the Borrower's knowledge; notify Lender promptly in the event of any spill, hazardous waste or pollution or contamination materially affecting the Premises; forward to Lender promptly any notices relating to such Matters received from any Person; and pay promptly when due any fine or assessment against any of the Premises to the extent it is an obligation of Borrower, except to the extent it is being contested by Borrower in good faith; and

(B) except as set forth on Schedule 5.16, not become involved, and not permit any tenant of any of the Premises owned (and not leased) by Borrower to become involved, in any operations at any of the Premises generating, storing, disposing or handling Hazardous Material or any other activity that could lead the imposition on Borrower, Lender or such Premises of any liability or lien under any environmental Laws; and

(C) except as set forth on Schedule 5.16, immediately contain and remove any Hazardous Material found on, under or about any of the Premises owned (and not leased) by Borrower in Violation of any law, which work must be done in material compliance, with applicable Laws and at Borrower's expense; and agree that Lender shall have the right, in the event of a material violation of any Law at Lender's sole option but at Borrower's expense, to have an environmental engineer or other representative review such containment and/or removal work as it is being performed; and;

(D) promptly upon Lender's request, based upon Lender's reasonable belief that a Hazardous Material or other environmental problem exists with respect to any of the Premises owned (and not leased) by Borrower, provide Lender with an environmental site assessment report, all in scope, form and content and performed by such company or companies as may be reasonably satisfactory to Lender; and

(E) indemnify, defend, and hold harmless each Indemnified Person from, against and in respect of, and to reimburse each Indemnified Person ON DEMAND with respect to, any claim, cost, damage (including consequential damages), expense (including reasonable attorneys' fees and expenses), loss, liability, obligation, penalty, action, suit, disbursement or judgment now or hereafter arising as a result of any environmental claims against Borrower, any Indemnified Person or any of the Premises or any breach of the representations and warranties set forth in Section 5.16 or the covenants set forth in this Section 6.18. The provisions of this Section 6.18(E) shall continue in effect forever and shall survive (among other events) the termination of this Agreement and the payment and satisfaction of the Obligations.

6.19 Year 2000. Borrower shall promptly review its business operations which could be adversely affected by, and shall promptly develop a program to address on a timely basis, the "Year

2000 Problem" (i.e., the risk that computer applications used by the Borrower, its suppliers and/or providers may be unable to recognize and properly perform date-sensitive functions involving certain dates prior to and after December 31, 1999). Borrower reasonably believes that Borrower will complete its Year 2000 Program by June 30, 1999 and that the "Year 2000 Problem" will not have a material adverse impact on the business operations or financial condition of Borrower. Borrower will provide Lender quarterly updates on the progress of Borrower's Year 2000 Program and will provide promptly to Lender any assessment of Borrower's Year 2000 efforts conducted by a third party; Borrower will commit adequate resources to complete its Year 2000 Program by June 30, 1999.

6.20 Notices Under Asset Purchase Agreement. Borrower shall, upon receipt from Seller, or any one of them, of any notice provided pursuant to the terms of the Asset Purchase Agreement between Borrower and Seller of even date, forward a copy of said notice to Lender and to Lender's counsel as soon as practicable in accordance with the provisions of Section of 10.9. In addition, Borrower shall send to Lender a copy of any notice Borrower gives to Seller.

6.21 Copyrights, Patents, Trademarks and Trade Names. Borrower shall notify Lender of any change in or addition to any of the copyrights, patents, trademarks and trade names listed on Schedule 3.1. Borrower hereby authorizes Lender to amend Schedule 3.1 from time to time to reflect any such changes, and agrees to cooperate with Lender by executing such documentation as may be necessary to perfect properly Lender's security interest therein.

SECTION 7. NEGATIVE COVENANTS

So long as any Obligations remain outstanding and unpaid, Borrower shall not without Lender's prior written consent, which consent may be withheld in Lender's sole discretion:

7.1 No Liens. Except for liens and encumbrances in favor of Lender and Permitted Encumbrances and those set for on Schedule 7.1, create, assume or suffer to exist, any mortgage, pledge, encumbrance, lien, security interest or charge of any kind upon any of its Accounts, Inventory, machinery or equipment, real estate or other assets, whether now owned or hereafter acquired by Borrower.

7.2 No Other Indebtedness. Borrow funds from or otherwise incur or permit to exist any Indebtedness to any Person other than Lender, except Indebtedness incurred in connection with purchase money financings consented to by Lender and the Indebtedness set forth on Schedule 7.2 (the "Permitted Indebtedness").

7.3 No Advances. Make or suffer to exist any additional advances or loans to, or any investments (by transfers of property, contributions to capital, purchase of stock or securities or evidence of indebtedness or business or otherwise) in, any Person in excess of \$25,000 in any aggregate amount outstanding at any time.

7.4 No Mergers, Change in Senior Management/Ownership Etc. Merge or consolidate with or into any other Person, dissolve or liquidate; materially amend its certificate of incorporation or bylaws; change its name; enter into any reorganization recapitalization; or reclassify its capital

stock as debt or remove John Vinton from Senior Management or change ownership of its stock, except for (i) transfers to immediate family for estate planning purposes and (ii) stock option or similar plans offered to employees of Borrower involving less than 10% of the outstanding shares of the Borrower in the aggregate, but only to the extent (with respect to both (i) and (ii) that John Vinton retains direct ownership control of the Borrower (meaning a minimum of 51% of the stock of the Borrower).

7.5 No Sales of Assets. Except in the ordinary course of business, sell, exchange or otherwise dispose of a material part of its assets, or any part thereof, or any interest therein.

7.6 No Contingent Liabilities. Agree to purchase or repurchase or assume, guaranty, endorse, agree to supply funds in connection with, or otherwise become or remain liable in connection with the obligations, stock or dividends of any Person, except for endorsement of negotiable instruments for collection or discount in the regular course of business or otherwise relating to the Permitted Indebtedness.

7.7 No Purchase of Margin Stock. Directly or indirectly apply any part of the proceeds of the Loans to the purchase or carrying of any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, or any regulations, interpretations, or rulings thereunder.

7.8 Fiscal Year. Change its fiscal year without Lender's consent which shall not be unreasonably withheld.

7.9 No Prepayment of Indebtedness. Make any prepayment on any Indebtedness permitted by this Agreement, except Indebtedness to Lender and, in such case, pursuant to the terms of this Agreement and the Revolving Note.

7.10 No Untrue Statements. Furnish Lender any certificate or other document that contains any untrue statement of material fact or that omits to state a material fact necessary to make such certificate or other document not misleading in light of the circumstances under which such certificate or other document was furnished.

7.11 No Distributions. So long as there is a balance under the Revolving Note, Borrower shall not make any distributions to shareholders other than for Sub-S tax distributions to shareholders in the maximum amount of this tax liability calculated at the shareholder's highest marginal federal tax rates.

SECTION 8. FINANCIAL COVENANTS

8.1 Maximum Leverage. The ratio of the Borrower's total senior liabilities (defined as senior liabilities less notes to the Junior Lenders as defined in the Intercreditor Agreement of even date) to Tangible Capital Base (defined as total net worth less intangibles plus obligations to the Junior Lenders) shall not exceed 4.0:1 as of the date hereof. This ratio will step down to 3.0:1 at the end of fiscal year 1999 and 2.5:1 at the end of fiscal year 2000 and thereafter.

8.2 Minimum Debt Service Coverage Test. Borrower shall maintain a minimum Debt Service Coverage Ratio of 1.25X (tested quarterly). "Debt Service Coverage Ratio" is defined as Earnings before Interest, Depreciation, Amortization and Taxes ("EBITDA") less dividends/distributions less unfinanced Capital Expenditures divided by Current Maturities of Long Term Debt plus Interest Expense. This covenant shall be tested quarterly on a rolling four quarter basis commencing at fiscal year end December 31, 1999.

8.3 Total Senior Funded Debt to EBITDA Ratio. The ratio of the Borrower's Total Senior Funded Debt (all of the Borrower's direct Loan obligations) to EBITDA shall not exceed 3:50:1 to be measured on a rolling four quarter basis. Testing of this covenant will commence at the end of the fiscal year ending December 31, 1999.

8.4 Minimum Net Profit/Maximum Loss. The Borrower will report a net worth (defined as net worth plus subordinated debt) of no less than \$1,250,000 during the quarters ending March 31, 1999 and June 30, 1999 and a net worth of no less than \$1,500,000 as of the end of September 30, 1999. The Borrower must also reflect an annual net profit of no less than \$200,000 at December 31, 1999. Subsequent to December 31, 1999, the Borrower must reflect an annual net profit in each fiscal year.

SECTION 9. DEFAULT

9.1 Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement, the Term Note, the Revolving Note and all Related Agreements:

(A) Borrower shall fail to pay when due any installment of principal or interest or any fee payable hereunder, under the Term Note, the Revolving Note or under any Related Agreement (whether due on a date fixed for prepayment, by acceleration or otherwise).

(B) Borrower shall fail to observe or perform any obligation to be observed or performed by it under this Agreement;

(C) Except as may arise as a result of death or disability, John Vinton shall resign or be replaced without the prior written consent of Lenders;

(D) Any representation or warranty made in writing by or on behalf of Borrower in this Agreement, in any Related Agreement, or in any certificate or other document delivered pursuant hereto or thereto or otherwise in connection with any of the transactions contemplated hereby, shall prove to have been false, misleading or incorrect in any material respect when made or deemed made.

(E) Borrower shall admit its inability to pay its debts as they mature, shall fail generally to pay its debts as they become due, or shall make an assignment for the benefit of its or any of its creditors.

(F) Proceedings in bankruptcy or for reorganization of Borrower or for the readjustment, arrangement, composition or adjustment of any of Borrower's debts under the federal bankruptcy act, as amended, or any part thereof, or under any other Laws, whether state or federal, for the relief of debtors, now or hereafter existing, (i) shall be commenced by Borrower, or (ii) shall be commenced against Borrower and shall not be discharged, vacated, dismissed, or stayed within sixty (60) calendar days of their commencement against Borrower.

(G) A receiver, liquidator or trustee shall be appointed for Borrower or for any substantial part of Borrower's assets, or any proceedings shall be instituted for the dissolution or the full or partial liquidation of Borrower and such receiver, liquidator or trustee shall not be discharged within sixty (60) calendar days of his or her appointment, or such proceedings shall not be dismissed or stayed within sixty (60) calendar days of their commencement, or Borrower shall discontinue its business or materially change the nature of its business.

(H) A receiver, liquidator or trustee shall be appointed by Borrower or by Borrower for any substantial part of the assets of Borrower, or any proceedings shall be instituted by Borrower for the dissolution or the full or partial liquidation of Borrower, or Borrower shall discontinue its business or materially change the nature of its business.

(I) Borrower shall suffer final judgments for payment of money aggregating in excess of \$100,000 (provided that such event materially affects Borrower's ability to continue to conduct its business in the normal course in Lender's sole judgement), and the same shall not be discharged within a period of thirty (30) calendar days unless, pending further proceedings, execution has not been commenced or if commenced has been effectively stayed or bonded.

(J) A judgment creditor of Borrower shall obtain possession of all or any material portion of the Collateral by any means, including attachment, levy, distraint, replevin or self-help, which shall not be released within thirty (30) calendar days of the date of such attachment, levy, distraint, replevin or self-help.

(K) Any uninsured loss, theft, damage, destruction, encumbrance, levy, seizure, or attachment of or on any of Borrower's assets in violation of this Agreement, which event shall materially affect Borrower's ability to continue to conduct its business in the normal course, and Borrower's failure to remedy such event to Lender's satisfaction within sixty (60) calendar days after the occurrence of such event.

(L) The placing of any material lien generally on Borrower's property by the United States of America, or any federal, state or local governmental agency or authority.

(M) A payment default by Borrower or any other material default resulting in acceleration, under any Indebtedness for borrowed money.

(N) The occurrence of an event of default under any other agreement between Lender and Borrower.

(O) The occurrence of an event of default under any other loan from Lender to the Borrower.

9.2 Acceleration. Upon the occurrence of an Event of Default which in the case of a payment default continues for ten (10) calendar days past its due date without notice from the Lender and which in the case of a non-payment default (except those set forth in Sections 9.1 (E), (F), (G), (H) or (I)) continues for thirty (30) calendar days after written notice from the Lender, Lender at its option may declare all of the Obligations to be immediately due and payable. In the case of an Event of Default under Sections 9.1 (E), (F), (G), (H) or (I), all of the Obligations, whether arising hereunder or otherwise, automatically shall become immediately due and payable without presentment, demand, protest, notice of protest or dishonor, or other notice of any kind, all of which are hereby expressly waived by Borrower, and without further action of any kind by Lender.

9.3 Remedies. Lender shall have, in addition to the rights and remedies given it by this Agreement, the Term Note, the Revolving Note and the Related Agreements, all those rights and remedies allowed by all applicable Laws, including the Uniform Commercial Code as enacted in any jurisdiction in which any Collateral may be located. Notwithstanding the foregoing, in the case of an Event of Default under Sections 9.1(E), (F), (G), (H) or (I), Lender may pursue its rights and remedies as aforesaid without presentment, demand, protest, notice of protest or dishonor, or other

notice of any kind, all of which are hereby expressly waived by Borrower, and without further action of any kind by Lender.

9.4 Notice to Account Debtors. Lender may, in its sole and absolute discretion, at any time or times after the occurrence of an Event of Default, and without prior notice to Borrower, send a notice to Borrower's account debtors notifying the account debtors that Borrower's Accounts have been assigned to Lender, that Lender has a lien thereon and, at Lender's option, that all payments upon Borrower's Accounts be made directly to Lender.

9.5 Additional Rights of Lender. In addition to the foregoing but only at such time as Lender may exercise those remedies set forth in Section 9.3, Lender shall have the right: (a) 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; (b) 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; (c) to defend any suit, action or proceeding brought against the Borrower in respect of any Account or the goods which have given rise thereto; (d) to settle, compromise or adjust any suit, action or proceeding described in clause (b) or (c) above and, in connection therewith, to give such discharges or releases as the Lender may deem appropriate; (e) 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; (f) to receive and open all mail addressed to the Borrower and to notify the post office authorities to change the address of delivery of mail addressed to the Borrower to such address, care of the Lender, as the Lender may designate; and (g) generally to sell, assign, transfer, pledge, make any agreement in respect of or otherwise deal with any Account or the goods or service which have given rise thereto, as fully and completely as though the Lender were the absolute owner thereof for all purposes, including contacting Account Debtors directly for verification or other purposes. The powers conferred on the Lender by this Agreement are solely to protect the interest of the Lender and shall not impose any duty upon the Lender to exercise any such power, and if the Lender shall exercise any such power, it shall be accountable only for amounts that it actually receives as a result thereof and shall not be responsible to the Borrower except for gross negligence and willful misconduct. The Lender shall be under no obligation to take steps necessary to preserve rights in any other Collateral against prior parties but may do so at its option. As its option the Lender may discharge any taxes, liens, security interests or other encumbrances to which any Collateral is at any time subject and may, upon the failure of the Borrower so to do, purchase insurance on any Collateral and pay for the repair, maintenance or preservation thereof, and the Borrower agrees to reimburse the Lender on demand for any payments made or expenses incurred by the Lender pursuant to the foregoing authorization, and authorizes the Lender to charge the Borrower for the amount of such payments or expenses. The Lender may at any time take control of any proceeds of Collateral to which the Lender is entitled hereunder or under applicable law. In addition, the Lender may require the Borrower to assemble any tangible personal property constituting Collateral and make it available to the Lender at a place to be designated by the Lender and which is reasonably convenient to the Borrower. The Borrower hereby grants to the Lender a nonexclusive irrevocable license in connection with the Lender's exercise of its rights hereunder, to use, apply and affix any trademark, tradename, logo or the like in which the Borrower now or hereafter has rights, which license may be used upon the occurrence of

any of the Events of Default. The Lender may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or the subject of widely distributed standard price quotations the Lender may buy at private sale.

SECTION 10. MISCELLANEOUS

10.1 Right of Set-Off. Borrower hereby grants to Lender a lien on and a right of set-off (to be exercised pursuant to the sentence which follows this sentence) against all monies, deposits, securities and other property and the proceeds thereof, now or hereafter held or received by, or in transit to Lender or any entity under the direct or indirect control of Lender from or for Borrower, whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all deposits (general or special), balances, sums and credits with and all of Borrower's claims against Lender at any time existing. Lender may at any time following and during the continuance of an Event of Default apply the same or any part thereof to the Obligations or any part thereof, whether or not the Obligations are matured at the time of such application.

10.2 Custody and Preservation of Collateral. Lender shall have no duty beyond the safe custody thereof as to: (i) the collection or protection of any Collateral now or hereafter securing any Note or any Obligation or any income thereon; (ii) the preservation of rights against prior parties; or (iii) the preservation of any rights pertaining thereto. Lender may exercise its rights with respect to any Collateral without resorting or regard to any other Collateral or any other sources of reimbursement for any Obligation.

10.3 Lender's Expenses. Except as otherwise provided herein, Borrower shall, ON DEMAND, reimburse Lender for all of Lender's reasonable expenses, including reasonable fees and expenses of legal counsel for Lender, incurred in connection with the preparation, administration, amendment, modification, delivery or enforcement of this Agreement, the Term Note the Revolving Note and/or the Related Agreements or the collection or attempted collection of the Term Note and/or the Revolving Note, including any such reasonable fees and expenses related to any federal bankruptcy proceeding and whether incurred prior or subsequent to any federal bankruptcy proceeding.

10.4 Enforcement and Waiver by Lender. Lender shall have the right at all times to enforce the provisions of this Agreement, the Term Note, the Revolving Note and the Related Agreements in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of Lender in refraining from so doing at any time or times. Lender's failure or delay at any time or times to enforce its rights or remedies under such provisions strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific provisions of this Agreement or as having in any way or manner modified or waived the same. No waiver of any provision of, or any of Lender's rights under, this Agreement, any Note, any Related Agreement or any other document or agreement now or hereafter relating to any of the Obligations and/or the Collateral, and no consent to any departure by any Person therefrom, shall be effective unless such waiver or consent is in writing and signed by an authorized officer of Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which such waiver or consent is given. All of Lender's rights and

remedies under this Agreement, any Note and/or any Related Agreement are cumulative and concurrent, and may be exercised singularly or concurrently and are not exclusive or in derogation of any other rights or remedies provided by Law or otherwise. Lender's exercise or partial exercise of one right or remedy shall not be deemed a waiver or release of and shall not preclude the further exercise of such right or remedy or any other right or remedy.

10.5 Waivers and Release. To the maximum extent permitted by applicable Laws, Borrower:

(A) ACKNOWLEDGES THAT EACH OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE TERM NOTE, THE REVOLVING NOTE AND EACH OF THE RELATED AGREEMENTS IS A COMMERCIAL TRANSACTION, AND HEREBY EXPRESSLY AND IRREVOCABLY WAIVES TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW ITS RIGHTS TO NOTICE AND HEARING BEFORE LENDER'S OR ANY OF LENDER'S SUCCESSORS' OR ASSIGNS' EXERCISE OF THE REMEDIES OF SELF-HELP, SET-OFF OR ANY SUMMARY PROCEDURE OR ANY OTHER PREJUDGMENT REMEDY AND, EXCEPT WHERE REQUIRED BY THIS AGREEMENT OR ANY APPLICABLE LAW, NOTICE OF ANY OTHER ACTION TAKEN BY LENDER; and

(B) EXPRESSLY AND IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT, ANY NOTE, ANY RELATED AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS AGREEMENT, OR (ii) IN ANY WAY CONNECTED WITH OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. BORROWER SHALL NOT SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

10.6 Applicable Law. This Agreement, the Term Note and the Revolving Note and each of the Related Agreements and the rights and remedies of the parties hereto and thereto shall be governed by and construed and enforced in accordance with the Laws and decisions of the Commonwealth of Massachusetts without regard to conflict of laws principles.

10.7 Participations. Lender shall have the unrestricted right at any time and from time to time, and without the consent of or notice to Borrower or any Guarantor, to grant to one or more lenders or other financial institutions (each, a "Participant") participating interests in Lender's obligation to lend hereunder and/or any or all of the Loans held by Lender hereunder. In the event of any such grant by Lender of a participating interest to a Participant, whether or not upon notice to Borrower, Lender shall remain responsible for the performance of its obligations hereunder and

Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder.

Lender may furnish any information concerning Borrower in its possession from time to time to prospective assignees and Participants, provided that Lender shall require any such prospective assignee or Participant to agree in writing to maintain the confidentiality of such information.

10.8 Jurisdiction and Service of Process. Except to the extent prohibited by applicable Laws:

(A) Borrower agrees that (i) the execution of this Agreement, each Note and each Related Agreement and the performance of Borrower's Obligations hereunder and thereunder shall be deemed to have a Massachusetts situs; (ii) Borrower shall be subject to the personal jurisdiction of the courts of record of the Commonwealth of Massachusetts with respect to any suit, action or other legal proceeding arising out of this Agreement, any Note and/or any Related Agreement and/or the enforcement of any of the foregoing and/or any of the transactions contemplated by any of the foregoing; and (iii) any such suit, action or legal proceeding shall be brought by Lender and shall be brought by Borrower in the courts of record of the Commonwealth of Massachusetts or the courts of the United States located in the Commonwealth of Massachusetts;

(B) Borrower hereby irrevocably consents to the jurisdiction of each such court in any such suit, action or other legal proceeding; and

(C) Borrower hereby irrevocably waives any objection which it may have to the laying of venue of any such suit, action or other legal proceeding in any of such courts.

10.9 NOTICES. All notices, demands, and other communications made hereunder shall be in writing and given by hand; by Federal Express, Express Mail, or any other nationally recognized overnight delivery service; by telecopier (provided a copy is also sent via first class mail); or by certified or registered first class mail, return receipt requested, postage prepaid; and addressed to the intended recipient at its notice address, as hereinafter specified. Each of the addresses may be changed upon fifteen (15) days' prior written notice given by any of the foregoing prescribed methods. All notices shall be deemed to have been given, delivered, and received on the earlier of (i) actual receipt or (ii) the tender of delivery by one of the above prescribed methods during normal business hours at the specified address.

Borrower: JEVCO, Inc.
130 Condor Street
East Boston, MA 02128
Attn: John T. Vinton, President
Fax: (617) 567-9935

With a Copy to: Stroock & Stroock & Lavan LLP
100 Federal Street
Boston, MA 02110
Attn: Paul D. Broude, Esq.
Fax: (617) 330-5111

Lender: Fleet National Bank
One Federal Street
Boston, MA 02110
Attn: Daniel Rivers
Fax: (617) 346-5025

With a Copy to: Robinson & Cole LLP
One Boston Place
Boston, MA 02108
Attn: Matthew A. Kameron, Esq.
Fax: (617) 557-5999

10.10 Binding Effect, Assignment and Entire Agreement. This Agreement, the Term Note, the Revolving Note and each Related Agreement to which it is a party shall inure to the benefit of, and shall be binding upon, each of Borrower and Lender and their respective successors, permitted transferees and permitted assigns. Borrower shall not assign any of its rights or delegate any of its Obligations hereunder or under any Note or under any Related Agreement without Lender's prior written consent, and any such assignment in contravention of this Section 10.10 shall be null and void. This Agreement, the Term Note, the Revolving Note, the Related Agreements and the documents executed and delivered pursuant hereto and thereto, constitute the entire agreement between the parties with respect to the transactions contemplated by this Agreement, and supersede all prior written or oral understandings, agreements and commitments with respect to the subject matter hereof and/or thereof, all of which prior understandings, agreements and commitments are merged into this Agreement, the Term Note, the Revolving Note, and the Related Agreements. Except as specifically set forth in any Related Agreement, no amendment, modification or termination of any provision of this Agreement, any Note, any Related Agreement or any document or agreement now or hereafter relating to any of the Obligations and/or the Collateral shall be effective unless the same shall be contained in a writing signed by the parties to this Agreement and any other Persons who are parties to such Note, Related Agreement or other document or agreement. No notice to or demand on Borrower in any case shall entitle Borrower to any other or further notice or demand in similar or other circumstances.

10.11 Payment Dates. Whenever any payment to be made hereunder or under a Note shall be stated to be due on a calendar day other than a Banking Day, such payment may be made on the next succeeding Banking Day and such extension of time shall in such case be included in computing interest in connection with such payment, any Note or any Related Agreement.

10.12 Inspection. Lender shall have the right upon reasonable notice to inspect Borrower's premises and books and records.

10.13 Severability. If any provision of this Agreement, any Note or any Related Agreement shall be held invalid under any applicable Law, such invalidity shall not affect any other provision of this Agreement, such Note or such Related Agreement, as applicable, that can be given effect without the invalid provision, and, to this end, the provisions of each of this Agreement, each Note and each Related Document are severable.

10.14 Counterparts. This Agreement and each Related Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument, and this Agreement shall be effective when at least one counterpart of this Agreement or such Related Agreement, as applicable, has been executed by each party hereto or thereto.

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

JEVCO, INC.

By: John T. Venton
Its

FLEET NATIONAL BANK

By: [Signature]
Its Vice President

Schedule 1.1(b)

To Commercial Term Loan, Revolving Loan and Security Agreement

Related Agreements

1. Fleet Financing
 - (a) \$1,300,000 Revolving Line of Credit Note
 - (b) \$1,580,000 Term Note
 - (c) Collateral Assignment of Lessee's Interest in Lease, executed by the Company;
 - (d) Intercreditor Agreement between Fleet National Bank, the Company, John T. Vinton, Cran Barry Incorporated and Thomas C. Cronin
 - (e) Guaranty of John T. Vinton
 - (f) UCC-1 Financing Statements

2. Asset Purchase Agreement (the "Asset Purchase Agreement") of even date by and among Borrower and Cran Barry, Incorporated, and other parties, in addition to the following agreements in connection therewith, as defined therein:
 - (a) Consulting Agreement
 - (b) Stockholder Agreement
 - (d) Lease Assignment
 - (e) Indemnity and Escrow Agreement
 - (f) Promissory Note to T.Cronin
 - (g) Assignment of Lease and Landlord's Consent

3. Note and Warrant Purchase Agreement among Borrower and Massachusetts Capital Resource Company ("MCRC") of even date, in addition to the following agreements in connection therewith, as defined therein:
 - (a) \$1,000,000 Secured Subordinated Note to MCRC
 - (b) Common Stock Purchase Warrant for the purchase of 2,250 Shares of Borrower's Common stock, \$.01 par value per share
 - (c) Security Agreement between Borrower and MCRC
 - (d) Subordination Agreement between MCRC and J.Vinton
 - (e) UCC-1 Financing Statements

4. \$50,000 unsecured subordinated promissory note payable to John T. Vinton

Schedule 3.1

To Commercial Term Loan, Revolving Loan and Security Agreement

Patents, Copyrights, Trademarks and Trade Names

Schedule 1.2.9 to the Asset Purchase Agreement is attached hereto and incorporated herein by reference.

Schedule 1.2.9 – Seller Intellectual Property

Cran Barry's intellectual property consists of proprietary software developed by the company and trademarks registered with the U.S. Patent and Trademark office.

Rob Moellering, who is currently a consultant to the company, developed the company's order processing software system over a three-year period. This system is of great importance and value to the company, and is therefore considered to be a part of its intellectual property.

With regard to trademarks:

Cran Barry Trademark – Most recently filed: August 22, 1995

Atlantis Trademark – Atlantis holds trademarks in a number of countries. Recent data for these holdings (with filing dates) is shown on the following sheet.

Note: It is our intention to allow International trademarks for Atlantis to terminate as they expire. We plan to request a general European Union Trademark once we begin to do more international Atlantis business.

Int. Cl.: 28

Prior U.S. Cl.: 22



United States Patent and Trademark Office

Reg. No. 1,913,489
Registered Aug. 22, 1995

**TRADEMARK
PRINCIPAL REGISTER**

CRAN BARRY

CRAN BARRY INC. (MASSACHUSETTS COR-
PORATION)
130 CONDOR STREET
EAST BOSTON, MA 02128

HOCKEY BODY AND CHEST PROTECTORS;
SHIN GUARDS; LACROSSE STICKS, IN CLASS
28 (U.S. CL. 22).
FIRST USE 0-0-1963; IN COMMERCE
0-0-1963.

FOR: FIELD HOCKEY STICKS; FIELD
HOCKEY BALLS; FIELD HOCKEY GOALIE
EQUIPMENT, NAMELY PADS, KICKERS, AND
GLOVES; FIELD HOCKEY GRIPS AND FIELD

SER. NO. 74-533,646, FILED 5-5-1994.
SUE KASTRINER, EXAMINING ATTORNEY

000

TEL No.7817297308

Jan 14,99 9:43 No.001 P.29

April 2, 1998

Worldwide Trademarks

Page 2

Summary of All Trademarks of Imura Corporation

Docket Number	Mark	Serial No Filing Date	Registration No Registration Date	Status
IMTRA-T001XX United States	ATLANTIS	294,409 1/26/1981	1,212,225 10/12/1982	Issued
REF:	CLASS: 009 018 025 026			
IMTRA-T002XX United States	DRYTECH	382,250 8/27/1982	1,264,598 1/24/1984	Issued
REF:	CLASS: 001			
IMTRA-T006XX United States	ATLANTIS	75/157,319 8/28/1996		Pending
REF:	CLASS: 025			
IMTRA-T008XX United States	ATLANTIS	78/157,406 8/28/1996		Pending
REF:	CLASS: 009			

SCHEDULE A
Worldwide Trademarks

April 2, 1998

Page 1

Summary of All Trademarks of IMTRA Corporation

Docket Number	Mark	Serial No Filing Date	Registration No Registration Date	Status
INTRA-T001XA Canada	ATLANTIS	428,474 8/18/1978	241,322 1/14/1980	Issued
REF:	CLASS: 009 018 025 026			
INTRA-T001XC Germany	ATLANTIS	A 30743/25 WE 9/19/1978	990399 9/14/1979	Issued
REF:	CLASS: 025 009			
INTRA-T001XD France	ATLANTIS	515,784 5/11/1979	1096431 5/11/1979	Issued
REF:	CLASS: 025			
INTRA-T001XE Sweden	ATLANTIS	78-6060 8/19/1978	167140 4/06/1979	Issued
REF:	CLASS: 025			
INTRA-T001XJ Italy	ATLANTIS	374,810/85 11/14/1985	550,473 10/16/1991	Issued
REF:	CLASS:			
INTRA-T001XM Belux	ATLANTIS	630419/21 5/21/1979	259,825 1/09/1980	Issued
REF:	CLASS: 025			
INTRA-T001XT Denmark	ATLANTIS	A 3501/78 8/16/1978	251/1980 1/11/1980	Issued
REF:	CLASS: 025			

Schedule 5.1

To Commercial Term Loan, Revolving Loan and Security Agreement

Corporate Existence

None

Schedule 5.7

To Commercial Term Loan, Revolving Loan and Security Agreement

Litigation

None

Schedule 5.8

To Commercial Term Loan, Revolving Loan and Security Agreement

Existing Defaults

Schedule 5.11

To Commercial Term Loan, Revolving Loan and Security Agreement

Guaranties, Etc.

None

Schedule 5.14

To Commercial Term Loan, Revolving Loan and Security Agreement

Tax Returns

None

Schedule 5.16

To Commercial Term Loan, Revolving Loan and Security Agreement

Environmental

Schedule 4.22 to the Asset Purchase Agreement is attached hereto incorporated herein by reference.

Schedule 4.22 - Hazardous Wastes

With very rare and minor exceptions Cran Barry does not now and has not generated any wastes considered to be Hazardous in the course of its usual business (the only exception of which I am aware is that we use common ammonia in a pattern copying machine that we have). We have rented the top floor-and-a-half of an older brick building for a total of five years. We do not use any fuels that are stored in any form of underground storage tank, and know of nothing on the property that has been recommended for any form of remediation.

We are located next to what was formerly a gasoline 'tank farm', which is owned by Amerada Hess Oil Company of New Jersey. Hess recently removed the 'tanks' from the property (which had been empty since before Cran Barry moved into its facility), and has begun an analysis of the status of the property. This analysis has included drilling test bores and doing soil samplings. Neighbors and abutters, including Cran Barry, have not yet been notified as to the status of their examination.

Schedule 6.4 (A)

To Commercial Term Loan, Revolving Loan and Security Agreement

Compliance Certificate Form

None

Schedule 7.1

To Commercial Term Loan, Revolving Loan and Security Agreement

Permitted Encumbrances

Security Interest granted to MCRC in connection with Borrower's \$1,000,000 secured subordinated promissory note payable to MCRC, as perfected by the filing of UCC-1 financing statements

Schedule 7.2

To Commercial Term Loan, Revolving Loan and Security Agreement

Permitted Indebtedness

1. \$200,000 unsecured subordinated promissory note payable to Thomas C. Cronin
2. \$50,000 unsecured subordinated promissory note payable to John T. Vinton
3. \$1,000,000 secured subordinated promissory note payable to MCRC

ROBINSON & COLE LLP

HARTFORD • STAMFORD • GREENWICH • NEW YORK • BOSTON

Express Mail

LAW OFFICES

280 Trumbull Street
Hartford, CT 06103-3597
860-275-8200
Fax 860-275-8299

Amy Span Wergeles
860-275-8288
Internet: awergeles@rc.com

July 20, 1999

*Also admitted in Virginia and
District of Columbia

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231-3513

Re: Recordation of Security Agreement

Dear Sir or Madam:

On behalf of Fleet National Bank, kindly record the enclosed security agreement between Fleet National Bank and JEVCO, Inc.

In support of this request, we enclose the following:

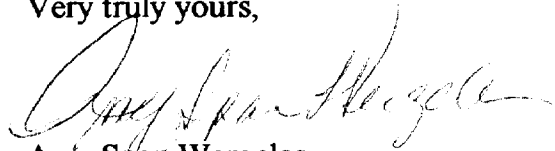
1. Recordation form cover sheet for trademarks only, regarding the security interests taken in the following marks:

Application Serial Nos.	75/157,406	ATLANTIS
	75/157,319	ATLANTIS
Registration Nos.	1,264,598	DRYTECH
	1,913,489	CRAN BARRY
	1,212,225	ATLANTIS and design
	1,916,636	GRAYS

2. A copy of the Commercial Term Loan, Revolving Loan and Security Agreement dated as of January 25, 1999; and
3. A check in the amount of \$165.00 for the filing fee associated with this recordation. Please charge any deficiency in this fee to Deposit Account No. 18-1685.

Enclosed is a self-addressed, stamped postcard. Kindly date-stamp it and return it to the undersigned.

Very truly yours,



Amy Span Wergeles

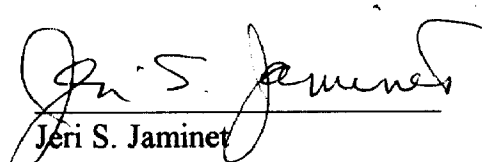
ASW

Enclosures

cc: Vickery Hall Kehlenbeck, Esq. (w/o encl.)

Certificate of Mailing

I, Jeri S. Jaminet, do hereby certify that the foregoing identified documents are being deposited with the United States Postal Service as Express Mail postage prepaid, in an envelope addressed to the Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231.



Jeri S. Jaminet

July 20, 1999

Date of Deposit

EJ090696264US

Express Mail Label Number