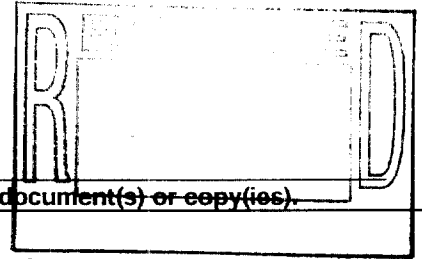


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Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year

Merger

Change of Name

Other _____

Conveying Party Mark if additional names of conveying parties attached

Name H.P. Hood Inc. Execution Date
Month Day Year
12 95

Formerly H.P. Hood & Sons, Inc.

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 of Massachusetts

DBA/AKA/TA _____

Composed of _____

Address (line 1) Mail Stop MA BO F04H

Address (line 2) 75 State Street

Address (line 3) Boston MA 02109
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other National Bank

Citizenship/State of Incorporation/Organization Massachusetts

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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Name

Address (line 1)

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Correspondent Name and Address

Area Code and Telephone Number

Name

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Address (line 2)

Address (line 3)

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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

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Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="180,379"/>	<input type="text" value="1,254,651"/>	<input type="text" value="1,091,500"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="174,338"/>	<input type="text" value="1,155,784"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,328,817"/>	<input type="text" value="1,097,623"/>	<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.

ROBERT M. O'CONNELL, JR.

8/26/99

Name of Person Signing

Signature

Date Signed

H.P. HOOD INC.
H.P. HOOD & SONS, INC.

CREDIT AGREEMENT
AND
CREDIT SUPPORT AGREEMENT

Dated as of December 15, 1995

FLEET NATIONAL BANK OF MASSACHUSETTS, Agent

H.P. HOOD INC.
H.P. HOOD & SONS, INC.

CREDIT AGREEMENT

Dated as of December 15, 1995

FLEET NATIONAL BANK OF MASSACHUSETTS, Agent

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H.P. HOOD INC.
H.P. HOOD & SONS, INC.

CREDIT AGREEMENT

This Agreement, dated as of December 15, 1995, is among H.P. Hood Inc., a Massachusetts corporation, H.P. Hood & Sons, Inc., a Massachusetts corporation, and the other Subsidiaries of H.P. Hood Inc. from time to time party hereto, Catamount Dairy Holdings Limited Partnership, a Massachusetts limited partnership ("Holdings"), the Lenders from time to time party hereto and Fleet National Bank of Massachusetts, both in its capacity as a Lender and in its capacity as agent for itself and the other Lenders. The parties agree as follows:

1. Definitions: Certain Rules of Construction. Certain capitalized terms are used in this Agreement and in the other Credit Documents with the specific meanings defined below in this Section 1. Except as otherwise explicitly specified to the contrary or unless the context clearly requires otherwise, (a) the capitalized term "Section" refers to sections of this Agreement, (b) the capitalized term "Exhibit" refers to exhibits to this Agreement, (c) references to a particular Section include all subsections thereof, (d) the word "including" shall be construed as "including without limitation", (e) accounting terms not otherwise defined herein have the meaning provided under GAAP, (f) terms defined in the UCC and not otherwise defined herein have the meaning provided under the UCC, (g) references to a particular statute or regulation include all rules and regulations thereunder and any successor statute, regulation or rules, in each case as from time to time in effect, and (h) references to a particular Person include such Person's successors and assigns to the extent not prohibited by this Agreement and the other Credit Documents. References to "the date hereof" mean the date first set forth above.

1.1. "Accounts" is defined in Section 10.1.2.

1.2. "Accumulated Benefit Obligations" means the actuarial present value of the accumulated benefit obligations under any Plan, calculated in accordance with Statement No. 87 of the Financial Accounting Standards Board.

1.3. "Acquisition Agreement" means the Stock Purchase Agreement dated as of December 14, 1995 between the General Partner and the Seller.

1.4. "Affected Lender" is defined in Section 13.3.

1.5. "Affiliate" means, with respect to the Company (or any other specified Person), any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with the Company, and shall include (a) any officer or director or general partner of the Company and (b) any Person of which the Company or any Affiliate (as defined in clause (a) above) of the Company shall, directly or indirectly, beneficially own either (i) at

least 10% of the outstanding equity securities having the general power to vote or (ii) at least 10% of all equity interests.

1.6. "Agent" means Fleet in its capacity as agent for the Lenders hereunder, as well as its successors and assigns in such capacity pursuant to Section 12.7.

1.7. "Applicable Rate" means, at any date, the sum of:

(a) (i) with respect to each portion of the Company Loan, the Prime Rate; and

(ii) with respect to each portion of the Subsidiary Revolving Loan, the sum of the Prime Rate plus 1%;

plus (b) an additional 2% effective on the day the Agent notifies the Borrowers that the interest rates hereunder are increasing as a result of the occurrence and continuance of an Event of Default until the earlier of such time as (i) such Event of Default is no longer continuing or (ii) such Event of Default is deemed no longer to exist, in each case pursuant to Section 8.3.

1.8. "Assignee" is defined in Section 13.1.1.

1.9. "Assignment and Acceptance" is defined in Section 13.1.1.

1.10. "Banking Day" means any day other than Saturday, Sunday or a day on which banks in Boston, Massachusetts are authorized or required by law or other governmental action to close.

1.11. "Bankruptcy Code" means Title 11 of the United States Code.

1.12. "Bankruptcy Default" means an Event of Default referred to in Section 8.1.10.

1.13. "Borrower" means each of the Company and the Subsidiary Borrower.

1.14. "Borrowing Base" means, at any date, the sum of (a) 80% of Eligible Accounts Receivable plus (b) 50% of Eligible Inventory; provided, however, that the Borrowing Base shall be reduced to \$1 at any time that the Company has failed to furnish the computation of the Borrowing Base required by Section 6.4.3(b) within five days after such computation was originally due.

1.15. "Boston Office" means the principal banking office of Fleet in Boston, Massachusetts.

1.16. "By-laws" means all written by-laws, rules, regulations and all other documents relating to the management, governance or internal regulation of any Person other than an individual, or interpretive of the Charter of such Person, all as from time to time in effect.

1.17. "Capital Expenditures" means, for any period, (a) amounts added or required to be added to the property, plant and equipment or other fixed assets account on the Consolidated or Combined balance sheet of the specified Persons, prepared in accordance with GAAP, in respect of (i) the acquisition, construction, improvement or replacement of land, buildings, machinery, equipment, leaseholds and any other real or personal property, (ii) to the extent not included in clause (i) above, materials, contract labor and direct labor relating thereto (excluding amounts properly expensed as repairs and maintenance in accordance with GAAP) and (iii) software development costs to the extent not expensed, and (b) amounts expended by the specified Persons in respect of slotting fees and milk crate additions.

1.18. "Capitalized Lease" means any lease which is required to be capitalized on the balance sheet of the lessee in accordance with GAAP, including Statement Nos. 13 and 98 of the Financial Accounting Standards Board.

1.19. "Capitalized Lease Obligations" means the amount of the liability reflecting the aggregate discounted amount of future payments under all Capitalized Leases calculated in accordance with GAAP, including Statement Nos. 13 and 98 of the Financial Accounting Standards Board.

1.20. "Cash Equivalents" means:

(a) negotiable certificates of deposit, time deposits (including sweep accounts), demand deposits and bankers' acceptances having a maturity of nine months or less and issued by any United States financial institution having capital and surplus and undivided profits aggregating at least \$100,000,000 and rated at least Prime-1 by Moody's Investors Service, Inc. or A-1 by Standard & Poor's Ratings Group or issued by any Lender;

(b) corporate obligations having a maturity of nine months or less and rated at least Prime-1 by Moody's Investors Service, Inc. or A-1 by Standard & Poor's Ratings Group or issued by any Lender;

(c) any direct obligation of the United States of America or any agency or instrumentality thereof, or of any state or municipality thereof, (i) which has a remaining maturity at the time of purchase of not more than one year or which is subject to a repurchase agreement with any Lender (or any other financial institution referred to in clause (a) above) exercisable within one year from the time of purchase and (ii) which, in the case of obligations of any state or municipality, is rated Aa or

better by Moody's Investors Service, Inc. or AA or better by Standard & Poor's Ratings Group; and

(d) any mutual fund or other pooled investment vehicle rated Aa or better by Moody's Investors Service, Inc. or AA or better by Standard & Poor's Ratings Group which invests principally in obligations described above.

1.21. "CERCLA" means the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980.

1.22. "CERCLIS" means the federal Comprehensive Environmental Response Compensation Liability Information System List (or any successor document) promulgated under CERCLA.

1.23. "Charter" means the articles of organization, certificate of incorporation, statute, constitution, joint venture agreement, partnership agreement, trust indenture, limited liability Borrower agreement or other charter document of any Person other than an individual, each as from time to time in effect.

1.24. "Closing Date" means the Initial Closing Date and each other date on which any extension of credit is made pursuant to Section 2.

1.25. "Code" means the federal Internal Revenue Code of 1986.

1.26. "Combined" and "Combining", when used with reference to any term, mean that term as applied to the accounts of the Company (or other specified Person) and such of its Subsidiaries as may be specified (or other specified group of Persons), combined or combining, as the case may be, in accordance with GAAP and with appropriate deductions for minority interests in Subsidiaries.

1.27. "Combined Adjusted Cash Flow" means, for any period, the total of (a) Combined Cash Flow for the specified Persons, minus (b) Internally Funded Capital Expenditures of such specified Persons during such period, minus (c) taxes based upon or measured by net income that are actually paid in cash by such specified Persons during such period.

1.28. "Combined Current Asset Factor" means, for any period, the amount (which may be less than zero) equal to the total of:

(a) the amount, if any, by which accounts receivable at the end of such period were greater than accounts receivable at the beginning of such period;

minus (b) the amount, if any, by which accounts receivable at the end of such period were less than accounts receivable at the beginning of such period;

plus (c) the amount, if any, by which inventory at the end of such period was greater than inventory at the beginning of such period;

minus (d) the amount, if any, by which inventory at the end of such period was less than inventory at the beginning of such period;

plus (e) the amount, if any, by which prepaid expenses and other current assets (other than cash and Cash Equivalents) at the end of such period were greater than prepaid expenses and other current assets (other than cash and Cash Equivalents) at the beginning of such period;

minus (f) the amount, if any, by which prepaid expenses and other current assets (other than cash and Cash Equivalents) at the end of such period were less than prepaid expenses and other current assets (other than cash and Cash Equivalents) at the beginning of such period;

plus (g) the amount, if any, by which deferred income tax benefits at the end of such period were greater than deferred income tax benefits at the beginning of such period;

minus (h) the amount, if any, by which deferred income tax benefits at the end of such period were less than deferred income tax benefits at the beginning of such period;

in each case with respect to the specified Persons and determined in accordance with GAAP on a Combined basis.

1.29. "Combined Current Receivables Factor" means, for any period, the amount (which may be less than zero) equal to the total of:

plus (a) the amount, if any, by which accounts payable and accrued expenses at the end of such period were less than accounts payable and accrued expenses at the beginning of such period;

minus (b) the amount, if any, by which accounts payable and accrued expenses at the end of such period were greater than accounts payable and accrued expenses at the beginning of such period;

plus (c) the amount, if any, by which income taxes at the end of such period were less than income taxes at the beginning of such period;

minus (d) the amount, if any, by which income taxes at the end of such period were greater than income taxes at the beginning of such period;

plus (e) the amount, if any, by which other current liabilities (other than current maturities of long-term debt and accrued interest expense) at the end of such period were less than other current liabilities (other than current maturities of long-term debt and accrued interest expense) at the beginning of such period;

minus (f) the amount, if any, by which other current liabilities (other than current maturities of long-term debt and accrued interest expense) at the end of such period were greater than other current liabilities (other than current maturities of long-term debt and accrued interest expense) at the beginning of such period;

in each case with respect to the specified Persons and determined in accordance with GAAP on a Combined basis.

1.30. "Combined Cash Flow" means, for any period, the total of:

(a) Combined Net Income for the specified Persons;

plus (b) all amounts deducted in computing such Combined Net Income in respect of:

(i) depreciation and amortization (including amortization of slotting fees and milk crates),

(ii) Combined Interest Expense for the specified Persons, and

(iii) taxes based upon or measured by net income.

1.31. "Combined Excess Cash Flow" means, for any period, the total of:

(a) Combined Adjusted Cash Flow;

minus (b) Combined Fixed Charges (but in no event including prepayments of Combined Excess Cash Flow required by Section 4.2.4);

plus (c) the Combined Working Capital Factor.

1.32. "Combined Financing Debt" means the Financing Debt (other than dividend rights of the Company's preferred stock, \$.01 par value per share, issued and outstanding immediately prior to the date hereof) of the specified Persons.

1.33. "Combined Fixed Charges" means, for any period, the sum of:

(a) the aggregate amount of interest, including payments in the nature of interest under Capitalized Leases and Interest Rate Protection Agreements, accrued by the specified Persons (whether such interest is reflected as an item of expense or capitalized) in accordance with GAAP on a Combined basis;

plus (b) the aggregate amount of all mandatory scheduled payments, prepayments and sinking fund payments with respect to principal paid or accrued by such specified Persons in respect of Financing Debt, including payments in the nature of principal under Capitalized Leases and Interest Rate Protection Agreements, in accordance with GAAP on a Combined basis;

plus (c) any mandatory dividends (other than dividends in respect of the Company's preferred stock, \$.01 par value per share, issued and outstanding immediately prior to the date hereof) paid or payable by such specified Persons to third parties.

1.34. "Combined Interest Expense" means, for any period, the aggregate amount of interest, including commitment fees and payments in the nature of interest under Capitalized Leases and Interest Rate Protection Agreements, accrued by the specified Persons (whether such interest is reflected as an item of expense or capitalized) in accordance with GAAP on a Combined basis.

1.35. "Combined Net Income" means, for any period, the net income (or loss) of the specified Persons, determined in accordance with GAAP on a Combined basis, and in any event deducting all Capital Expenditures; provided, however, that Combined Net Income shall not include:

(a) the income (or loss) of any Person accrued prior to the date such Person becomes a Subsidiary or is merged into or consolidated with any of the specified Persons;

(b) the income (or loss) of any Person (other than one of the specified Persons) in which the specified Persons has an ownership interest; provided, however, that (i) Combined Net Income shall include amounts in respect of the income of such Person when actually received in cash by the specified Persons in the form of dividends or similar Distributions and (ii) Combined Net Income shall be reduced by the aggregate amount of all Investments, regardless of the form thereof, made by any of the specified Persons in such Person for the purpose of funding any deficit or loss of such Person;

(c) all amounts included in computing such net income (or loss) in respect of the write-up of any asset or the retirement of any Indebtedness or equity at less than face value after June 24, 1995;

(d) extraordinary and nonrecurring gains;

(e) the income of any Subsidiary of a specified Person to the extent the payment of such income in the form of a Distribution or repayment of Indebtedness to a specified Person or any Wholly Owned Subsidiary of a specified Person is not permitted, whether on account of any Charter or By-law restriction, any agreement, instrument, deed or lease or any law, statute, judgment, decree or governmental order, rule or regulation applicable to such Subsidiary; and

(f) any after-tax gains or losses attributable to returned surplus assets of any Plan.

1.36. "Combined Senior Financing Debt" means the total of (a) the Combined Financing Debt of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries), minus (b) the principal amount of Indebtedness outstanding under the Subordinated Indenture.

1.37. "Combined Working Capital Factor" means, for any period, with respect to the specified Persons, an amount (which may be less than zero) equal to the sum of (a) the Combined Current Asset Factor of such specified Persons during such period plus (b) the Combined Current Receivables Factor of such specified Persons during such period.

1.38. "Commitment" means, with respect to any Lender, such Lender's obligations to extend the credits contemplated by Section 2. The original Commitments are set forth in Section 12.1 and the current Commitments are recorded from time to time in the Register.

1.39. "Company" means H.P. Hood Inc., a Massachusetts corporation.

1.40. "Company Final Maturity Date" means December 15, 1998.

1.41. "Company Loan" means each of the Company Revolving Loan and Company Term Loan.

1.42. "Company Loan Account" is defined in Section 2.1.4.

1.43. "Company Notes" means each of the Company Revolving Notes and the Term Notes.

1.44. "Company Revolving Loan" is defined in Section 2.1.4.

1.45. "Company Revolving Note" is defined in Section 2.1.4.

1.46. "Computation Covenants" means Sections 6.5, 6.6.7, 6.6.12, 6.6.14, 6.7.4, 6.11.1, 6.12.2 and 6.17.

1.47. "Consolidated" and "Consolidating", when used with reference to any term, mean that term as applied to the accounts of Holdings (or other specified Person) and all of its Subsidiaries (or other specified group of Persons), consolidated or consolidating, as the case may be, in accordance with GAAP and with appropriate deductions for minority interests in Subsidiaries.

1.48. "Consolidated Adjusted Cash Flow" means, for any period, the total of (a) Consolidated Cash Flow, minus (b) Internally Funded Capital Expenditures of Holdings and its Subsidiaries during such period, minus (c) taxes based upon or measured by net income that are actually paid in cash by Holdings and its Subsidiaries during such period.

1.49. "Consolidated Capital Base" means, at any date, the total of:

(a) stockholders' equity of Holdings and its Subsidiaries determined in accordance with GAAP on a Consolidated basis, excluding the effect of any foreign currency translation adjustments;

minus (b) the amount by which such stockholders' equity has been increased after the Initial Closing Date by the items described in clauses (a) through (f) of the definition of Consolidated Net Income or by goodwill;

minus (c) to the extent not already deducted from the amount in clause (a) above, (i) treasury stock, (ii) receivables due from an employee stock ownership plan and (iii) Guarantees of Indebtedness incurred by an employee stock ownership plan;

plus (d) the principal amount of Indebtedness outstanding under the Subordinated Indenture.

1.50. "Consolidated Cash Flow" means, for any period, the total of:

(a) Consolidated Net Income;

plus (b) all amounts deducted in computing such Consolidated Net Income in respect of:

(i) depreciation and amortization (including amortization of slotting fees and milk crates),

(ii) Consolidated Interest Expense, and

(iii) taxes based upon or measured by net income.

1.51. "Consolidated Financing Debt" means the Financing Debt (other than dividend rights of the Company's preferred stock, \$.01 par value per share, issued and outstanding immediately prior to the date hereof) of Holdings and its Subsidiaries.

1.52. "Consolidated Fixed Charges" means, for any period, the sum of:

(a) the aggregate amount of interest, including payments in the nature of interest under Capitalized Leases and Interest Rate Protection Agreements, accrued by the Company and its Subsidiaries (whether such interest is reflected as an item of expense or capitalized) in accordance with GAAP on a Consolidated basis;

plus (b) the aggregate amount of all mandatory scheduled payments, prepayments and sinking fund payments with respect to principal paid or accrued by Holdings and its Subsidiaries in respect of Financing Debt, including payments in the nature of principal under Capitalized Leases and Interest Rate Protection Agreements, in accordance with GAAP on a Consolidated basis;

plus (c) any mandatory dividends paid or payable by Holdings or any of its Subsidiaries to third parties.

1.53. "Consolidated Interest Expense" means, for any period, the aggregate amount of interest, including commitment fees and payments in the nature of interest under Capitalized Leases and Interest Rate Protection Agreements, accrued by Holdings and its Subsidiaries (whether such interest is reflected as an item of expense or capitalized) in accordance with GAAP on a Consolidated basis.

1.54. "Consolidated Net Income" means, for any period, the net income (or loss) of Holdings and its Subsidiaries, determined in accordance with GAAP on a Consolidated basis, and in any event deducting all Capital Expenditures; provided, however, that Consolidated Net Income shall not include:

(a) the income (or loss) of any Person accrued prior to the date such Person becomes a Subsidiary or is merged into or consolidated with Holdings or any of its Subsidiaries;

(b) the income (or loss) of any Person (other than a Subsidiary) in which Holdings or any of its Subsidiaries has an ownership interest; provided, however, that (i) Consolidated Net Income shall include amounts in respect of the income of such

Person when actually received in cash by Holdings or such Subsidiary in the form of dividends or similar Distributions and (ii) Consolidated Net Income shall be reduced by the aggregate amount of all Investments, regardless of the form thereof, made by Holdings or any of its Subsidiaries in such Person for the purpose of funding any deficit or loss of such Person;

(c) all amounts included in computing such net income (or loss) in respect of the write-up of any asset or the retirement of any Indebtedness or equity at less than face value after June 24, 1995;

(d) extraordinary and nonrecurring gains;

(e) the income of any Subsidiary of Holdings to the extent the payment of such income in the form of a Distribution or repayment of Indebtedness to Holdings or any Wholly Owned Subsidiary of Holdings is not permitted, whether on account of any Charter or By-law restriction, any agreement, instrument, deed or lease or any law, statute, judgment, decree or governmental order, rule or regulation applicable to such Subsidiary; and

(f) any after-tax gains or losses attributable to returned surplus assets of any Plan.

1.55. "Consolidated Senior Liabilities" means, at any date, the total of (a) the Indebtedness of Holdings and its Subsidiaries on a Consolidated basis, minus (b) the principal amount of Indebtedness outstanding under the Subordinated Indenture.

1.56. "Consolidated Tangible Capital Base" means, at any date, the total of:

(a) Consolidated Capital Base;

minus (b) the amount of intangible assets carried on the balance sheet of Holdings and its Subsidiaries determined in accordance with GAAP on a Consolidated basis, including goodwill, patents, patent applications, copyrights, trademarks, tradenames, research and development expense, organizational expense, unamortized debt discount, deferred financing charges and debt acquisition costs.

1.57. "Consolidated Total Liabilities" means, at any date, all Indebtedness of Holdings and its Subsidiaries on a Consolidated basis.

1.58. "Credit Documents" means:

(a) this Agreement, the Notes, each Letter of Credit, each draft presented or accepted under a Letter of Credit, the Credit Support Agreement and each Interest Rate

Protection Agreement provided by a Lender (or an Affiliate of a Lender) to the Company or any of its Subsidiaries, each as from time to time in effect;

(b) all financial statements, reports, notices, mortgages, assignments, UCC financing statements or certificates delivered to the Agent or any of the Lenders by the Company, any of its Subsidiaries or any other Obligor in connection herewith or therewith; and

(c) any other present or future agreement or instrument from time to time entered into among the Company, any of its Subsidiaries or any other Obligor, on one hand, and the Agent or all the Lenders, on the other hand, relating to, amending or modifying this Agreement or any other Credit Document referred to above or which is stated to be a Credit Document, each as from time to time in effect.

1.59. "Credit Obligations" means all present and future liabilities, obligations and Indebtedness of the Company, any of its Subsidiaries or any other Obligor owing to the Agent or any Lender under or in connection with this Agreement or any other Credit Document, including obligations in respect of principal, interest, reimbursement obligations under Letters of Credit and Interest Rate Protection Agreements provided by a Lender (or an Affiliate of a Lender), commitment fees, Letter of Credit fees, amounts provided for in Sections 3.4, 3.5, 3.6, 3.7 and 11 and other fees, charges, indemnities and expenses from time to time owing hereunder or under any other Credit Document (whether accruing before or after a Bankruptcy Default).

1.60. "Credit Participant" is defined in Section 13.2.

1.61. "Credit Security" means all assets now or from time to time hereafter subjected to a security interest, mortgage or charge (or intended or required so to be subjected pursuant to this Agreement or any other Credit Document) to secure the payment or performance of any of the Credit Obligations, including the assets described in Section 10.1.

1.62. "Credit Support Agreement" is defined in Section 5.1.6.

1.63. "Default" means any Event of Default and any event or condition which with the passage of time or giving of notice, or both, would become an Event of Default and the filing against the Company, any of its Subsidiaries or any other Obligor of a petition commencing an involuntary case under the Bankruptcy Code.

1.64. "Delinquency Period" is defined in Section 12.4.4.

1.65. "Delinquent Lender" is defined in Section 12.4.4.

1.66. "Delinquent Payment" is defined in Section 12.4.4.

1.67. "Distribution" means, with respect to the Company (or other specified Person):

(a) the declaration or payment of any dividend or distribution, including dividends payable in shares of capital stock of or other equity interests in the Company (or such specified Person), on or in respect of any shares of any class of capital stock of or other equity interests in the Company (or such specified Person);

(b) the purchase, redemption or other retirement of any shares of any class of capital stock of or other equity interest in the Company (or such specified Person) or of options, warrants or other rights for the purchase of such shares, directly, indirectly through a Subsidiary or otherwise;

(c) any other distribution on or in respect of any shares of any class of capital stock of or equity or other beneficial interest in the Company (or such specified Person);

(d) any payment of principal or interest with respect to, or any purchase, redemption or defeasance of, any Indebtedness of the Company (or such specified Person) which by its terms or the terms of any agreement is subordinated to the payment of the Credit Obligations; and

(e) any payment, loan or advance by the Company (or such specified Person) to, or any other Investment by the Company (or such specified Person) in, the holder of any shares of any class of capital stock of or equity interest in the Company (or such specified Person), or any Affiliate of such holder;

provided, however, that the term "Distribution" shall not include (i) dividends payable in perpetual common stock of or other similar equity interests in the Company (or such specified Person) or (ii) payments in the ordinary course of business in respect of (A) reasonable compensation paid to employees, officers and directors, (B) advances to employees for travel expenses, drawing accounts and similar expenditures or (C) rent paid to, or accounts payable for services rendered or goods sold by, non-Affiliates that own capital stock of or other equity interests in the Company (or such specified Person).

1.68. "Eligible Accounts Receivable" means, at any date,

(a) the aggregate amount carried as accounts receivable (reduced appropriately for doubtful accounts and customer returns) on the most recent Combined balance sheet of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) delivered in accordance with Section 6.4.3;

minus (b) the aggregate amount of any such accounts receivable that are more than 60 days from the date of invoice;

minus (c) discounts, commissions, house accounts, chargebacks, customer incentives, promotions, rebates, reclamation fees, offsets of accounts payable and distribution fees payable by the Company or any of its Subsidiaries (other than the Subsidiary Borrower or any of its Subsidiaries) to any Person (other than the Company or any of its Wholly Owned Subsidiaries) in respect of such payments;

minus (d) the amount of such payments due from Affiliates;

minus (e) all payments to be made in a currency other than United States Funds that is not freely convertible into United States Funds or that may not be freely withdrawn from the country of origin;

minus (f) payments subject to Liens other than Liens securing the Credit Obligations.

1.69. "Eligible Inventory" means, at any date, the total of:

(a) the aggregate amount carried as inventory (other than amounts carried as inventory in respect of raw fluid which is on hold or off-site and packaging), at the lower of cost or market value, on the most recent Combined balance sheet of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) delivered in accordance with Section 6.4.3;

minus (b) to the extent included in the foregoing clause (a), the aggregate amount of any overhead costs associated with the manufacture, procurement and storage of inventory, and any operating and marketing costs;

minus (c) advance payments from customers reflected on such balance sheet.

1.70. "Environmental Laws" means all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations and guidelines (including consent decrees and administrative orders) relating to public health and safety and protection of the environment, including OSHA.

1.71. "Equity Offering Proceeds" means, with respect to any specified Person, the aggregate net proceeds received by such Person or any of its specified Subsidiaries from the sale of equity interests in such Person or any such Subsidiary.

1.72. "ERISA" means the federal Employee Retirement Income Security Act of 1974.

1.73. "ERISA Group Person" means the Company, any Subsidiary of the Company and any Person which is a member of the controlled group or under common control with the Company or any Subsidiary of the Company within the meaning of section 414 of the Code or section 4001(a)(14) of ERISA.

1.74. "Event of Default" is defined in Section 8.1.

1.75. "Exchange Act" means the federal Securities Exchange Act of 1934.

1.76. "EACA" means the Federal Assignment of Claims Act as set forth in 31 U.S.C. § 3727 and 41 U.S.C. § 15.

1.77. "Federal Funds Rate" means, for any day, the rate equal to the weighted average (rounded upward to the nearest 1/8%) of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, (a) as such weighted average is published for such day (or, if such day is not a Banking Day, for the immediately preceding Banking Day) by the Federal Reserve Bank of New York or (b) if such rate is not so published for such Banking Day, as determined by the Agent using any reasonable means of determination. Each determination by the Agent of the Federal Funds Rate shall, in the absence of manifest error, be conclusive.

1.78. "Financial Officer" of the Company (or other specified Person) means its chief executive officer, chief financial officer, chief operating officer, chairman, president, treasurer or any of its vice presidents whose primary responsibility is for its financial affairs, all of whose incumbency and signatures have been certified to the Agent by the secretary or other appropriate attesting officer of the Company (or such specified Person).

1.79. "Financing Debt" means each of the items described in clauses (a) through (f) of the definition of the term "Indebtedness".

1.80. "Fleet" means Fleet National Bank of Massachusetts.

1.81. "Foreign Trade Regulations" means (a) any act that prohibits or restricts, or empowers the President or any executive agency of the United States of America to prohibit or restrict, exports to or financial transactions with any foreign country or foreign national, (b) the regulations with respect to certain prohibited foreign trade transactions set forth at 22 C.F.R. Parts 120-130 and 31 C.F.R. Part 500 and (c) any order, regulation, ruling, interpretation, direction, instruction or notice relating to any of the foregoing.

1.82. "GAAP" means generally accepted accounting principles as from time to time in effect, including the statements and interpretations of the United States Financial Accounting Standards Board and any predecessor or successor entity; provided, however, that for purposes of compliance with Section 6 (other than Section 6.4) and the related definitions, "GAAP"

means such principles as in effect on June 24, 1995 as applied by the Company and its Subsidiaries in the preparation of the June 24, 1995 financial statements referred to in Section 7.2.1(a), and consistently followed, without giving effect to any subsequent changes thereto.

1.83. "General Partner" means The Catamount Corporation, a Massachusetts corporation.

1.84. "Government Receivables" means any Accounts as to which the United States of America or any agency or department thereof is the obligor.

1.85. "Guarantee" means, with respect to the Company (or other specified Person):

(a) any guarantee by the Company (or such specified Person), of the payment or performance of, or any contingent obligation by the Company (or such specified Person), in respect of, any Indebtedness or other obligation of any primary obligor;

(b) any other arrangement whereby credit is extended to a primary obligor on the basis of any promise or undertaking of the Company (or such specified Person), including any binding "comfort letter" or "keep well agreement" written by the Company (or such specified Person), to a creditor or prospective creditor of such primary obligor, to (i) pay the Indebtedness of such primary obligor, (ii) purchase an obligation owed by such primary obligor, (iii) pay for the purchase or lease of assets or services regardless of the actual delivery thereof or (iv) maintain the capital, working capital, solvency or general financial condition of such primary obligor;

(c) any liability of the Company (or such specified Person), as a general partner of a partnership in respect of Indebtedness or other obligations of such partnership;

(d) any liability of the Company (or such specified Person) as a joint venturer of a joint venture in respect of Indebtedness or other obligations of such joint venture; and

(e) reimbursement obligations (whether contingent or matured) of the Company (or such specified Person) with respect to letters of credit, bankers acceptances, surety bonds, other financial guarantees and Interest Rate Protection Agreements,

whether or not any of the foregoing are reflected on the balance sheet of the Company (or such specified Person) or in a footnote thereto; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee and the amount of Indebtedness resulting from such Guarantee shall be the maximum amount that the guarantor may become obligated to pay in respect of the obligations (whether or not such obligations are outstanding at the time of computation).

1.86. "Guarantor" means Holdings, the Company, each Operating Subsidiary of the Company listed on the signature pages hereto or which subsequently becomes party to this Agreement as a Guarantor and Holdings.

1.87. "Hazardous Material" means any pollutant, toxic or hazardous material or waste, including any "hazardous substance" or "pollutant" or "contaminant" as defined in section 101(14) of CERCLA or any other Environmental Law or regulated as toxic or hazardous under RCRA or any other Environmental Law, including asbestos or oil or petroleum or any constituent thereof.

1.88. "Holdings" is defined in the preamble to this Agreement.

1.89. "Holdings Note" means the Holdings Note dated December 15, 1995 originally issued by Holdings to the Seller in the principal amount of \$9,600,000, as assigned by the Seller to the Company in exchange for certain assets pursuant to the Acquisition Agreement and pledged by the Company to the Agent for the benefit of the Lenders, all in form and substance satisfactory to the Agent.

1.90. "Indebtedness" means all obligations, contingent or otherwise, which in accordance with GAAP are required to be classified upon the balance sheet of the Company (or other specified Person) as liabilities, but in any event including (without duplication):

(a) borrowed money;

(b) indebtedness evidenced by notes, debentures or similar instruments;

(c) Capitalized Lease Obligations;

(d) the deferred purchase price of assets or securities, including related noncompetition, consulting and stock repurchase obligations (other than ordinary trade accounts payable within six months after the incurrence thereof in the ordinary course of business);

(e) mandatory redemption or dividend rights on capital stock (or other equity);

(f) reimbursement obligations, whether contingent or matured, with respect to letters of credit, bankers acceptances, surety bonds, other financial guarantees and Interest Rate Protection Agreements (without duplication of other Indebtedness supported or guaranteed thereby);

(g) unfunded pension liabilities;

(h) obligations that are immediately and directly due and payable out of the proceeds of or production from property;

(i) liabilities secured by any Lien existing on property owned or acquired by the Company (or such specified Person), whether or not the liability secured thereby shall have been assumed; and

(j) all Guarantees in respect of Indebtedness of others.

1.91. "Indemnified Party" is defined in Section 11.2.

1.92. "Indentures" means:

(a) the Subordinated Indenture; and

(b) the Trust Indenture dated as of September 10, 1956, as amended and in effect on the date hereof, between the Company and Boston Safe Deposit Trust Company, as trustee, pursuant to which the Company issued 6% Income Debentures due January 1, 1996 in the principal amount of \$6,218,500.

1.93. "Initial Closing Date" means December 15, 1995 or such other date prior to December 31, 1995 agreed to by the Borrowers and the Agent as the first Closing Date hereunder.

1.94. "Interest Payment Date" means the last Banking Day of each month occurring after the Initial Closing Date.

1.95. "Interest Rate Protection Agreement" means any interest rate swap, interest rate cap, interest rate hedge or other contractual arrangement that converts variable interest rates into fixed interest rates, fixed interest rates into variable interest rates or other similar arrangements.

1.96. "Internally Funded Capital Expenditures" means Capital Expenditures of the specified Persons which are not funded through the incurrence of Financing Debt.

1.97. "Investment" means, with respect to the Company (or other specified Person):

(a) any share of capital stock, partnership or other equity interest, evidence of Indebtedness or other security issued by any other Person;

(b) any loan, advance or extension of credit to, or contribution to the capital of, any other Person;

(c) any Guarantee of the Indebtedness of any other Person;

(d) any acquisition of all or any part of the business of any other Person or the assets comprising such business or part thereof; and

(e) any other similar investment.

The investments described in the foregoing clauses (a) through (e) shall be included in the term "Investment" whether they are made or acquired by purchase, exchange, issuance of stock or other securities, merger, reorganization or any other method; provided, however, that the term "Investment" shall not include (i) current trade and customer accounts receivable for property leased, goods furnished or services rendered in the ordinary course of business and payable in accordance with customary trade terms, (ii) advances and prepayments to suppliers for property leased, goods furnished and services rendered in the ordinary course of business, (iii) advances to employees for travel expenses, drawing accounts and similar expenditures, (iv) stock or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due to the Company (or such specified Person) or as security for any such Indebtedness or claim or (v) demand deposits in banks or similar financial institutions.

In determining the amount of outstanding Investments:

(A) the amount of any Investment shall be the cost thereof minus any returns of capital in cash on such Investment (determined in accordance with GAAP without regard to amounts realized as income on such Investment);

(B) the amount of any Investment in respect of a purchase described in clause (d) above shall include the amount of any Financing Debt assumed in connection with such purchase or secured by any asset acquired in such purchase (whether or not any Financing Debt is assumed) or for which any Person that becomes a Subsidiary is liable on the date on which the securities of such Person are acquired; and

(C) no Investment shall be increased as the result of an increase in the undistributed retained earnings of the Person in which the Investment was made or decreased as a result of an equity interest in the losses of such Person.

1.98. "Legal Requirement" means any present or future requirement imposed upon any of the Lenders or the Company and its Subsidiaries by any law, statute, rule, regulation, directive, order, decree, guideline (or any interpretation thereof by courts or of administrative bodies) of the United States of America or any state or political subdivision thereof, or by any board, governmental or administrative agency, central bank or monetary authority of the United States of America or any political subdivision thereof. Any such requirement imposed on any of the Lenders not having the force of law shall be deemed to be a Legal Requirement

if such Lender reasonably believes that compliance therewith is in the best interest of such Lender.

1.99. "Lender" means each of the Persons listed as lenders on the signature pages hereto, including Fleet in its capacity as a Lender and such other Persons who may from time to time own a Percentage Interest in the Credit Obligations, but the term "Lender" shall not include any Credit Participant.

1.100. "Lending Officer" means such individuals whom the Agent may designate by notice to the Borrowers from time to time as an officer who may receive telephone requests for borrowings under Sections 2.1.3 and 2.4.3.

1.101. "Letter of Credit" is defined in Section 2.3.1.

1.102. "Letter of Credit Exposure" means, at any date, the sum of (a) the aggregate face amount of all drafts that may then or thereafter be presented by beneficiaries, under all Letters of Credit then outstanding plus (b) the aggregate face amount of all drafts that the Letter of Credit Issuer has previously accepted under Letters of Credit but has not paid.

1.103. "Letter of Credit Issuer" means, for any Letter of Credit, Fleet or, in the event Fleet does not for any reason issue a requested Letter of Credit, another Lender designated by the Agent to issue such Letter of Credit in accordance with Section 2.3.

1.104. "Lien" means, with respect to the Company (or any other specified Person):

(a) any lien, encumbrance, mortgage, pledge, charge or security interest of any kind upon any property or assets of the Company (or such specified Person), whether now owned or hereafter acquired, or upon the income or profits therefrom;

(b) the acquisition of, or the agreement to acquire, any property or asset upon conditional sale or subject to any other title retention agreement, device or arrangement (including a Capitalized Lease);

(c) the sale, assignment, pledge or transfer for security of any accounts, general intangibles or chattel paper of the Company (or such specified Person), with or without recourse;

(d) the transfer of any tangible property or assets for the purpose of subjecting such items to the payment of previously outstanding Indebtedness in priority to payment of the general creditors of the Company (or such specified Person); and

(e) the existence for a period of more than 120 consecutive days of any Indebtedness against the Company (or such specified Person) which if unpaid would by law or upon a Bankruptcy Default be given any priority over general creditors.

1.105. "Loan" means each of the Company Loan and the Subsidiary Revolving Loan.

1.106. "Margin Stock" means "margin stock" within the meaning of Regulations G, T, U or X of the Board of Governors of the Federal Reserve System.

1.107. "Material Adverse Change" means, since any specified date or from the circumstances existing immediately prior to the happening of any specified event, a material adverse change in: (a) the business, assets, financial condition, income or prospects of any Borrower (on an individual basis) or the Company and its Subsidiaries (on a Consolidated basis), whether as a result of (i) general economic conditions affecting (A) in the case of the Company, the ice cream and manufactured dairy shelf products industries and (B) in the case of the Subsidiary Borrower, the fluid and cultured dairy products industries, (ii) difficulties in obtaining supplies and raw materials, (iii) fire, flood or other natural calamities, (iv) environmental pollution, (v) regulatory changes, judicial decisions, war or other governmental action or (vi) any other event or development, whether or not related to those enumerated above; (b) the ability of the Obligors to perform their obligations under the Credit Documents; or (c) the rights and remedies of the Agent and the Lenders under the Credit Documents.

1.108. "Material Agreements" is defined in Section 7.2.2.

1.109. "Maximum Amount of Company Revolving Credit" is defined in Section 2.1.2.

1.110. "Maximum Amount of Subsidiary Revolving Credit" is defined in Section 2.4.2.

1.111. "Mortgage" means each mortgage granted by any Borrower to the Agent as part of the Credit Security.

1.112. "Multiemployer Plan" means any Plan that is a "multiemployer plan" as defined in section 4001(a)(3) of ERISA.

1.113. "Net Asset Sale Proceeds" means the cash proceeds of the sale or disposition of assets (including by way of merger of a Subsidiary, but excluding assets sold or disposed of pursuant to Section 6.11.1) by the specified Persons net of (a) any Indebtedness permitted by Section 6.6.7 (Capitalized Leases and purchase money indebtedness) secured by assets being sold in such transaction required to be paid from such proceeds, (b) income taxes that, as estimated by such specified Persons in good faith, will be required to be paid by such specified Persons in cash as a result of, and within 15 months after such sale or disposition and (c) all reasonable expenses of such specified Persons incurred in connection with the transaction.

1.114. "New York Mortgage" means the Mortgage, Security Agreement and Assignment of Leases and Rents dated the Initial Closing Date granted by the Company to the Agent with respect to certain real property in Oneida, New York and Vernon, New York.

1.115. "New York Secured Amount" is defined in Section 10.7(a).

1.116. "Non-Operating Subsidiary" means any Subsidiary of the Company which conducts no business and in which the net Investment of the Company and its Subsidiaries is less than \$5,000.

1.117. "Nonperforming Lender" is defined in Section 12.4.4.

1.118. "Notes" means each of the Company Notes and the Subsidiary Revolving Notes.

1.119. "Obligor" means each of the Borrowers, the other Guarantors and each other Person guaranteeing or providing collateral for the Credit Obligations.

1.120. "Operating Subsidiary" means any Subsidiary of the Company other than a Non-Operating Subsidiary.

1.121. "OSHA" means the Federal Occupational Health and Safety Act.

1.122. "Partnership Agreement" means the Partnership Agreement of Holdings dated December 12, 1995.

1.123. "PBGC" means the Pension Benefit Guaranty Corporation or any successor entity.

1.124. "Percentage Interest" is defined in Section 12.1.

1.125. "Performing Lender" is defined in Section 12.4.4.

1.126. "Person" means any present or future natural person or any corporation, association, partnership, joint venture, joint stock, limited liability or other company, business trust, trust, organization, business or government or any governmental agency or political subdivision thereof.

1.127. "Plan" means, at any date, any pension benefit plan subject to Title IV of ERISA maintained, or to which contributions have been made or are required to be made, by any ERISA Group Person within six years prior to such date.

- 1.128. "Pledged Indebtedness" is defined in Section 10.1.6.
- 1.129. "Pledged Rights" is defined in Section 10.1.5.
- 1.130. "Pledged Securities" means the Pledged Stock, the Pledged Rights and the Pledged Indebtedness, collectively.
- 1.131. "Pledged Stock" is defined in Section 10.1.4.
- 1.132. "Prime Rate" means, on any day, the greater of (a) the rate of interest announced by Fleet at the Boston Office as its "prime rate" or (b) the sum of 1/2% plus the Federal Funds Rate.
- 1.133. "Principal Payment Date" means the last Banking Day of each March, June, September and December occurring after the Initial Closing Date.
- 1.134. "Property" is defined in Section 11.3.
- 1.135. "RCRA" means the federal Resource Conservation and Recovery Act, 42 U.S.C. § 690, et seq.
- 1.136. "Register" is defined in Section 13.1.3.
- 1.137. "Replacement Lender" is defined in Section 13.3.
- 1.138. "Required Lenders" means, with respect to any approval, consent, modification, waiver or other action to be taken by the Agent or the Lenders under the Credit Documents which require action by the Required Lenders, such Lenders as own at least a majority of the Percentage Interests; provided, however, that with respect to any matters referred to in the proviso to Section 12.6, Required Lenders means such Lenders as own at least the respective portions of the Percentage Interests required by Section 12.6.
- 1.139. "Securities Act" means the federal Securities Act of 1933.
- 1.140. "Seller" means Agway Holdings, Inc., a Delaware corporation.
- 1.141. "Subordinated Indenture" means the Indenture dated as of February 1, 1971, as amended and in effect on the date hereof, between the Company and The First National Bank of Boston, as trustee, pursuant to which the Company issued 7 1/2% Subordinated Debentures due February 1, 2001 in the principal amount of \$15,000,000.
- 1.142. "Subsidiary" means any Person of which the Company (or other specified Person) shall at the time, directly or indirectly through one or more of its Subsidiaries,

(a) own at least 50% of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally, (b) hold at least 50% of the partnership, joint venture or similar interests or (c) be a general partner or joint venturer.

1.143. "Subsidiary Borrower" means H.P. Hood & Sons, Inc., a Massachusetts corporation.

1.144. "Subsidiary Final Maturity Date" means December 15, 1997.

1.145. "Subsidiary Loan Account" is defined in Section 2.4.4.

1.146. "Subsidiary Revolving Loan" is defined in Section 2.4.4.

1.147. "Subsidiary Revolving Note" is defined in Section 2.4.4.

1.148. "Tax" means any present or future tax, levy, duty, impost deduction, withholding or other charges of whatever nature at any time required by any Legal Requirement (a) to be paid by any Lender or (b) to be withheld or deducted from any payment otherwise required hereby to be made to any Lender, in each case on or with respect to its obligations hereunder, the Loan, any payment in respect of the Credit Obligations or any Funding Liability not included in the foregoing; provided, however, that the term "Tax" shall not include taxes imposed upon or measured by the net income of such Lender (other than withholding taxes) or franchise taxes.

1.149. "Term Loan" is defined in Section 2.2.1.

1.150. "Term Note" is defined in Section 2.2.2.

1.151. "UCC" means the Uniform Commercial Code as in effect in Massachusetts on the date hereof; provided, however, that with respect to the perfection of the Agent's Lien in the Credit Security and the effect of nonperfection thereof, the term "UCC" means the Uniform Commercial Code as in effect in any jurisdiction the laws of which are made applicable by section 9-103 of the Uniform Commercial Code as in effect in Massachusetts.

1.152. "Uniform Customs and Practice" is defined in Section 2.3.7.

1.153. "United States Funds" means such coin or currency of the United States of America as at the time shall be legal tender therein for the payment of public and private debts.

1.154. "Wholly Owned Subsidiary" means any Subsidiary of which all of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally (other

than directors' qualifying shares) is owned by the Company (or other specified Person) directly, or indirectly through one or more Wholly Owned Subsidiaries.

2. The Credits.

2.1. Company Revolving Credit.

2.1.1. Company Revolving Loan. Subject to all the terms and conditions of this Agreement and so long as no Default exists, from time to time on and after the Initial Closing Date and prior to the Company Final Maturity Date the Lenders will, severally in accordance with their respective Percentage Interests, make loans to the Company in such amounts as may be requested by the Company in accordance with Section 2.1.3. The aggregate principal amount of loans made under this Section 2.1.1 at any one time outstanding shall in no event exceed the Maximum Amount of Company Revolving Credit. In no event will the principal amount of loans at any one time outstanding made by any Lender pursuant to this Section 2.1.1 exceed such Lender's Commitment.

2.1.2. Maximum Amount of Company Revolving Credit. The term "Maximum Amount of Company Revolving Credit" means, at any date, the least of:

(a) the total of:

(i) \$15,000,000;

minus (ii) the excess of (A) the aggregate amount of Net Asset Sale Proceeds received by the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) on or after the date hereof over (B) the aggregate amount of such Net Asset Sale Proceeds actually applied to prepay the Term Loan;

minus (iii) the excess of (A) 50% of the aggregate amount of Combined Excess Cash Flow of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) on or after the date hereof over (B) the aggregate amount of such Combined Excess Cash Flow actually applied to prepay the Term Loan;

minus (iv) the excess of (A) the aggregate amount of Equity Offering Proceeds received by the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) after the date hereof over (B) the aggregate amount of such Equity Offering Proceeds actually applied to prepay the Term Loan;

minus (v) the excess of (A) the aggregate amount of all payments, loans and contributions required to be made by any Person to the Company or any of its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) under the Credit Support Agreement on or after the date hereof over (B) the aggregate amount of all such payments, loans and contributions which (1) are required by the Credit Support Agreement to be contributed to cover, and are actually applied to pay, the Environmental Liability Amount (as defined in the Credit Support Agreement), (2) reduce the Maximum Amount of Subsidiary Revolving Credit pursuant to Section 2.4.2 or (3) are actually applied to prepay the Term Loan;

(b) the Borrowing Base; or

(c) the amount (in an integral multiple of \$1,000,000) to which the then applicable amount set forth in clause (a) above shall have been irrevocably reduced from time to time by at least five Banking Days prior notice from the Company to the Agent.

2.1.3. Borrowing Requests. The Company may from time to time request a loan under Section 2.1.1 by providing to the Agent a notice (which may be given by a telephone call received by a Lending Officer if promptly confirmed in writing). Such notice must be not later than noon (Boston time) on the first Banking Day prior to the requested Closing Date for such loan. The notice must specify (a) the amount of the requested loan (which shall be not less than \$1,000,000 and an integral multiple of \$500,000) and (b) the requested Closing Date therefor (which shall be a Banking Day). Upon receipt of such notice, the Agent will promptly inform each other Lender (by telephone or otherwise). Each such loan will be made at the Boston Office by depositing the amount thereof to the general account of the Company with the Agent. In connection with each such loan, the Company shall furnish to the Agent a certificate in substantially the form of Exhibit 5.2.1.

2.1.4. Company Loan Account; Company Revolving Notes. The Agent will establish on its books a loan account for the Company (the "Company Loan Account") which the Agent shall administer as follows: (a) the Agent shall add to the Company Loan Account, and the Company Loan Account shall evidence, the principal amount of all loans from time to time made by the Lenders to the Company pursuant to Section 2.1.1 and (b) the Agent shall reduce the Company Loan Account by the amount of all payments made on account of the Indebtedness evidenced by the Company Loan Account. The aggregate principal amount of the Indebtedness evidenced by the Company Loan Account is referred to as the "Company Revolving Loan". The Company Revolving Loan shall be deemed owed to each Lender severally in accordance with such Lender's Percentage Interest, and all payments credited to the Company Loan Account shall be for the account of each Lender in accordance with its

Percentage Interest. The Company's obligations to pay each Lender's Percentage Interest in the Company Revolving Loan shall be evidenced by a separate note of the Company in substantially the form of Exhibit 2.1.4 (each a "Company Revolving Note"), payable to each Lender in maximum principal amount equal to such Lender's Percentage Interest in the Company Revolving Loan.

2.2. Term Credit.

2.2.1. Term Loan. Subject to all the terms and conditions of this Agreement and so long as no Default exists, on the Initial Closing Date the Lenders will, in accordance with their respective Percentage Interests, severally lend to the Company as a term loan the aggregate principal amount of \$25,000,000. The aggregate principal amount of the loan made pursuant to this Section 2.2.1 at any one time outstanding is referred to as the "Term Loan". In connection with the Term Loan, the Company shall furnish to the Agent a certificate in substantially the form of Exhibit 5.2.1.

2.2.2. Term Notes. The Term Loan shall be made at the Boston Office by crediting the amount of such loan to the general account of the Company with the Agent against delivery to the Agent of the separate term notes of the Company (each a "Term Note") payable to the respective Lenders. The Term Note issued to each Lender shall be in a principal amount equal to such Lender's Percentage Interest in the Term Loan, and shall be in substantially the form of Exhibit 2.2.2.

2.3. Letters of Credit.

2.3.1. Issuance of Letters of Credit. Subject to all the terms and conditions of this Agreement and so long as no Default exists, from time to time on and after the Initial Closing Date and prior to the Company Final Maturity Date, the Letter of Credit Issuer will issue for the account of the Company one or more irrevocable standby letters of credit (each a "Letter of Credit"). The Letter of Credit Exposure shall in no event exceed the \$15,000,000.

2.3.2. Requests for Letters of Credit. The Company may from time to time request a Letter of Credit to be issued by providing to the Letter of Credit Issuer (and the Agent if the Letter of Credit Issuer is not the Agent) a notice which is actually received not less than five Banking Days prior to the requested Closing Date for such Letter of Credit specifying (a) the amount of the requested Letter of Credit, (b) the beneficiary thereof, (c) the requested Closing Date (which shall be a Banking Day) and (d) the principal terms of the text for such Letter of Credit. Each Letter of Credit will be issued by forwarding it to the Company or to such other Person as directed in writing by the Company. In connection with the issuance of any Letter of Credit, the Company shall furnish to the Letter of Credit Issuer (and the Agent if the Letter of

Credit Issuer is not the Agent) a certificate in substantially the form of Exhibit 5.2.1 and any customary application forms required by the Letter of Credit Issuer.

2.3.3. Form and Expiration of Letters of Credit. Each Letter of Credit issued under this Section 2.3 and each draft accepted or paid under any Letter of Credit shall be issued, accepted or paid, as the case may be, by the Letter of Credit Issuer at its principal office. No Letter of Credit shall provide for the payment of drafts drawn thereunder, and no draft shall be payable, at a date which is later than the earlier of (a) the date 12 months after the date of issuance or (b) the Company Final Maturity Date. Each Letter of Credit and each draft accepted under any Letter of Credit shall be in such form and minimum amount, and shall contain such terms, as the Letter of Credit Issuer and the Company may agree upon at the time such Letter of Credit is issued, including a requirement of not less than three Banking Days after presentation of a draft before payment must be made thereunder.

2.3.4. Lenders' Participation in Letters of Credit. Upon the issuance of any Letter of Credit, a participation therein, in an amount equal to each Lender's Percentage Interest, shall automatically be deemed granted by the Letter of Credit Issuer to each Lender on the date of such issuance and the Lenders shall automatically be obligated, as set forth in Section 12.4, to reimburse the Letter of Credit Issuer to the extent of their respective Percentage Interests for all obligations incurred by the Letter of Credit Issuer to third parties in respect of such Letter of Credit not reimbursed by the Company. The Letter of Credit Issuer will send to each Lender (and the Agent if the Letter of Credit Issuer is not the Agent) a confirmation regarding the participations in Letters of Credit outstanding during such month.

2.3.5. Presentation. The Letter of Credit Issuer may accept or pay any draft presented to it, regardless of when drawn and whether or not negotiated, if such draft, the other required documents and any transmittal advice are presented to the Letter of Credit Issuer and dated on or before the expiration date of the Letter of Credit under which such draft is drawn. Except insofar as instructions actually received may be given by the Company in writing expressly to the contrary with regard to, and prior to, the Letter of Credit Issuer's issuance of any Letter of Credit for the account of the Company and such contrary instructions are reflected in such Letter of Credit, the Letter of Credit Issuer may honor as complying with the terms of such Letter of Credit and with this Agreement any drafts or other documents otherwise in order signed or issued by an administrator, executor, conservator, trustee in bankruptcy, debtor in possession, assignee for benefit of creditors, liquidator, receiver or other legal representative of the party authorized under such Letter of Credit to draw or issue such drafts or other documents.

2.3.6. Payment of Drafts. At such time as a Letter of Credit Issuer makes any payment on a draft presented or accepted under any Letter of Credit, the applicable

Borrower will on demand pay to such Letter of Credit Issuer in immediately available funds the amount of such payment. Unless the Company shall otherwise pay to the Letter of Credit Issuer the amount required by the foregoing sentence, such amount shall be considered a loan under Section 2.1.1 and part of the Company Revolving Loan.

2.3.7. Uniform Customs and Practice. The Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, and any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce and adhered to by the Letter of Credit Issuer (the "Uniform Customs and Practice"), shall be binding on the Company and the Letter of Credit Issuer except to the extent otherwise provided herein, in any Letter of Credit or in any other Credit Document. Anything in the Uniform Customs and Practice to the contrary notwithstanding:

- (a) Neither the Company nor any beneficiary of any Letter of Credit shall be deemed an agent of any Letter of Credit Issuer.
- (b) With respect to each Letter of Credit, neither the Letter of Credit Issuer nor its correspondents shall be responsible for or shall have any duty to ascertain:
 - (i) the genuineness of any signature;
 - (ii) the validity, form, sufficiency, accuracy, genuineness or legal effect of any endorsements;
 - (iii) delay in giving, or failure to give, notice of arrival, notice of refusal of documents or of discrepancies in respect of which any Letter of Credit Issuer refuses the documents or any other notice, demand or protest;
 - (iv) the performance by any beneficiary under any Letter of Credit of such beneficiary's obligations to the Company;
 - (v) inaccuracy in any notice received by the Letter of Credit Issuer;
 - (vi) the validity, form, sufficiency, accuracy, genuineness or legal effect of any instrument, draft, certificate or other document required by such Letter of Credit to be presented before payment of a draft, or the office held by or the authority of any Person signing any of the same; or
 - (vii) failure of any instrument to bear any reference or adequate reference to such Letter of Credit, or failure of any Person to note the amount of any instrument on the reverse of such Letter of Credit or to surrender such

Letter of Credit or to forward documents in the manner required by such Letter of Credit.

(c) The occurrence of any of the events referred to in the Uniform Customs and Practice or in the preceding clauses of this Section 2.3.8 shall not affect or prevent the vesting of any of the Letter of Credit Issuer's rights or powers hereunder or the Company's obligation to make reimbursement of amounts paid under any Letter of Credit or any draft accepted thereunder.

(d) The Company will promptly examine (i) each Letter of Credit (and any amendments thereof) sent to it by the Letter of Credit Issuer and (ii) all instruments and documents delivered to it from time to time by the Letter of Credit Issuer. The Company will notify the Letter of Credit Issuer of any claim of noncompliance by notice actually received within three Banking Days after receipt of any of the foregoing documents, the Company being conclusively deemed to have waived any such claim against such Letter of Credit Issuer and its correspondents unless such notice is given. The Letter of Credit Issuer shall have no obligation or responsibility to send any such Letter of Credit or any such instrument or document to the Company.

(e) In the event of any conflict between the provisions of this Agreement and the Uniform Customs and Practice, the provisions of this Agreement shall govern.

2.3.8. Subrogation. Upon any payment by a Letter of Credit Issuer under any Letter of Credit and until the reimbursement of such Letter of Credit Issuer by the Company with respect to such payment, the Letter of Credit Issuer shall be entitled to be subrogated to, and to acquire and retain, the rights which the Person to whom such payment is made may have against the Company, all for the benefit of the Lenders. The Company will take such action as the Letter of Credit Issuer may reasonably request, including requiring the beneficiary of any Letter of Credit to execute such documents as the Letter of Credit Issuer may reasonably request, to assure and confirm to the Letter of Credit Issuer such subrogation and such rights, including the rights, if any, of the beneficiary to whom such payment is made in accounts receivable, inventory and other properties and assets of any Obligor.

2.3.9. Modification, Consent, etc. If the Company requests or consents in writing to any modification or extension of any Letter of Credit, or waives any failure of any draft, certificate or other document to comply with the terms of such Letter of Credit, and if the Letter of Credit Issuer consents thereto, the Letter of Credit Issuer shall be entitled to rely on such request, consent or waiver. This Agreement shall be binding upon the Company with respect to such Letter of Credit as so modified or extended, and with respect to any action taken or omitted by such Letter of Credit Issuer pursuant to any such request, consent or waiver.

2.4. Subsidiary Revolving Credit.

2.4.1. Subsidiary Revolving Loan. Subject to all the terms and conditions of this Agreement and so long as no Default exists, from time to time on and after the Initial Closing Date and prior to the Subsidiary Final Maturity Date the Lenders will, severally in accordance with their respective Percentage Interests, make loans to the Subsidiary Borrower in such amounts as may be requested by the Subsidiary Borrower in accordance with Section 2.4.3. The aggregate principal amount of loans made under this Section 2.4.1 at any one time outstanding shall in no event exceed the Maximum Amount of Subsidiary Revolving Credit. In no event will the principal amount of loans at any one time outstanding made by any Lender pursuant to this Section 2.4.1 exceed such Lender's Commitment.

2.4.2. Maximum Amount of Subsidiary Revolving Credit. The term "Maximum Amount of Subsidiary Revolving Credit" means, at any date, the lesser of:

(a) the total of:

(i) \$15,000,000;

minus (ii) the aggregate amount of Net Asset Sale Proceeds received by the Subsidiary Borrower and its Subsidiaries on or after the date hereof;

minus (iii) 50% of the aggregate amount of Combined Excess Cash Flow of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) on or after the date hereof;

minus (iv) the aggregate amount of Equity Offering Proceeds received by the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) after the date hereof;

minus (v) the excess of (A) the aggregate amount of all payments, loans and contributions required to be made by any Person to the Subsidiary Borrower or any of its Subsidiaries under the Credit Support Agreement on or after the date hereof over (B) the aggregate amount of all such payments, loans and contributions which are required by the Credit Support Agreement to be contributed to cover, and are actually applied to pay, the Environmental Liability Amount;

(b) the amount (in an integral multiple of \$1,000,000) to which the then applicable amount set forth in clause (a) above shall have been irrevocably reduced from time to time by at least five Banking Days prior notice from the Subsidiary Borrower to the Agent.

2.4.3. Borrowing Requests. The Subsidiary Borrower may from time to time request a loan under Section 2.4.1 by providing to the Agent a notice (which may be given by a telephone call received by a Lending Officer if promptly confirmed in writing). Such notice must be not later than noon (Boston time) on the first Banking Day prior to the requested Closing Date for such loan. The notice must specify (a) the amount of the requested loan (which shall be not less than \$1,000,000 and an integral multiple of \$500,000) and (b) the requested Closing Date therefor (which shall be a Banking Day). Upon receipt of such notice, the Agent will promptly inform each other Lender (by telephone or otherwise). Each such loan will be made at the Boston Office by depositing the amount thereof to the general account of the Subsidiary Borrower with the Agent. In connection with each such loan, the Subsidiary Borrower shall furnish to the Agent a certificate in substantially the form of Exhibit 5.2.2.

2.4.4. Subsidiary Loan Account; Subsidiary Revolving Notes. The Agent will establish on its books a loan account for the Subsidiary Borrower (the "Subsidiary Loan Account") which the Agent shall administer as follows: (a) the Agent shall add to the Subsidiary Loan Account, and the Subsidiary Loan Account shall evidence, the principal amount of all loans from time to time made by the Lenders to the Subsidiary Borrower pursuant to Section 2.4.1 and (b) the Agent shall reduce the Subsidiary Loan Account by the amount of all payments made on account of the Indebtedness evidenced by the Subsidiary Loan Account. The aggregate principal amount of the Indebtedness evidenced by the Subsidiary Loan Account is referred to as the "Subsidiary Revolving Loan". The Subsidiary Revolving Loan shall be deemed owed to each Lender severally in accordance with such Lender's Percentage Interest, and all payments credited to the Subsidiary Loan Account shall be for the account of each Lender in accordance with its Percentage Interest. The Subsidiary Borrower's obligations to pay each Lender's Percentage Interest in the Subsidiary Revolving Loan shall be evidenced by a separate note of the Subsidiary Borrower in substantially the form of Exhibit 2.4.4 (each a "Subsidiary Revolving Note"), payable to each Lender in maximum principal amount equal to such Lender's Percentage Interest in the Subsidiary Revolving Loan.

2.5. Application of Proceeds.

2.5.1. Company Revolving Loan. Subject to Section 2.5.5, the Company will apply the proceeds of the Company Revolving Loan (a) for working capital and other lawful corporate purposes of the Company and (b) to pay certain fees and expenses incurred by the Company and its Subsidiaries in connection with the preparation and duplication of this Agreement, each other Credit Document and the transactions contemplated hereby and thereby.

2.5.2. Term Loan. The Company will apply the proceeds of the Term Loan solely to prepay the existing Indebtedness of the Company indicated with an asterisk on Exhibit 7.3.

2.5.3. Letters of Credit. Letters of Credit will be issued only for working capital and other lawful corporate purposes of the Company.

2.5.4. Subsidiary Revolving Loan. Subject to Section 2.5.5, the Subsidiary Borrower will apply the proceeds of the Subsidiary Revolving Loan (a) for working capital and other lawful corporate purposes of the Subsidiary Borrower and (b) to pay certain fees and expenses incurred by the Company and its Subsidiaries in connection with the preparation and duplication of this Agreement, each other Credit Document and the transactions contemplated hereby and thereby.

2.5.5. Specifically Prohibited Applications. The Borrowers will not, directly or indirectly, apply any part of the proceeds of any extension of credit made pursuant to the Credit Documents to purchase or to carry Margin Stock or to any transaction prohibited by the Foreign Trade Regulations, by other Legal Requirements applicable to the Lenders or by the Credit Documents.

2.6. Nature of Obligations of Lenders to Make Extensions of Credit. The Lenders' obligations to extend credit under this Agreement are several and are not joint or joint and several. If on any Closing Date any Lender shall fail to perform its obligations under this Agreement, the aggregate amount of Commitments to make the extensions of credit under this Agreement shall be reduced by the amount of unborrowed Commitment of the Lender so failing to perform and the Percentage Interests shall be appropriately adjusted. The Lenders that have not failed to perform their obligations to make the extensions of credit contemplated by Section 2 may, if any such Lender so desires, assume, in such proportions as such Lenders may agree, the obligations of any Lender who has so failed and the Percentage Interests shall be appropriately adjusted. The provisions of this Section 2.6 shall not affect the rights of any Borrower against any Lender failing to perform its obligations hereunder.

3. Interest: Fees.

3.1. Interest. The Loan shall accrue and bear interest at a rate per annum which shall at all times equal the Applicable Rate. Prior to any stated or accelerated maturity of the Loan, each Borrower will, on each Interest Payment Date, pay the accrued and unpaid interest on its portion of the Loan. On the stated or any accelerated maturity of the Loan, each Borrower will pay all accrued and unpaid interest on its portion of the Loan. Upon the occurrence and during the continuance of an Event of Default, the Lenders may require accrued interest to be payable on demand or at regular intervals more frequent than each Interest Payment Date. All payments of interest hereunder shall be made to the Agent for the account of each Lender in accordance with such Lender's Percentage Interest.

3.2. Commitment Fees.

3.2.1. Company Revolving Loan. In consideration of the Lenders' commitments to make the extensions of credit provided for in Section 2.1, while such commitments are outstanding, the Company will pay to the Agent for the account of the Lenders in accordance with the Lenders' respective Percentage Interests, on each Principal Payment Date and on the Company Final Maturity Date, an amount equal to interest computed at the rate of 1/2% per annum on the amount by which (a) the average daily Maximum Amount of Company Revolving Credit during the three-month period or portion thereof ending on such Principal Payment Date or the Company Final Maturity Date, as the case may be, exceeded (b) the average daily Company Revolving Loan during such period or portion thereof; provided, however, that the first such payment shall be for the period beginning on the Initial Closing Date and ending on the first Principal Payment Date.

3.2.2. Subsidiary Revolving Loan. In consideration of the Lenders' commitments to make the extensions of credit provided for in Section 2.4, while such commitments are outstanding, the Subsidiary Borrower will pay to the Agent for the account of the Lenders in accordance with the Lenders' respective Percentage Interests, on each Principal Payment Date and on the Subsidiary Final Maturity Date, an amount equal to interest computed at the rate of 1/2% per annum on the amount by which (a) the average daily Maximum Amount of Subsidiary Revolving Credit during the three-month period or portion thereof ending on such Principal Payment Date or the Subsidiary Final Maturity Date, as the case may be, exceeded (b) the average daily Subsidiary Revolving Loan during such period or portion thereof; provided, however, that the first such payment shall be for the period beginning on the Initial Closing Date and ending on the first Principal Payment Date.

3.3. Letter of Credit Fees. The Company will pay to the Agent for the account of the Lenders in accordance with the Lenders' respective Percentage Interests, on each Principal Payment Date and on the Company Final Maturity Date, a Letter of Credit fee equal to interest at the rate of 2% per annum on the average daily Letter of Credit Exposure during the three-month period or portion thereof ending on such Principal Payment Date or the Company Final Maturity Date, as the case may be. The Company will pay to the Letter of Credit Issuer customary service charges and expenses for its services in connection with the Letters of Credit at the times and in the amounts from time to time in effect in accordance with its general rate structure, including fees and expenses relating to issuance, amendment, negotiation, cancellation and similar operations.

3.4. Reserve Requirements, etc. If any Legal Requirement shall (a) impose, modify, increase or deem applicable any insurance assessment, reserve, special deposit or similar requirement against any Letter of Credit, (b) impose, modify, increase or deem applicable any

other requirement or condition with respect to any Letter of Credit or (c) change the basis of taxation of payments in respect of any Letter of Credit (other than changes in the rate of taxes measured by the overall net income of such Lender) and the effect of any of the foregoing shall be to increase the cost to any Lender of issuing, making, funding or maintaining its respective Percentage Interest in any Letter of Credit, to reduce the amounts received or receivable by such Lender under this Agreement or to require such Lender to make any payment or forego any amounts otherwise payable to such Lender under this Agreement, then, within 15 days after the receipt by the Company of a certificate from such Lender setting forth why it is claiming compensation under this Section 3.4 and computations (in reasonable detail) of the amount thereof, the Company shall immediately pay to the Agent for the account of such Lender such additional amounts as are from time to time specified by such Lender in such certificate as sufficient to compensate such Lender for such increased cost or such reduction, together with interest at the highest Applicable Rate then in effect on such amount from the 15th day after receipt of such certificate until payment in full thereof; provided, however, that the foregoing provisions shall not apply to any Tax. The determination by such Lender of the amount of such costs shall, in the absence of manifest error, be conclusive. The Company shall be entitled to replace any such Lender in accordance with Section 13.3.

3.5. Taxes. All payments of the Credit Obligations shall be made without set-off or counterclaim and free and clear of any deductions, including deductions for Taxes, unless any Borrower is required by law to make such deductions. If (a) any Lender shall be subject to any Tax with respect to any payment of the Credit Obligations or its obligations hereunder or (b) any Borrower shall be required to withhold or deduct any Tax on any payment on the Credit Obligations, within 15 days after the receipt by the applicable Borrower of a certificate from such Lender setting forth why it is claiming compensation under this Section 3.5 and computations (in reasonable detail) of the amount thereof, such Borrower shall pay to the Agent for such Lender's account such additional amount as is necessary to enable such Lender to receive the amount of Tax so imposed on the Lender's obligations hereunder or the full amount of all payments which it would have received on the Credit Obligations (including amounts required to be paid under Sections 3.4, 3.6, 3.7 and this Section 3.5) in the absence of such Tax, as the case may be, together with interest at the highest Applicable Rate then in effect on such amount from the 15th day after receipt of such certificate until payment in full thereof. Whenever Taxes must be withheld by any Borrower with respect to any payments of the Credit Obligations, such Borrower shall promptly furnish to the Agent for the account of the applicable Lender official receipts (to the extent that the relevant governmental authority delivers such receipts) evidencing payment of any such Taxes so withheld. If any Borrower fails to pay any such Taxes when due or fails to remit to the Agent for the account of the applicable Lender the required receipts evidencing payment of any such Taxes so withheld or deducted, such Borrower shall indemnify the affected Lender for any incremental Taxes and interest or penalties that may become payable by such Lender as a result of any such failure. The determination by such Lender of the amount of such Tax and the basis therefor shall, in the absence of manifest error, be conclusive. The Borrowers shall be entitled to replace any such Lender in accordance with Section 13.3.

3.6. Capital Adequacy. If any Lender shall determine that compliance by such Lender with any Legal Requirement regarding capital adequacy of banks or bank holding companies has or would have the effect of reducing the rate of return on the capital of such Lender and its Affiliates as a consequence of such Lender's commitment to make the extensions of credit contemplated hereby, or such Lender's maintenance of the extensions of credit contemplated hereby, to a level below that which such Lender could have achieved but for such compliance (taking into consideration the policies of such Lender and its Affiliates with respect to capital adequacy immediately before such compliance and assuming that the capital of such Lender and its Affiliates was fully utilized prior to such compliance) by an amount deemed by such Lender to be material, then, within 15 days after the receipt by the applicable Borrower of a certificate from such Lender setting forth why it is claiming compensation under this Section 3.6 and computations (in reasonable detail) of the amount thereof, such Borrower shall pay to the Agent for the account of such Lender such additional amounts as shall be sufficient to compensate such Lender for such reduced return, together with interest at the highest Applicable Rate then in effect on each such amount from the 15th day after receipt of such certificate until payment in full thereof. The determination by such Lender of the amount to be paid to it and the basis for computation thereof shall, in the absence of manifest error, be conclusive. In determining such amount, such Lender may use any reasonable averaging, allocation and attribution methods. The Borrowers shall be entitled to replace any such Lender in accordance with Section 13.3.

3.7. Regulatory Changes. If any Lender shall determine that (a) any change in any Legal Requirement (including any new Legal Requirement) after the date hereof shall directly or indirectly (i) reduce the amount of any sum received or receivable by such Lender with respect to the Loan or the Letters of Credit or the return to be earned by such Lender on the Loan or the Letters of Credit, (ii) impose a cost on such Lender or any Affiliate of such Lender that is attributable to the making or maintaining of, or such Lender's commitment to make, its portion of the Loan or the Letters of Credit or (iii) require such Lender or any Affiliate of such Lender to make any payment on, or calculated by reference to, the gross amount of any amount received by such Lender under any Credit Document, and (b) such reduction, increased cost or payment shall not be fully compensated for by an adjustment in the Applicable Rate or the Letter of Credit fees, then, within 15 days after the receipt by the applicable Borrower of a certificate from such Lender setting forth why it is claiming compensation under this Section 3.7 and computations (in reasonable detail) of the amount thereof, such Borrower shall pay to such Lender such additional amounts as such Lender determines will, together with any adjustment in the Applicable Rate, fully compensate for such reduction, increased cost or payment, together with interest on such amount from the 15th day after receipt of such certificate until payment in full thereof at the highest Applicable Rate then in effect. The determination by such Lender of the amount to be paid to it and the basis computation thereof hereunder shall, in the absence of manifest error, be conclusive. In determining such amount, such Lender may use any reasonable averaging and attribution

methods. The Borrowers shall be entitled to replace any such Lender in accordance with Section 13.3.

3.8. Computations of Interest and Fees. For purposes of this Agreement, interest, commitment fees (and any other amount expressed as interest or such fees) shall be computed on the basis of a 360-day year for actual days elapsed. If any payment required by this Agreement becomes due on any day that is not a Banking Day, such payment shall be made on the next succeeding Banking Day. If the due date for any payment of principal is extended as a result of the immediately preceding sentence, interest shall be payable for the time during which payment is extended at the Applicable Rate.

4. Payment.

4.1. Payment at Maturity. On the Company Final Maturity Date or any accelerated maturity of the Company Loan, the Company will pay to the Agent for the account of the Lenders an amount equal to the Company Loan then due, together with all accrued and unpaid interest thereon and all other Credit Obligations of the Company then outstanding. On the Subsidiary Final Maturity Date or any accelerated maturity of the Subsidiary Revolving Loan, the Subsidiary Borrower will pay to the Agent for the account of the Lenders an amount equal to the Subsidiary Revolving Loan then due, together with all accrued and unpaid interest thereon and all other Credit Obligations of the Subsidiary Borrower then outstanding.

4.2. Contingent Required Prepayments.

4.2.1. Excess Revolving Credit Exposure. If at any time the Company Revolving Loan exceeds the limits set forth in Section 2.1, the Company shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Company Revolving Loan the amount of such excess. If at any time the Subsidiary Revolving Loan exceeds the limits set forth in Section 2.4, the Subsidiary Borrower shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Subsidiary Revolving Loan the amount of such excess.

4.2.2. Excess Letter of Credit Exposure. If at any time the Letter of Credit Exposure exceeds the limits set forth in Section 2.3, the Company shall within three Banking Days pay to the Agent for the account of the Lenders the amount of such excess to be applied as provided in Section 4.5.

4.2.3. Net Asset Sale Proceeds. Upon receipt of any Net Asset Sale Proceeds by the Company or any of its Subsidiaries (other than the Subsidiary Borrower or any of its Subsidiaries), the Company shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Loan the lesser of (a) the amount of such Net Asset Sale Proceeds or (b) the amount of the Loan. Upon receipt of any Net Asset Sale Proceeds by the Subsidiary Borrower or any of its Subsidiaries, the

Subsidiary Borrower shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Loan the lesser of (i) the amount of such Net Asset Sale Proceeds or (ii) the amount of the Loan.

4.2.4. Excess Cash Flow. Within five Banking Days after the date annual financial statements have been (or are required to have been) furnished by the Borrowers to the Lenders in accordance with Section 6.4.1, (a) the Company shall prepay the Loan in an amount equal to the lesser of (i) 50% of the Combined Excess Cash Flow of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) for their most recently completed fiscal year or (ii) the amount of the Loan and (b) the Subsidiary Borrower shall prepay the Loan in an amount equal to the lesser of (i) 50% of the Combined Excess Cash Flow of the Subsidiary Borrower and its Subsidiaries for their most recently completed fiscal year or (ii) the amount of the Loan.

4.2.5. Equity Offering Proceeds. Upon receipt of any Equity Offering Proceeds by the Company or any of its Subsidiaries (other than the Subsidiary Borrower or any of its Subsidiaries), the Company shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Loan the lesser of (a) the amount of such Equity Offering Proceeds or (b) the amount of the Loan. Upon receipt of any Equity Offering Proceeds by the Subsidiary Borrower or any of its Subsidiaries, the Subsidiary Borrower shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Loan the lesser of (i) the amount of such Equity Offering Proceeds or (ii) the amount of the Loan.

4.2.6. Credit Support Agreement. Upon receipt of any payment, loan or contribution by the Company or any of its Subsidiaries (other than the Subsidiary Borrower or any of its Subsidiaries) from any Person under the Credit Support Agreement, the Company shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Loan the lesser of (a) the excess of (i) the amount of such payment, loan or contribution over (ii) the amount of such payment, loan or contribution which is required by the Credit Support Agreement to be contributed to cover, and is actually applied to pay, the Environmental Liability Amount (as defined in the Credit Support Agreement), or (b) the amount of the Loan. Upon receipt of any payment, loan or contribution by the Subsidiary Borrower or any of its Subsidiaries from any Person under the Credit Support Agreement, the Subsidiary Borrower shall within three Banking Days pay to the Agent for the account of the Lenders as a prepayment of the Loan the lesser of (a) the excess of (i) the amount of such payment, loan or contribution over (ii) the amount of such payment, loan or contribution which is required by the Credit Support Agreement to be contributed to cover, and is actually applied to pay, the Environmental Liability Amount (as defined in the Credit Support Agreement), or (b) the amount of the Loan.

4.3. Fixed Required Prepayments. On each Principal Payment Date prior to the Company Final Maturity Date, the Company will pay to the Agent for the account of the Lenders as a prepayment of the Term Loan the lesser of (a) \$297,619 or (b) the Term Loan then outstanding.

4.4. Voluntary Prepayments. In addition to the prepayments required by Sections 4.2 and 4.3, (a) the Company may from time to time prepay all or any portion of the Company Loan (in a minimum amount of \$1,000,000 and an integral multiple of \$500,000) and (b) the Subsidiary Borrower may from time to time prepay all or any portion of the Subsidiary Revolving Loan (in a minimum amount of \$500,000 and an integral multiple of \$500,000), in each case without premium or penalty of any type. The applicable Borrower shall give the Agent at least one Banking Day prior notice of its intention to prepay, specifying the date of payment, the amount of the Loan to be paid on such date and the amount of interest to be paid with such prepayment.

4.5. Letters of Credit. If on the stated or any accelerated maturity of the Credit Obligations the Lenders shall be obligated in respect of any Letter of Credit or a draft accepted under any Letter of Credit, the Company will either:

(a) prepay such obligation by depositing with the Agent an amount of cash, or

(b) deliver to the Agent a standby letter of credit (designating the Agent as beneficiary and issued by a bank and on terms reasonably acceptable to the Agent),

in each case in an amount equal to the portion of the then Letter of Credit Exposure issued for the account of the Company. Any such cash so deposited and the cash proceeds of any draw under any standby letter of credit so furnished, including any interest thereon, shall be returned by the Agent to the Company only when, and to the extent that, the amount of such cash held by the Agent exceeds the Letter of Credit Exposure at a time when no Default exists; provided, however, that if an Event of Default occurs and the Credit Obligations become or are declared immediately due and payable, the Agent may apply such cash, including any interest thereon, to the payment of any of the Credit Obligations of the Company as provided in Section 10.5.6.

4.6. Reborrowing; Application of Payments, etc.

4.6.1. Reborrowing. The amounts of the Company Revolving Loan prepaid pursuant to Section 4.4 may be reborrowed from time to time prior to the Company Final Maturity Date in accordance with Section 2.1, subject to the limits set forth therein. The amounts of the Subsidiary Revolving Loan prepaid pursuant to Section 4.4 may be reborrowed from time to time prior to the Subsidiary Final Maturity Date in accordance with Section 2.4, subject to the limits set forth therein. No portion of the Term Loan prepaid hereunder may be reborrowed.

4.6.2. Order of Application.

(a) Prepayments of the Loan made by the Company pursuant to Sections 4.2.3, 4.2.4, 4.2.5, 4.2.6 or 4.4 shall be applied first to the principal amount of the Term Loan which is due on the Company Final Maturity Date and then to the installments required to be made on the Term Loan pursuant to Section 4.3 in the inverse order of the maturity thereof so that no partial prepayment of the Term Loan shall affect the obligation of the Company to make the prepayments required by Section 4.3, and then any balance remaining to the Company Revolving Loan, and then any balance remaining to the Subsidiary Revolving Loan.

(b) Prepayments of the Loan made by the Subsidiary Borrower pursuant to Sections 4.2.3, 4.2.4, 4.2.5, 4.2.6 or 4.4 shall be applied first to the Subsidiary Revolving Loan, and then any balance remaining to the principal amount of the Term Note which is due on the Company Final Maturity Date and then to the installments required to be made on the Term Loan pursuant to Section 4.3 in the inverse order of the maturity thereof so that no partial prepayment of the Term Loan shall affect the obligation of the Company to make the prepayments required by Section 4.3, and then any balance remaining to the Company Revolving Loan.

4.6.3. Payment with Accrued Interest, etc. Upon all prepayments of the Loan, the Borrower making such payment shall pay to the Agent the principal amount to be prepaid, together with unpaid interest in respect thereof accrued to the date of prepayment. Notice of prepayment having been given in accordance with Section 4.4, and whether or not notice is given of prepayments pursuant to Sections 4.2 and 4.3, the amount specified to be prepaid shall become due and payable on the date specified for prepayment.

4.6.4. Payments for Lenders. All payments of principal hereunder shall be made to the Agent for the account of the Lenders in accordance with the Lenders' respective Percentage Interests.

5. Conditions to Extending Credit.

5.1. Conditions on Initial Closing Date. The obligations of the Lenders to make any extension of credit pursuant to Section 2 shall be subject to the satisfaction, on or before the Initial Closing Date, of the conditions set forth in this Section 5.1 as well as the further conditions in Section 5.2. If the conditions set forth in this Section 5.1 are not met on or prior to the Initial Closing Date, the Lenders shall have no obligation to make any extensions of credit hereunder.

5.1.1. Company Notes. The Company shall have duly authorized, executed and delivered to the Agent a Company Revolving Note and a Term Note for each Lender.

5.1.2. Subsidiary Revolving Notes. The Subsidiary Borrower shall have duly authorized, executed and delivered to the Agent a Subsidiary Revolving Note for each Lender.

5.1.3. Perfection of Security. Each Borrower shall have duly authorized, executed, acknowledged, delivered, filed, registered and recorded such security agreements, notices, financing statements and other instruments as the Agent may have requested in order to perfect the Liens purported or required pursuant to the Credit Documents to be created in the Credit Security. Each Borrower shall have duly authorized, executed, acknowledged and delivered to the Agent a mortgage on each real property owned by such Borrower, in each case in form and substance satisfactory to the Agent, together with, for each such real property: (a) title insurance with such insurer, in such amount, in such form and with such exceptions as are reasonably satisfactory to the Agent and (b) an environmental site assessment report in such form, with such conclusions and from such environmental engineering firm as are reasonably satisfactory to the Agent.

5.1.4. Payment of Fees. The Borrowers shall have paid to (a) the Agent the closing fees and Agent's fees as previously agreed among the Borrowers and the Agent, and (b) the Agent's special counsel the fees and disbursements of such special counsel for services rendered on or prior to the Initial Closing Date.

5.1.5. Legal Opinions. On the Initial Closing Date, the Lenders shall have received from the following counsel their respective opinions with respect to the transactions contemplated by the Credit Documents, which opinions shall be in form and substance satisfactory to the Required Lenders:

(a) Sullivan & Worcester, special counsel for the Borrowers (including confirmation to the Lenders of their opinion to the Sellers).

(b) Murtha, Cullina, Richter and Pinney, special Connecticut counsel for the Borrower.

(c) Drummond, Woodsum and MacMahon, special Maine counsel for the Borrowers.

(d) Nixon, Hargrave, Devans & Doyle, special New York counsel for the Borrowers.

(e) Paul, Frank & Collins, Inc., special Vermont counsel for the Borrowers.

(f) Confirmation to the Lenders of the opinion of Goodwin, Procter & Hoar, special counsel for the Seller, delivered to the General Partner.

(g) Ropes & Gray, special counsel for the Agent.

The Borrowers authorize and direct their counsel to furnish the foregoing opinions.

5.1.6. Credit Support Agreement. The Borrowers, Holdings and the General Partner shall have duly authorized, executed and delivered to the Agent a credit support agreement in substantially the form of Exhibit 5.1.6 (the "Credit Support Agreement") pursuant to which the General Partner will, upon the request of the Agent, contribute to the Borrowers up to an aggregate principal amount of \$10,000,000, either through repayment of the Holdings Note or in the form of a loan which shall be subordinated to the prior payment in full of the Credit Obligations on terms satisfactory to the Agent.

5.1.7. Acquisition. Other than as consented to by the Agent in writing, which consent shall not be unreasonably withheld:

(a) The provisions of the Acquisition Agreement shall not have been amended, modified, waived or terminated.

(b) All of the representations and warranties of the Seller set forth in the Acquisition Agreement shall be complete and correct in all material respects on and as of the Initial Closing Date with the same force and effect as though made on and as of such date.

(c) All of the other conditions to the obligations of the General Partner set forth in the Acquisition Agreement shall have been satisfied.

(d) Any material consent, authorization, order or approval of any Person required in connection with the transactions contemplated by the Acquisition Agreement shall have been obtained and shall be in full force and effect.

(e) All of the items required to be delivered under the Acquisition Agreement shall have been so delivered.

(f) Contemporaneously with the making by the Lenders of the first extension of credit hereunder, the Lenders shall have received a certificate of a Financial Officer of the General Partner to the effect that the closing has occurred under the Acquisition

Agreement and to the effect that each of the conditions set forth in this Section 5.1.7 has been satisfied.

5.1.8. Repayment of Indebtedness. Contemporaneously with the making by the Lenders of the first extension of credit hereunder, the Borrowers shall prepay the Indebtedness of the Company identified with an asterisk on Exhibit 7.3.

5.1.9. Company Capitalization. Holdings shall have received from its stockholders cash contributions to capital (or for the issuance of stock) of not less than \$15,900,000, in addition to the contribution of the Holdings Note.

5.1.10. Environmental Report. The Agent shall have received an environmental audit report with respect to the real property of the Company and its Subsidiaries in form and substance satisfactory to the Agent.

5.1.11. Asset Appraisal. The Agent shall have received an appraisal report with respect to the fixed assets of the Company and its Subsidiaries in form and substance satisfactory to the Agent.

5.1.12. Commercial Financial Examiners' Report. The Agent shall have received a report of the Agent's commercial financial examiners with respect to the Company and its Subsidiaries in form and substance satisfactory to the Agent.

5.1.13. Tax Indemnity. Holdings and the Seller shall have entered into an agreement pursuant to which the Seller shall indemnify and hold harmless each of the Company, its Subsidiaries and Holdings against all federal and state income tax liabilities incurred by the Company and its Subsidiaries prior to June 25, 1995.

5.1.14. Borrowing Base Certificate. The Company shall have furnished to the Agent a certificate signed by a Financial Officer supplying computations of the Borrowing Base at the Initial Closing Date and certifying that such computations were based on monthly financial information prepared in accordance with GAAP.

5.1.15. Auditors' Compliance Statement. The Agent shall have received from Coopers & Lybrand a statement verifying the existence of the Cash Equivalents or the Marketable Securities (as defined in the Credit Support Agreement) required by section 2.1(a) of the Credit Support Agreement.

5.2. Conditions to Each Extension of Credit. The obligations of the Lenders to make any extension of credit pursuant to Section 2 shall be subject to the satisfaction, on or before the Closing Date for such extension of credit, of the following conditions:

5.2.1. Company Officer's Certificate. The representations and warranties contained in Sections 7 and 10.3 shall be true and correct on and as of such Closing Date with the same force and effect as though made on and as of such date (except as to any representation or warranty which refers to a specific earlier date); no Default shall exist on such Closing Date prior to or immediately after giving effect to the requested extension of credit; no Material Adverse Change shall have occurred since June 24, 1995; and the Company shall have furnished to the Agent in connection with the requested extension of credit a certificate to these effects, in substantially the form of Exhibit 5.2.1, signed by a Financial Officer of the Company.

5.2.2. Subsidiary Officer's Certificate. The representations and warranties contained in Sections 7 and 10.3 shall be true and correct on and as of such Closing Date with the same force and effect as though made on and as of such date (except as to any representation or warranty which refers to a specific earlier date); no Default shall exist on such Closing Date prior to or immediately after giving effect to the requested extension of credit; no Material Adverse Change shall have occurred since June 24, 1995; and the Subsidiary Borrower shall have furnished to the Agent in connection with the requested extension of credit a certificate to these effects, in substantially the form of Exhibit 5.2.2, signed by a Financial Officer of the Subsidiary Borrower.

5.2.3. Proper Proceedings. This Agreement, each other Credit Document and the transactions contemplated hereby and thereby shall have been authorized by all necessary corporate or other proceedings. All necessary consents, approvals and authorizations of any governmental or administrative agency or any other Person of any of the transactions contemplated hereby or by any other Credit Document shall have been obtained and shall be in full force and effect.

5.2.4. Legality, etc. The making of the requested extension of credit shall not (a) subject any Lender to any penalty or special tax (other than a Tax for which the Borrower is required to reimburse the Lenders under Section 3.5), (b) be prohibited by any Legal Requirement or (c) violate any credit restraint program of the executive branch of the government of the United States of America, the Board of Governors of the Federal Reserve System or any other governmental or administrative agency so long as any Lender reasonably believes that compliance therewith is in the best interests of such Lender.

5.2.5. General. All legal and corporate proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Agent, and the Agent shall have received copies of all documents, including certified copies of the Charter and By-Laws of the Company, the Subsidiary Borrower and the other Obligors, records of corporate proceedings, certificates as to signatures and incumbency of officers and opinions of counsel, which the Agent may have

reasonably requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities.

6. General Covenants. Each of Holdings, the Company and its Subsidiaries party hereto covenants that, until all of the Credit Obligations shall have been paid in full and until the Lenders' commitments to extend credit under this Agreement and any other Credit Document shall have been irrevocably terminated, Holdings, the Company and its Subsidiaries will comply with the following provisions:

6.1. Taxes and Other Charges: Accounts Payable.

6.1.1. Taxes and Other Charges. Each of Holdings, the Company and its Subsidiaries shall duly pay and discharge, or cause to be paid and discharged, before the same becomes in arrears, all taxes, assessments and other governmental charges imposed upon such Person and its properties, sales or activities, or upon the income or profits therefrom, as well as all claims for labor, materials or supplies which if unpaid might by law become a Lien upon any of its property; provided, however, that any such tax, assessment, charge or claim need not be paid if the validity or amount thereof shall at the time be contested in good faith by appropriate proceedings and if such Person shall, in accordance with GAAP, have set aside on its books adequate reserves with respect thereto; and provided, further, that each of Holdings, the Company and its Subsidiaries shall pay or bond, or cause to be paid or bonded, all such taxes, assessments, charges or other governmental claims immediately upon the commencement of proceedings to foreclose any Lien which may have attached as security therefor (except to the extent such proceedings have been dismissed or stayed).

6.1.2. Accounts Payable. Each of Holdings, the Company and its Subsidiaries shall promptly pay when due, or in conformity with customary trade terms, all other Indebtedness incident to the operations of such Person not referred to in Section 6.1.1; provided, however, that any such Indebtedness need not be paid if the validity or amount thereof shall at the time be contested in good faith and if such Person shall, in accordance with GAAP, have set aside on its books adequate reserves with respect thereto.

6.2. Conduct of Business, etc.

6.2.1. Types of Business.

(a) Holdings shall engage only in the business of owning capital stock of the Company.

(b) The Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) shall engage only in the business of producing, distributing and selling ice cream and manufactured dairy shelf products.

(c) The Subsidiary Borrower and its Subsidiaries shall engage only in the business of producing, distributing and selling fluid and cultured dairy products.

6.2.2. Maintenance of Properties. Each of Holdings, the Company and its Subsidiaries:

(a) shall keep its properties in such repair, working order and condition, and shall from time to time make such repairs, replacements, additions and improvements thereto as are necessary for the efficient operation of its businesses and shall comply at all times in all material respects with all material franchises, licenses and leases to which it is party so as to prevent any loss or forfeiture thereof or thereunder, except where (i) compliance is at the time being contested in good faith by appropriate proceedings and (ii) failure to comply with the provisions being contested have not resulted, or do not create a material risk of resulting, in the aggregate in any Material Adverse Change; and

(b) shall do all things necessary to preserve, renew and keep in full force and effect and in good standing its legal existence and authority necessary to continue its business; provided, however, that this Section 6.2.2(b) shall not prevent the merger, consolidation or liquidation of Subsidiaries permitted by Section 6.11.

6.2.3. Statutory Compliance. Each of Holdings, the Company and its Subsidiaries shall comply in all material respects with all valid and applicable statutes, laws, ordinances, zoning and building codes and other rules and regulations, including environmental regulations, of the United States of America, of the states and territories thereof and their counties, municipalities and other subdivisions and of any foreign country or other jurisdictions applicable to such Person, except where (a) compliance therewith shall at the time be contested in good faith by appropriate proceedings and (b) failure so to comply with the provisions being contested has not resulted, or does not create a material risk of resulting, in the aggregate in any Material Adverse Change.

6.2.4. Compliance with Material Agreements. Each of Holdings, the Company and its Subsidiaries shall comply in all material respects with the Material Agreements (to the extent not in violation of the other provisions of this Agreement or any other Credit Document). Without the prior written consent of the Required Lenders, no Material Agreement shall be amended, modified, waived or terminated in any manner that would have in any material respect an adverse effect on the interests of the Lenders.

6.3. Insurance. Each of Holdings, the Company and its Subsidiaries shall maintain all types of insurance held by it on the Initial Closing Date, which shall include the following types and amounts of insurance:

6.3.1. Property Insurance. Each of Holdings, the Company and its Subsidiaries shall keep its assets which are of an insurable character insured by financially sound and reputable insurers against theft and fraud and against loss or damage by fire, explosion and hazards insured against by extended coverage to the extent, in amounts and with deductibles at least as favorable as those generally maintained by businesses of similar size engaged in similar activities.

6.3.2. Liability Insurance. Each of Holdings, the Company and its Subsidiaries shall maintain with financially sound and reputable insurers insurance against liability for hazards, risks and liability to persons and property, including product liability insurance, to the extent, in amounts and with deductibles at least as favorable as those generally maintained by businesses of similar size engaged in similar activities; provided, however, that it may effect workers' compensation insurance or similar coverage with respect to operations in any particular state or other jurisdiction through an insurance fund operated by such state or jurisdiction or by meeting the self-insurance requirements of such state or jurisdiction.

6.3.3. Flood Insurance. Each of Holdings, the Company and its Subsidiaries shall at all times keep each parcel of real property owned or leased by it which is (a) included in the Credit Security, (b) in an area determined by the Director of the Federal Emergency Management Agency to be subject to special flood hazard and (c) in a community participating in the National Flood Insurance Program, insured against such special flood hazards in an amount equal to the maximum limit of coverage available for the particular type of property under the federal National Flood Insurance Act of 1968.

6.4. Financial Statements and Reports. Each of Holdings, the Company and its Subsidiaries shall maintain a system of accounting in which correct entries shall be made of all transactions in relation to their business and affairs in accordance with generally accepted accounting practice. The fiscal year of each of Holdings, the Company and its Subsidiaries shall end on the last Saturday in June in each year and the fiscal quarters of each of Holdings, the Company and its Subsidiaries shall end on the last Saturday in March, June, September and December in each year.

6.4.1. Annual Reports. The Borrowers shall furnish to the Lenders as soon as available, and in any event within 90 days after the end of the fiscal year:

(a) Consolidated and Consolidating balance sheets of Holdings and its Subsidiaries as at the end of such fiscal year, the Consolidated and Consolidating statements of income and the Consolidated statements of changes in shareholder's equity and of cash flows of Holdings and its Subsidiaries for such fiscal year (all in reasonable detail) and together, in the case of Consolidated financial statements, with comparative figures for the immediately preceding fiscal year.

(b) Combined and Combining balance sheets of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) as at the end of such fiscal year, the Combined and Combining statements of income and the Combined statements of changes in shareholder's equity and of cash flows of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) for such fiscal year (all in reasonable detail) and together, in the case of Combined financial statements, with comparative figures for the immediately preceding fiscal year.

(c) Combined and Combining balance sheets of the Subsidiary Borrower and its Subsidiaries as at the end of such fiscal year, the Combined and Combining statements of income and the Combined statements of changes in shareholder's equity and of cash flows the Subsidiary Borrower and its Subsidiaries for such fiscal year (all in reasonable detail) and together, in the case of Combined financial statements, with comparative figures for the immediately preceding fiscal year.

(d) Unqualified reports of Coopers & Lybrand (or, if they cease to be auditors of the Persons specified in clauses (a), (b) and (c) above, other independent certified public accountants of recognized national standing reasonably satisfactory to the Required Lenders), containing no material uncertainty, to the effect that they have audited the foregoing financial statements in accordance with generally accepted auditing standards and that such financial statements present fairly, in all material respects, the financial position of the Persons covered thereby at the dates thereof and the results of their operations for the periods covered thereby in conformity with GAAP.

(e) The statement of such accountants that they have caused this Agreement to be reviewed and that in the course of their audit of the Persons specified in clauses (a), (b) and (c) above no facts have come to their attention that cause them to believe that any Default exists and in particular that they have no knowledge of any Default under Sections 6.5 through 6.20 or, if such is not the case, specifying such Default and the nature thereof. This statement is furnished by such accountants with the understanding that the examination of such accountants cannot be relied upon to give such accountants knowledge of any such Default except as it relates to accounting or auditing matters within the scope of their audit.

(f) A certificate of the Borrowers signed by a Financial Officer of each Borrower to the effect that such officer has caused this Agreement to be reviewed and has no knowledge of any Default, or if such officer has such knowledge, specifying such Default and the nature thereof, and what action the Borrowers have taken, are taking or propose to take with respect thereto.

(g) Computations by the Borrowers comparing the financial statements referred to above with the most recent budgets for such fiscal year furnished to the Lenders in accordance with Section 6.4.4.

(h) Computations by the Borrowers demonstrating, as of the end of such fiscal year, compliance with the Computation Covenants, certified by a Financial Officer of each Borrower.

(i) Calculations, as at the end of such fiscal year, of (A) the Accumulated Benefit Obligations for each Plan covered by Title IV of ERISA (other than Multiemployer Plans) and (B) the fair market value of the assets of such Plan allocable to such benefits.

(j) Supplements to Exhibits 7.1, 7.3 and 10.4.2 showing any changes in the information set forth in such Exhibits not previously furnished to the Lenders in writing, as well as any changes in the Charter, By-laws or incumbency of officers of the Company or its Subsidiaries from those previously certified to the Agent.

(k) In the event of a change in GAAP after June 24, 1995, computations by the Borrowers, certified by a Financial Officer of each Borrower, reconciling the financial statements referred to above with financial statements prepared in accordance with GAAP as applied to the other covenants in Section 6 and related definitions.

(l) A management letter furnished to Holdings and its Subsidiaries by the auditors of Holdings.

6.4.2. Quarterly Reports. The Borrowers shall furnish to the Lenders as soon as available and, in any event, within 45 days after the end of each of the first three fiscal quarters of the Borrowers:

(a) The internally prepared Consolidated and Consolidating balance sheets of Holdings and its Subsidiaries as at the end of such fiscal quarter, the Consolidated and Consolidating statements of income and the Consolidated statements of changes in shareholders' equity and of cash flows of Holdings and its Subsidiaries for such fiscal quarter and for the portion of the fiscal year then ended (all in reasonable detail) and together, in the case of Consolidated financial statements, with comparative figures for the same period in the preceding fiscal year.

(b) The internally prepared Combined and Combining balance sheets of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) as at the end of such fiscal quarter, the Combined and Combining statements of income and the Combined statements of changes in shareholders' equity and of cash flows of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) for such fiscal quarter and for the portion of the fiscal year then ended (all in reasonable detail) and together, in the case of Combined financial statements, with comparative figures for the same period in the preceding fiscal year.

(c) The internally prepared Combined and Combining balance sheets of the Subsidiary Borrower and its Subsidiaries as at the end of such fiscal quarter, the Combined and Combining statements of income and the Combined statements of changes in shareholders' equity and of cash flows of the Subsidiary Borrower and its Subsidiaries for such fiscal quarter and for the portion of the fiscal year then ended (all in reasonable detail) and together, in the case of Combined financial statements, with comparative figures for the same period in the preceding fiscal year.

(d) A certificate of the Borrowers signed by a Financial Officer of each Borrower to the effect that such financial statements have been prepared in accordance with GAAP and present fairly, in all material respects, the financial position of the Persons covered thereby at the dates thereof and the results of their operations for the periods covered thereby, subject only to normal year-end audit adjustments and the addition of footnotes.

(e) A certificate of the Borrowers signed by a Financial Officer of each Borrower to the effect that such officer has caused this Agreement to be reviewed and has no knowledge of any Default, or if such officer has such knowledge, specifying such Default and the nature thereof and what action the Borrowers have taken, are taking or propose to take with respect thereto.

(f) Computations by the Borrowers comparing the financial statements referred to above with the most recent budgets for the period covered thereby furnished to the Lenders in accordance with Section 6.4.4.

(g) Computations by the Borrowers demonstrating, as of the end of such quarter, compliance with the Computation Covenants, certified by a Financial Officer of each Borrower.

(h) Supplements to Exhibits 7.1, 7.3 and 10.4.2 showing any changes in the information set forth in such Exhibits not previously furnished to the Lenders in writing, as well as any changes in the Charter, By-laws or incumbency of officers of the Company and its Subsidiaries from those previously certified to the Agent.

(i) In the event of a change in GAAP after June 24, 1995, computations by the Borrowers, certified by a Financial Officer of each Borrower, reconciling the financial statements referred to above with financial statements prepared in accordance with GAAP as applied to the other covenants in Section 6 and related definitions.

6.4.3. Monthly Reports.

(a) The Borrowers shall furnish to the Lenders as soon as available, and in any event within 30 days after the end of each month:

(i) The internally prepared Consolidated and Consolidating balance sheets of Holdings and its Subsidiaries as at the end of such month and the Combined and Combining statements of income of Holdings and its Subsidiaries for such month (all in reasonable detail).

(ii) The internally prepared Combined and Combining balance sheets of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) as at the end of such month and the Combined and Combining statements of income of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) for such month (all in reasonable detail), together with a certificate of the Company signed by a Financial Officer confirming or, if necessary, revising the most recent computation of the Borrowing Base furnished by the Borrowers to the Lenders pursuant to Section 6.4.3(b).

(iii) The internally prepared Combined and Combining balance sheets of the Subsidiary Borrower and its Subsidiaries as at the end of such month and the Combined and Combining statements of income of the Subsidiary Borrower and its Subsidiaries for such month (all in reasonable detail).

(iv) A certificate of the Company signed by a Financial Officer to the effect that such financial statements were prepared in accordance with GAAP and present fairly, in all material respects, the financial position of the Persons covered thereby at the dates thereof and the results of their operations for the periods covered thereby, subject only to normal year-end audit adjustments and the addition of footnotes.

(b) The Company shall furnish to the Lenders as soon as available, and in any event within 15 days after the end of each month, a certificate of the Company signed by a Financial Officer supplying computations of the Borrowing Base at the beginning of such month and certifying that such computations were based on the monthly financial reports prepared in accordance with GAAP.

6.4.4. Other Reports. The Borrowers shall promptly furnish to the Lenders:

(a) As soon as prepared and in any event before the beginning of each fiscal year, an annual budget and operating projections for such fiscal year of the Company and its Subsidiaries (other than the Subsidiary Borrower), prepared in a manner consistent with the manner in which the financial projections described in Section 7.2.1 were prepared.

(b) As soon as prepared and in any event before the beginning of each fiscal year, an annual budget and operating projections for such fiscal year of the Subsidiary Borrower and its Subsidiaries, prepared in a manner consistent with the manner in which the financial projections described in Section 7.2.1 were prepared.

(c) Any material updates of such budgets and projections.

(d) Any management letters (other than the management letter required to be furnished by Section 6.4.1(l)) furnished to Holdings, the Company or any of its Subsidiaries by the auditors of such Person.

(e) All budgets, projections, statements of operations and other reports furnished generally to the shareholders of any Borrower.

(f) Such registration statements, proxy statements and reports, including Forms S-1, S-2, S-3, 10-K, 10-Q and 8-K, as may be filed by the Company or any of its Subsidiaries with the Securities and Exchange Commission.

(g) Any 90-day letter or 30-day letter from the federal Internal Revenue Service (or the equivalent notice received from state or other taxing authorities) asserting tax deficiencies against the Company or any of its Subsidiaries.

6.4.5. Notice of Litigation; Notice of Defaults. The Borrowers shall promptly furnish to the Lenders notice of any litigation or any administrative or arbitration proceeding (a) which creates a material risk of resulting, after giving effect to any applicable insurance, in the payment by the Company and its Subsidiaries of more than \$100,000 or (c) which may result, or create a material risk of resulting, in a Material Adverse Change. Promptly upon acquiring knowledge thereof, the Borrowers shall notify the Lenders of the existence of any Default, specifying the nature thereof and what action the Company or any of its Subsidiaries has taken, is taking or proposes to take with respect thereto.

6.4.6. ERISA Reports. The Borrowers shall furnish to the Lenders as soon as available the following items with respect to any Plan:

(a) any request for a waiver of the funding standards or an extension of the amortization period;

(b) any reportable event (as defined in section 4043 of ERISA), unless the notice requirement with respect thereto has been waived by regulation;

(c) any notice received by any ERISA Group Person that the PBGC has instituted or intends to institute proceedings to terminate any Plan, or that any Multiemployer Plan is insolvent or in reorganization;

(d) notice of the possibility of the termination of any Plan by its administrator pursuant to section 4041 of ERISA; and

(e) notice of the intention of any ERISA Group Person to withdraw, in whole or in part, from any Multiemployer Plan.

6.4.7. Other Information: Audit. From time to time at reasonable intervals upon request of any authorized officer of any Lender, each of the Company and its Subsidiaries shall furnish to the Lenders such other information regarding the business, assets, financial condition, income or prospects of the Company and its Subsidiaries as such officer may reasonably request, including copies of all tax returns, licenses, agreements, leases and instruments to which any of the Company or its Subsidiaries is party. The Lenders' authorized officers and representatives shall have the right during normal business hours upon reasonable notice and at reasonable intervals to examine the books and records of the Company and its Subsidiaries, and to make copies and notes therefrom, for the purpose of verifying the accuracy of the reports delivered by the Company and its Subsidiaries pursuant to this Section 6.4 or otherwise and ascertaining compliance with or obtaining enforcement of this Agreement or any other Credit Document. On an annual basis (and at such additional times as the Agent, in its sole and absolute discretion, may request), the Agent, upon reasonable advance notice and at the Borrowers' expense, may undertake to have the Company and its Subsidiaries reviewed by the Agent's commercial financial examiners and fixed asset appraisers.

6.4.8. Environmental Reports. Within 30 days after the end of each fiscal quarter of Holdings, and at such other times as the Agent may request, the Borrowers shall furnish to the Lenders a report prepared by a licensed environmental consultant setting forth in reasonable detail the current status of any ongoing assessment or remedial effort at any property formerly or currently owned or leased by Holdings or any of its Subsidiaries, which report shall include (a) a description of any projected remedial/response plans and (b) a statement of costs (including any ongoing operation and maintenance costs), whether incurred or anticipated, in each case in connection

with such assessment or remedial effort. No final remedial action plan (and, with respect to any property located in Massachusetts, no "Response Action Outcome" or "Activity and Use Limitation") shall be submitted to any governmental authority, or otherwise initiated, by Holdings, the Company or any of its Subsidiaries without the prior submission to, and written approval of, the Agent.

6.5. Certain Financial Tests.

6.5.1. Consolidated Capital Base. At any time during any period specified in the table below, the total of (a) Consolidated Capital Base minus (b) the amount by which Consolidated Capital Base has been increased after the Initial Closing Date as a result of capital contributions, the issuance of capital stock or partnership interests of Holdings or any of its Subsidiaries, the issuance of warrants, options or other rights to acquire such capital stock or partnership interests or the exercise of warrants, options or other rights or the conversion of securities into such capital stock or partnership interests shall not be less than the amount indicated for such period in such table:

<u>Period</u>	<u>Amount</u>
Initial Closing Date through June 29, 1996	\$30,000,000
June 30, 1996 through June 28, 1997	\$31,600,000
June 29, 1997 through June 27, 1998	\$35,400,000
June 28, 1998 through Company Final Maturity Date	\$40,700,000

6.5.2. Consolidated Senior Liabilities to Consolidated Tangible Capital Base. At any time during any period specified in the table below, Consolidated Senior Liabilities shall not exceed the percentage of Consolidated Tangible Capital Base indicated for such period in such table:

<u>Period</u>	<u>Percentage</u>
Initial Closing Date through December 28, 1996	925%
December 29, 1996 through June 28, 1997	875%

June 29, 1997 through
June 27, 1998 650%

June 28, 1998 through
Company Final Maturity Date 425%

6.5.3. Cash Flow.

(a) On the last day of each fiscal quarter of Holdings ending during any period specified in the table below, Consolidated Cash Flow for the period of four consecutive fiscal quarters then ending shall equal or exceed the amount indicated for such period in such table:

<u>Period</u>	<u>Amount</u>
Initial Closing Date through March 30, 1996	\$12,500,000
March 31, 1996 through June 29, 1996	\$14,000,000
June 30, 1996 through September 28, 1996	\$16,500,000
September 29, 1996 through December 28, 1996	\$17,500,000
December 29, 1996 through June 28, 1997	\$18,500,000
June 29, 1997 through June 27, 1998	\$23,500,000
June 28, 1998 through Company Final Maturity Date	\$27,000,000

(b) On the last day of each fiscal quarter of the Company ending during any period specified in the table below, Combined Cash Flow of the Company and its

Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) for the period of four consecutive fiscal quarters then ending shall equal or exceed the amount indicated for such period in such table:

<u>Period</u>	<u>Amount</u>
Initial Closing Date through March 30, 1995	\$15,500,000
March 31, 1995 through June 29, 1996	\$16,000,000
June 30, 1996 through June 28, 1997	\$17,500,000
June 29, 1997 through June 27, 1998	\$20,400,000
June 28, 1998 through Company Final Maturity Date	\$23,500,000

(c) On the last day of each fiscal quarter of the Subsidiary Borrower ending during any period specified in the table below, Combined Cash Flow of the Subsidiary Borrower and its Subsidiaries for the period of four consecutive fiscal quarters then ending shall equal or exceed the amount indicated for such period in such table:

<u>Period</u>	<u>Amount</u>
Initial Closing Date through March 30, 1995	(\$3,000,000)
March 31, 1995 through June 29, 1996	(\$2,000,000)
June 30, 1996 through September 28, 1996	(\$1,000,000)
September 29, 1996 through December 28, 1996	\$0
December 29, 1996 through June 28, 1997	\$1,000,000

June 29, 1997 through
June 27, 1998 \$3,100,000

June 28, 1998 through
Subsidiary Final Maturity Date \$3,500,000

6.5.4. Financing Debt to Cash Flow.

(a) On the last day of each fiscal quarter of Holdings ending during any period specified in the table below, Consolidated Financing Debt shall not exceed the percentage of Consolidated Cash Flow for the period of four consecutive fiscal quarters most recently ended for which financial reports have been (or are required to have been) furnished to the Lenders in accordance with Section 6.4.1 or 6.4.2 indicated for such period in such table:

<u>Period</u>	<u>Percentage</u>
Initial Closing Date through June 29, 1996	600%
June 30, 1996 through December 28, 1996	500%
December 29, 1996 through June 28, 1997	400%
June 29, 1997 through June 27, 1998	250%
June 28, 1998 through Company Final Maturity Date	200%

(b) On the last day of each fiscal quarter of the Company ending during any period specified in the table below, Combined Financing Debt shall not exceed the percentage of Combined Cash Flow for the period of four consecutive fiscal quarters most recently ended for which financial reports have been (or are required to have been) furnished to the Lenders in accordance with Section 6.4.1 or 6.4.2 indicated for such period in such table:

<u>Period</u>	<u>Percentage</u>
Initial Closing Date through June 29, 1996	400%

June 30, 1996 through December 28, 1996	375%
December 29, 1996 through June 28, 1997	350%
June 29, 1997 through June 27, 1998	300%
June 28, 1998 through Company Final Maturity Date	250%

6.5.5. Consolidated Cash Flow to Consolidated Interest Expense. On the last day of each fiscal quarter of Holdings ending on or prior to June 29, 1996, Consolidated Cash Flow for the period of four consecutive fiscal quarters then ending shall equal or exceed 250% of Consolidated Interest Expense for such period.

6.5.6. Adjusted Cash Flow to Fixed Charges.

(a) On the last day of each fiscal quarter of the Company ending during any period specified in the table below, Consolidated Adjusted Cash Flow for the period of four consecutive fiscal quarters then ending shall equal or exceed the percentage of Consolidated Fixed Charges indicated for such period in such table:

<u>Period Ending</u>	<u>Percentage</u>
June 29, 1996 through June 28, 1997	70%
June 29, 1997 through June 27, 1998	110%
June 28, 1998 through Company Final Maturity Date	140%

(b) On the last day of each fiscal quarter of the Company ending during any period specified in the table below, Combined Adjusted Cash Flow of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) for the

period of four consecutive fiscal quarters then ending shall equal or exceed the percentage of Combined Fixed Charges of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) indicated for such period in such table:

<u>Period Ending</u>	<u>Percentage</u>
Initial Closing Date through June 29, 1996	125%
June 30, 1996 through June 27, 1998	150%
June 28, 1998 through Company Final Maturity Date	180%

6.5.7. Combined Senior Financing Debt to Combined Cash Flow. On the last day of each fiscal quarter of the Company ending during any period specified in the table below, Combined Senior Financing Debt shall not exceed the percentage of Combined Cash Flow for the period of four consecutive fiscal quarters most recently ended for which financial reports have been (or are required to have been) furnished to the Lenders in accordance with Section 6.4.1 or 6.4.2 indicated for such period in such table:

<u>Period</u>	<u>Percentage</u>
Initial Closing Date through June 29, 1996	350%
June 30, 1996 through December 28, 1996	325%
December 29, 1996 through June 28, 1997	300%
June 29, 1997 through June 27, 1998	250%
June 28, 1998 through Company Final Maturity Date	200%

6.5.8. Capital Expenditures. During any fiscal year of Holdings specified in the table below, the aggregate amount of Capital Expenditures shall not exceed the amount indicated for such fiscal year in such table:

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
June 29, 1996	\$11,000,000
June 28, 1997	\$15,500,000
June 27, 1998	\$12,000,000

6.6. Indebtedness. Neither Holdings, the Company nor any of its Subsidiaries shall create, incur, assume or otherwise become or remain liable with respect to any Indebtedness except the following:

6.6.1. Indebtedness in respect of the Credit Obligations.

6.6.2. Guarantees permitted by Section 6.7.

6.6.3. Current liabilities, other than Financing Debt, incurred in the ordinary course of business.

6.6.4. To the extent that payment thereof shall not at the time be required by Section 6.1, Indebtedness in respect of taxes, assessments, governmental charges and claims for labor, materials and supplies.

6.6.5. Indebtedness secured by Liens of carriers, warehouses, mechanics and landlords permitted by Sections 6.8.5 and 6.8.6.

6.6.6. Indebtedness in respect of judgments or awards (a) which have been in force for less than the applicable appeal period or (b) in respect of which the Company or any of its Subsidiaries shall at the time in good faith be prosecuting an appeal or proceedings for review and, in the case of each of clauses (a) and (b), the Company or such Subsidiary shall have taken appropriate reserves therefor in accordance with GAAP and execution of such judgment or award shall not be levied.

6.6.7. To the extent permitted by Section 6.8.9, Indebtedness in respect of Capitalized Lease Obligations or secured by purchase money security interests; provided, however, that the aggregate principal amount of all Indebtedness permitted by this Section 6.6.7 at any one time outstanding shall not exceed \$500,000.

6.6.8. Indebtedness in respect of deferred taxes arising in the ordinary course of business.

6.6.9. Indebtedness in respect of intercompany loans and advances among the Company and its Subsidiaries which are not prohibited by Section 6.9.

6.6.10. Unfunded pension liabilities and obligations with respect to Plans so long as the Company is in compliance with Section 6.17.

6.6.11. Indebtedness of the Company under the Indentures, each as in effect on the date hereof.

6.6.12. Letters of credit issued by CoBank for the account of the Company in an aggregate face amount of \$13,717,838 and outstanding on the date hereof.

6.6.13. Indebtedness of the Borrowers to John A. Kaneb incurred in accordance with the Credit Support Agreement.

6.6.14. Indebtedness (other than Financing Debt) in addition to the foregoing; provided, however, that the aggregate principal amount of all such Indebtedness at any one time outstanding shall not exceed \$500,000.

6.7. Guarantees: Letters of Credit. Neither Holdings, the Company nor any of its Subsidiaries shall become or remain liable with respect to any Guarantee, including reimbursement obligations, whether or not due or payable, under letters of credit or other financial guarantees by third parties, except the following:

6.7.1. Guarantees of the Credit Obligations.

6.7.2. Guarantees by the Company of Indebtedness incurred by its Subsidiaries and permitted by Section 6.6.

6.7.3. Letters of Credit issued by the Lenders as contemplated by Section 2.3.

6.7.4. Letters of Credit issued by CoBank for the account of the Company in an aggregate face amount of \$13,717,838 and outstanding on the date hereof.

6.8. Liens. Neither Holdings, the Company nor any of its Subsidiaries shall create, incur or enter into, or suffer to be created or incurred or to exist, any Lien, except the following:

6.8.1. Liens on the Credit Security that secure the Credit Obligations.

6.8.2. Liens to secure taxes, assessments and other governmental charges, to the extent that payment thereof shall not at the time be required by Section 6.1.

6.8.3. Deposits or pledges made (a) in connection with, or to secure payment of, workers' compensation, unemployment insurance, old age pensions or other social security, (b) in connection with casualty insurance maintained in accordance with Section 6.3, (c) to secure the performance of bids, tenders, contracts (other than contracts relating to Financing Debt) or leases, (d) to secure statutory obligations or surety or appeal bonds, (e) to secure indemnity, performance or other similar bonds in the ordinary course of business or (f) in connection with contested amounts to the extent that payment thereof shall not at that time be required by Section 6.1.

6.8.4. Liens in respect of judgments or awards, to the extent that such judgments or awards are permitted by Section 6.6.6 but only to the extent that such Liens are junior to the Liens on the Credit Security granted to secure the Credit Obligations.

6.8.5. Liens of carriers, warehouses, mechanics and similar Liens, in each case (a) in existence less than 90 days from the date of creation thereof or (b) being contested in good faith by the Company or any of its Subsidiaries in appropriate proceedings (so long as the Company or such Subsidiary shall, in accordance with GAAP, have set aside on its books adequate reserves with respect thereto).

6.8.6. Encumbrances in the nature of (a) zoning restrictions, (b) easements, (c) restrictions of record on the use of real property, (d) landlords' and lessors' Liens on rented premises and (e) restrictions on transfers or assignment of leases, which in each case do not materially detract from the value of the encumbered property or impair the use thereof in the business of the Company or any of its Subsidiaries, and Permitted Encumbrances (as defined in each Mortgage).

6.8.7. Restrictions under federal and state securities laws on the transfer of securities.

6.8.8. Restrictions under Foreign Trade Regulations on the transfer or licensing of certain assets of the Company and its Subsidiaries.

6.8.9. Liens constituting (a) purchase money security interests (including mortgages, conditional sales, Capitalized Leases and any other title retention or deferred purchase devices) in real property, interests in leases or tangible personal property (other than inventory) existing or created on the date on which such property is acquired, and (b) the renewal, extension or refunding of any security interest referred to in the foregoing clause (a) in an amount not to exceed the amount thereof remaining unpaid immediately prior to such renewal, extension or refunding; provided,

however, that (i) each such security interest shall attach solely to the particular item of property so acquired, and the principal amount of Indebtedness (including Indebtedness in respect of Capitalized Lease Obligations) secured thereby shall not exceed the cost (including all such Indebtedness secured thereby, whether or not assumed) of such item of property, and (ii) the aggregate principal amount of all Indebtedness secured by Liens permitted by this Section 6.8.9 shall not exceed the amount permitted by Section 6.6.7.

6.9. Investments and Acquisitions. Neither Holdings, the Company nor any of its Subsidiaries shall have outstanding, acquire, commit itself to acquire or hold any Investment (including any Investment consisting of the acquisition of any business) except for the following:

6.9.1. Investments of Holdings in the Company.

6.9.2. Investments of the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) in Wholly Owned Subsidiaries of the Company (other than the Subsidiary Borrower and its Subsidiaries) which are Guarantors.

6.9.3. Investments of the Subsidiary Borrower and its Subsidiaries in Wholly Owned Subsidiaries of the Subsidiary Borrower which are Guarantors.

6.9.4. Investments of the Company and its Subsidiaries (other than the Subsidiary Borrower) in the Subsidiary Borrower and its Subsidiaries existing as of the date of this Agreement

6.9.5. Investments of the Subsidiary Borrower and its Subsidiaries in the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) existing as of the date of this Agreement.

6.9.6. Intercompany loans and advances from any Wholly Owned Subsidiary of the Company to the Company and from any Wholly Owned Subsidiary of the Subsidiary Borrower to the Subsidiary Borrower, but in each case only to the extent reasonably necessary for Consolidated tax planning and working capital management.

6.9.7. Investments in Cash Equivalents.

6.9.8. Guarantees permitted by Section 6.7.

6.10. Distributions. Neither Holdings, the Company nor any of its Subsidiaries shall make any Distribution except for the following:

6.10.1. Subsidiaries of the Company may make Distributions to the Company or any Wholly Owned Subsidiary of the Company (other than the Subsidiary Borrower and its Subsidiaries) which is a Guarantor.

6.10.2. Subsidiaries of the Subsidiary Borrower may make Distributions to the Subsidiary Borrower or any Wholly Owned Subsidiary of the Subsidiary Borrower which is a Guarantor.

6.10.3. The Company and its Subsidiaries may make the Investments permitted by Section 6.9.

6.10.4. Regularly scheduled payments of principal and interest on the Indebtedness of the Company under the Indentures in accordance with the terms thereof as in effect on the date hereof, so long as such payment is not prohibited by the subordination terms contained therein.

6.11. Mergers, Consolidations and Dispositions of Assets. Neither Holdings, the Company nor any of its Subsidiaries shall merge or enter into a consolidation or sell, lease, sell and lease back, sublease or otherwise dispose of any of its assets, except the following:

6.11.1. The Company and any of its Subsidiaries may sell or otherwise dispose of (a) inventory in the ordinary course of business and (b) tangible assets that are no longer used or useful in the business of the Company or such Subsidiary, the fair market value (or book value if greater) of which shall not exceed \$100,000 in any fiscal year.

6.11.2. Any Wholly Owned Subsidiary of the Company (other than the Subsidiary Borrower and its Subsidiaries) may merge or be liquidated into the Company or any other Wholly Owned Subsidiary of the Company (other than the Subsidiary Borrower and its Subsidiaries) which is a Guarantor so long as after giving effect to any such merger to which the Company is a party the Company shall be the surviving or resulting Person.

6.11.3. Any Wholly Owned Subsidiary of the Subsidiary Borrower may merge or be liquidated into the Subsidiary Borrower or any other Wholly Owned Subsidiary of the Subsidiary Borrower which is a Guarantor so long as after giving effect to any such merger to which the Subsidiary Borrower is a party the Subsidiary Borrower shall be the surviving or resulting Person.

6.12. Lease Obligations. Neither Holdings, the Company nor any of its Subsidiaries shall be or become obligated as lessee under any lease except:

6.12.1. Capitalized Leases permitted by Sections 6.6.7 and 6.8.9.

6.12.2. Leases other than Capitalized Leases; provided, however, that the aggregate fixed rental obligations for any fiscal year (excluding payments required to be made by the lessee in respect of taxes and insurance whether or not denominated as rent) shall not exceed \$8,600,000 in the fiscal year ending June 29, 1996 and \$7,000,000 in any fiscal year thereafter.

6.13. Issuance of Stock by Subsidiaries; Subsidiary Distributions.

6.13.1. Issuance of Stock by Subsidiaries.

(a) The Company shall not issue or sell any shares of its capital stock or other evidence of beneficial ownership except to Holdings, which shares shall have been pledged to the Agent as part of the Credit Security.

(b) No Subsidiary of the Company (other than the Subsidiary Borrower and its Subsidiaries) shall issue or sell any shares of its capital stock or other evidence of beneficial ownership to any Person other than the Company or any Wholly Owned Subsidiary of the Company (other than the Subsidiary Borrower and its Subsidiaries) which is a Guarantor, which shares shall have been pledged to the Agent as part of the Credit Security.

(c) No Subsidiary of the Subsidiary Borrower shall issue or sell any shares of its capital stock or other evidence of beneficial ownership to any Person other than the Subsidiary Borrower or any Wholly Owned Subsidiary of the Subsidiary Borrower which is a Guarantor, which shares shall have been pledged to the Agent as part of the Credit Security.

6.13.2. No Restrictions on Subsidiary Distributions. Except for this Agreement and the Credit Documents, neither Holdings, the Company nor any of its Subsidiaries shall enter into or be bound by any agreement (including covenants requiring the maintenance of specified amounts of net worth or working capital) restricting the right of any Subsidiary to make Distributions or extensions of credit to the Company or the Subsidiary Borrower (in each case, directly or indirectly through another Subsidiary of the Company or the Subsidiary Borrower).

6.14. Voluntary Prepayments of Other Indebtedness. Neither Holdings, the Company nor any of its Subsidiaries shall make any voluntary prepayment of principal of or interest on any Financing Debt (including the Indebtedness under the Indentures) other than the Credit

Obligations or make any voluntary redemptions or repurchases of Financing Debt (including the Indebtedness under the Indentures) other than the Credit Obligations.

6.15. Derivative Contracts. Neither Holdings, the Company nor any of its Subsidiaries shall enter into any Interest Rate Protection Agreement, foreign currency exchange contract or other financial or commodity derivative contracts except to provide hedge protection for an underlying economic transaction in the ordinary course of business.

6.16. Negative Pledge Clauses. Neither Holdings, the Company nor any of its Subsidiaries shall enter into any agreement, instrument, deed or lease which prohibits or limits the ability of Holdings, the Company or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of their respective properties, assets or revenues, whether now owned or hereafter acquired, or which requires the grant of any collateral for such obligation if collateral is granted for another obligation, except the following:

6.16.1. This Agreement and the other Credit Documents.

6.16.2. Covenants in documents creating Liens permitted by Section 6.8 prohibiting further Liens on the assets encumbered thereby.

6.17. ERISA, etc. Each of Holdings, the Company and its Subsidiaries shall comply, and shall cause all ERISA Group Persons to comply, in all material respects, with the provisions of ERISA and the Code applicable to each Plan. Each of Holdings, the Company and its Subsidiaries shall meet, and shall cause all ERISA Group Persons to meet, all minimum funding requirements applicable to them with respect to any Plan pursuant to section 302 of ERISA or section 412 of the Code, without giving effect to any waivers of such requirements or extensions of the related amortization periods which may be granted. At no time shall the Accumulated Benefit Obligations under any Plan that is not a Multiemployer Plan exceed the fair market value of the assets of such Plan allocable to such benefits by more than \$1,000,000. Holdings, the Company and its Subsidiaries shall not withdraw, and shall cause all other ERISA Group Persons not to withdraw, in whole or in part, from any Multiemployer Plan so as to give rise to withdrawal liability exceeding \$1,000,000 in the aggregate. At no time shall the actuarial present value of unfunded liabilities for post-employment health care benefits, whether or not provided under a Plan, calculated in a manner consistent with Statement No. 106 of the Financial Accounting Standards Board, exceed \$1,000,000.

6.18. Transactions with Affiliates. Neither Holdings, the Company nor any of its Subsidiaries shall effect any transaction with any of their respective Affiliates (except for the Company and its Subsidiaries) on a basis less favorable to the Company and its Subsidiaries than would be the case if such transaction had been effected with a non-Affiliate.

6.19. Environmental Laws.

6.19.1. Compliance with Law and Permits. Each of Holdings, the Company and its Subsidiaries shall use and operate all of its facilities and properties in material compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in material compliance therewith, and handle all Hazardous Materials in material compliance with all applicable Environmental Laws.

6.19.2. Notice of Claims, etc. Each of Holdings, the Company and its Subsidiaries shall (a) immediately notify the Agent, and provide copies upon receipt, of all written claims, information requests, complaints, notices or inquiries from governmental authorities and (b) immediately notify the Agent of any known instances, in each case relating to the condition of its past or present facilities and properties or compliance with or liability under Environmental Laws (including any instance of noncompliance with Environmental Laws noted in the various environmental reports furnished to the Agent prior to the Initial Closing Date), and shall promptly cure and have dismissed with prejudice or otherwise resolved to the satisfaction of the Agent any claims, notices of liability, instances of noncompliance and actions and proceedings relating to compliance with or liability under Environmental Laws.

6.19.3. Successor Liability. For purposes of this Section 6.19, any reference to Holdings, the Company or any of its Subsidiaries shall also be deemed to refer to any other Person with respect to which Holdings, the Company or such Subsidiary may be deemed a successor under any applicable Environmental Laws.

6.20. Surveys; Title Insurance. Each Borrower shall furnish to the Agent as soon as practicable, and in any event within 60 days after the Initial Closing Date, a survey with respect to each parcel of real property owned by such Borrower and listed on Exhibit 6.20, each such survey (a) to be accompanied by a certificate signed by a registered surveyor to the effect that such survey has been prepared in accordance with (i) the Agent's survey requirements and (ii) the most recent "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by ALTA and ACSM, and (b) to be reasonably satisfactory to the Agent. Upon acceptance of any survey by the Agent, the Borrower owning the surveyed real property shall promptly cause Lawyers Title Insurance Company to issue an endorsement to the title insurance policy covering such surveyed real property that (A) eliminates the so-called "survey exception" in such title insurance policy and (B) indicates no title defect or encumbrance that, in the Agent's sole and absolute judgment, adversely affects the surveyed property in any material way, such endorsement to be in form and substance reasonably satisfactory to the Agent.

7. Representations and Warranties. In order to induce the Lenders to extend credit to the Borrowers hereunder, each of Holdings, the Company and its Subsidiaries party hereto jointly and severally represents and warrants as follows:

7.1. Organization and Business.

7.1.1. Holdings. Holdings is a duly organized and validly existing limited partnership, in good standing under the laws of Massachusetts, with all power and authority, partnership or otherwise, necessary to (a) enter into and perform this Agreement and each other Credit Document to which it is party, (b) guarantee the Credit Obligations, (c) grant the Agent for the benefit of the Lenders the security interest in the Credit Security owned by it to secure the Credit Obligations and (d) own its properties and carry on the business now conducted or proposed to be conducted by it. A certified copy of the Partnership Agreement has been previously delivered to the Agent and is correct and complete. Exhibit 7.1, as from time to time hereafter supplemented in accordance with Sections 6.4.1 and 6.4.2, sets forth, as of the later of the date hereof or as of the end of the most recent fiscal quarter for which financial statements are required to be furnished in accordance with such Sections, (i) the jurisdiction of organization of Holdings, (ii) the address of the principal executive office and chief place of business of Holdings, (iii) each name, including any trade name, under which Holdings conducts its business and (iv) each jurisdiction in which Holdings keeps tangible personal property.

7.1.2. The Company. The Company is a duly organized and validly existing corporation, in good standing under the laws of Massachusetts, with all power and authority, corporate or otherwise, necessary to (a) enter into and perform this Agreement and each other Credit Document to which it is party, (b) guarantee the Credit Obligations, (c) grant the Agent for the benefit of the Lenders the security interests in the Credit Security owned by it to secure the Credit Obligations and (d) own its properties and carry on the business now conducted or proposed to be conducted by it. Certified copies of the Charter and By-laws of the Company have been previously delivered to the Agent and are correct and complete. Exhibit 7.1, as from time to time hereafter supplemented in accordance with Sections 6.4.1 and 6.4.2, sets forth, as of the later of the date hereof or as of the end of the most recent fiscal quarter for which financial statements are required to be furnished in accordance with such Sections, (i) the jurisdiction of incorporation of the Company, (ii) the address of the principal executive office and chief place of business of the Company, (iii) each name, including any trade name, under which the Company conducts its business and (iv) the jurisdictions in which the Company keeps tangible personal property.

7.1.3. Operating Subsidiaries. Each Operating Subsidiary of the Company is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, with all power and authority, corporate or otherwise,

necessary to (a) enter into and perform this Agreement and each other Credit Document to which it is party, (b) guarantee the Credit Obligations, (c) grant the Lenders the security interest in the Credit Security owned by such Operating Subsidiary to secure the Credit Obligations and (d) own its properties and carry on the business now conducted or proposed to be conducted by it. Certified copies of the Charter and By-laws of each Operating Subsidiary of the Company have been previously delivered to the Agent and are correct and complete. Exhibit 7.1, as from time to time hereafter supplemented in accordance with Sections 6.4.1 and 6.4.2, sets forth, as of the later of the date hereof or as of the end of the most recent fiscal quarter for which financial statements are required to be furnished in accordance with such Sections, (i) the name and jurisdiction of organization of each Operating Subsidiary of the Company, (ii) the address of the chief executive office and principal place of business of each such Operating Subsidiary, (iii) each name under which each such Operating Subsidiary conducts its business, (iv) each jurisdiction in which each such Operating Subsidiary keeps tangible personal property and (v) the number of authorized and issued shares and ownership of each such Operating Subsidiary.

7.1.4. Non-Operating Subsidiaries. Each Non-Operating Subsidiary of the Company is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, with all power and authority, corporate or otherwise, necessary to (a) enter into and perform this Agreement and each other Credit Document to which it is party and (b) own its properties and carry on the business now conducted or proposed to be conducted by it. Certified copies of the Charter and By-laws of each Non-Operating Subsidiary of the Company have been previously delivered to the Agent and are correct and complete. Exhibit 7.1, as from time to time hereafter supplemented in accordance with Sections 6.4.1 and 6.4.2, sets forth, as of the later of the date hereof or as of the end of the most recent fiscal quarter for which financial statements are required to be furnished in accordance with such Sections, (i) the name and jurisdiction of organization of each Non-Operating Subsidiary of the Company, (ii) the address of the chief executive office and principal place of business of each such Non-Operating Subsidiary, (iii) each name under which each such Non-Operating Subsidiary conducts its business and (iv) the number of authorized and issued shares and ownership of each such Non-Operating Subsidiary.

7.1.5. Qualification. Each of Holdings, the Company and its Operating Subsidiaries is duly and legally qualified to do business as a foreign corporation or other entity and is in good standing in each state or jurisdiction in which such qualification is required and is duly authorized, qualified and licensed under all laws, regulations, ordinances or orders of public authorities, or otherwise, to carry on its business in the places and in the manner in which it is conducted, except for failures to be so qualified, authorized or licensed which would not in the aggregate result, or create a material risk of resulting, in any Material Adverse Change.

7.1.6. Capitalization. No options, warrants, conversion rights, preemptive rights or other statutory or contractual rights to purchase shares of capital stock, partnership interests or other securities of Holdings, the Company or any of its Subsidiaries now exist, nor has Holdings, the Company or any of its Subsidiaries authorized any such right, nor is Holdings, the Company or any of its Subsidiaries obligated in any other manner to issue shares of its capital stock or other securities.

7.2. Financial Statements and Other Information: Material Agreements.

7.2.1. Financial Statements and Other Information. The Borrowers have previously furnished to the Lenders copies of the following:

(a) The audited Consolidated and unaudited Consolidating balance sheets of the Company and its Subsidiaries as at June 24, 1995 and June 25, 1994 and the audited Consolidated and unaudited Consolidating statements of income and the audited Consolidated statements of changes in shareholders' equity and of cash flows of the Company and its Subsidiaries for the fiscal years of the Company then ended.

(b) The unaudited Consolidated and Consolidating balance sheets of the Company and its Subsidiaries as at October 31, 1995 and the unaudited Consolidated statement of income, of changes in shareholders' equity and of cash flows of the Company and its Subsidiaries for the portion of the fiscal year then ended.

(c) The three-year financial and operational projections for the Company and its Subsidiaries dated December 6, 1995.

(d) Calculations demonstrating pro forma compliance with the Computation Covenants as of the end of the most recent month or quarter, as applicable, preceding the date hereof.

The audited Consolidated financial statements (including the notes thereto) referred to in clause (a) above were prepared in accordance with GAAP and fairly present the financial position of the Company and its Subsidiaries on a Consolidated basis at the respective dates thereof and the results of their operations for the periods covered thereby. The unaudited Consolidating financial statements referred to in clause (a) above and the unaudited Consolidated and Consolidating financial statements referred to in clause (b) above were prepared in accordance with GAAP and fairly present the financial position of the Company and its Subsidiaries at the respective dates thereof and the results of their operations for the periods covered thereby, subject to normal year-end audit adjustment and the addition of footnotes. Neither the Company nor any of its Subsidiaries has any known contingent liability material to the Company and its Subsidiaries on a Consolidated basis which is not reflected in the

balance sheets referred to in clauses (a) or (b) above (or delivered pursuant to Sections 6.4.1 or 6.4.2) or in the notes thereto.

In the Company's judgment, the financial and operational projections referred to in clause (c) above constitute a reasonable basis as of the Initial Closing Date for the assessment of the future performance of the Company and its Subsidiaries during the periods indicated therein, it being understood that any projected financial information represents an estimate, based on various assumptions, of future results of operations which may or may not in fact occur.

7.2.2. Material Agreements. The Borrowers have previously furnished to the Lenders correct and complete copies, including all exhibits, schedules and amendments thereto, of the agreements, each as in effect on the date hereof, listed in Exhibit 7.2.2 (the "Material Agreements"), and there are no other agreements material (a) to the business of Holdings and its Subsidiaries on a Consolidated basis, (b) the Company and its Subsidiaries (other than the Subsidiary Borrower and its Subsidiaries) on a Combined basis or (c) the Subsidiary Borrower and its Subsidiaries on a Combined basis.

7.3. Agreements Relating to Financing Debt, Investments, etc. Exhibit 7.3, as from time to time hereafter supplemented in accordance with Sections 6.4.1 and 6.4.2, sets forth (a) the amounts (as of the dates indicated in Exhibit 7.3, as so supplemented) of all Financing Debt of Holdings, the Company and its Subsidiaries and all agreements which relate to such Financing Debt, (b) all Liens and Guarantees with respect to such Financing Debt and (c) all agreements which directly or indirectly require Holdings, the Company or any of its Subsidiaries to make any Investment. The Borrowers have furnished the Lenders with correct and complete copies of any agreements described in clauses (a), (b) and (c) above requested by the Required Lenders.

7.4. Changes in Condition. Since June 24, 1995 no Material Adverse Change has occurred, and between June 24, 1995, and the date hereof, neither Holdings, the Company nor any of its Subsidiaries has entered into any material transaction outside the ordinary course of business except for the transactions contemplated by this Agreement and the Material Agreements.

7.5. Title to Assets. Holdings, the Company and its Subsidiaries have good and marketable title to all assets (and valid leasehold interest in properties occupied by them) necessary for or used in the operations of their business as now conducted by them and reflected in the most recent balance sheet referred to in Section 7.2.1 (or the balance sheet most recently furnished to the Lenders pursuant to Sections 6.4.1 or 6.4.2), and to all assets acquired subsequent to the date of such balance sheet, subject to no Liens except for Liens permitted by Section 6.8 and except for assets disposed of as permitted by Section 6.11.

7.6. Operations in Conformity With Law, etc. The operations of Holdings, the Company and its Subsidiaries as now conducted or proposed to be conducted are not in violation of, nor is Holdings, the Company or any of its Subsidiaries in default under, any Legal Requirement presently in effect, except for such violations and defaults as do not and will not, in the aggregate, result, or create a material risk of resulting, in any Material Adverse Change. Neither Holdings, the Company nor any of its Subsidiaries has received any notice of any such violation or default and has any knowledge of any basis on which the operations of Holdings, the Company or any of its Subsidiaries, as now conducted and as currently proposed to be conducted after the date hereof, would be held so as to violate or to give rise to any such violation or default.

7.7. Litigation. No litigation, at law or in equity, or any proceeding before any court, board or other governmental or administrative agency or any arbitrator is pending or, to the knowledge of Holdings, the Company or any of its Subsidiaries, threatened which may involve any material risk of any final judgment, order or liability which, after giving effect to any applicable insurance and indemnity, has resulted, or creates a material risk of resulting, in any Material Adverse Change or which seeks to enjoin the consummation, or which questions the validity, of any of the transactions contemplated by this Agreement or any other Credit Document. No judgment, decree or order of any court, board or other governmental or administrative agency or any arbitrator has been issued against or binds Holdings, the Company or any of its Subsidiaries which has resulted, or creates a material risk of resulting, in any Material Adverse Change.

7.8. Authorization and Enforceability. Each of Holdings, the Borrowers and the other Obligor has taken all corporate action required to execute, deliver and perform this Agreement and each other Credit Document to which it is party. No consent of stockholders of any Obligor is necessary in order to authorize the execution, delivery or performance of this Agreement or any other Credit Document to which any Obligor is party. Each of this Agreement and each other Credit Document constitutes the legal, valid and binding obligation of each Obligor party thereto and is enforceable against such Obligor in accordance with its terms.

7.9. No Legal Obstacle to Agreements. Neither the execution and delivery of this Agreement or any other Credit Document, nor the making of any borrowings hereunder, nor the guaranteeing of the Credit Obligations, nor the securing of the Credit Obligations with the Credit Security, nor the consummation of any transaction referred to in or contemplated by this Agreement or any other Credit Document, nor the fulfillment of the terms hereof or thereof or of any other agreement, instrument, deed or lease contemplated by this Agreement or any other Credit Document, has constituted or resulted in or will constitute or result in:

(a) any breach or termination of the provisions of any material agreement, instrument, deed or lease to which Holdings, any Borrower or any other Obligor is a

party or by which it is bound, or of the Partnership Agreement or of the Charter or By-laws of the any Borrower or any other Obligor;

(b) the violation of any law, statute, judgment, decree or governmental order, rule or regulation applicable to Holdings, any Borrower or any other Obligor;

(c) the creation under any agreement, instrument, deed or lease of any Lien (other than Liens on the Credit Security which secure the Credit Obligations) upon any of the assets of Holdings, any Borrower or any other Obligor; or

(d) any redemption, retirement or other repurchase obligation of Holdings, any Borrower or any other Obligor under any Charter, By-law, agreement, instrument, deed or lease.

No approval, authorization or other action by, or declaration to or filing with, any governmental or administrative authority or any other Person is required to be obtained or made by Holdings, any Borrower or any other Obligor in connection with the execution, delivery and performance of this Agreement, the Notes or any other Credit Document, the transactions contemplated hereby or thereby, the making of any borrowing hereunder, the guaranteeing of the Credit Obligations or the securing of the Credit Obligations with the Credit Security.

7.10. Defaults. Neither Holdings, the Company nor any of its Subsidiaries is in default under any provision of the Partnership Agreement, its Charter or By-laws, this Agreement or any other Credit Document. Neither Holdings, the Company nor any of its Subsidiaries is in default under any provision of any agreement, instrument, deed or lease to which it is party or by which it or its property is bound, or has violated any law, judgment, decree or governmental order, rule or regulation, in each case so as to result, or create a material risk of resulting, in any Material Adverse Change.

7.11. Licenses, etc. Holdings, the Company and its Subsidiaries have all patents, patent applications, patent licenses, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, licenses, franchises, permits, authorizations and other rights as are necessary for the conduct of the business of Holdings, the Company and its Subsidiaries as now conducted by them. All of the foregoing are in full force and effect in all material respects, and each of Holdings, the Company and its Subsidiaries is in substantial compliance with the foregoing without any known conflict with the valid rights of others which has resulted, or creates a material risk of resulting, in any Material Adverse Change. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such license, franchise or other right or which affects the rights of any of Holdings, the Company and its Subsidiaries thereunder so as to result, or to create a material risk of resulting, in any Material Adverse Change. No litigation or other proceeding or dispute exists with respect to the validity or, where applicable, the extension or

renewal, of any of the foregoing which has resulted, or creates a material risk of resulting, in any Material Adverse Change.

7.12. Tax Returns. Each of Holdings, the Company and its Subsidiaries has filed all material tax and information returns which are required to be filed by it and has paid, or made adequate provision for the payment of, all taxes which have or may become due pursuant to such returns or to any assessment received by it. Neither Holdings, the Company nor any of its Subsidiaries knows of any material additional assessments or any basis therefor. Each of Holdings and the Borrowers reasonably believes that the charges, accruals and reserves on the books of Holdings, the Company and its Subsidiaries in respect of taxes or other governmental charges are adequate.

7.13. Certain Business Representations.

7.13.1. Labor Relations. No dispute or controversy between Holdings, the Company or any of its Subsidiaries and any of their respective employees has resulted, or is reasonably likely to result, in any Material Adverse Change, and neither Holdings, the Company nor any of its Subsidiaries anticipates that its relationships with its unions or employees will result, or are reasonably likely to result, in any Material Adverse Change. Each of Holdings, the Company and its Subsidiaries is in compliance in all material respects with all federal and state laws with respect to (a) non-discrimination in employment with which the failure to comply, in the aggregate, has resulted, or creates a material risk of resulting, in a Material Adverse Change and (b) the payment of wages.

7.13.2. Burdensome Obligations. Neither Holdings, the Company nor any of its Subsidiaries is party to or bound by any agreement, instrument, deed or lease or is subject to any Charter, By-law or other restriction, commitment or requirement which, in the opinion of the management of such Person, is so unusual or burdensome as in the foreseeable future to result, or create a material risk of resulting, in a Material Adverse Change.

7.13.3. Future Expenditures. Neither Holdings, the Company nor any of its Subsidiaries anticipates that the future expenditures, if any, by Holdings, the Company and its Subsidiaries needed to meet the provisions of any federal, state or foreign governmental statutes, orders, rules or regulations will be so burdensome as to result, or create a material risk of resulting, in any Material Adverse Change.

7.14. Environmental Regulations.

7.14.1. Environmental Compliance. Each of Holdings, the Company and its Subsidiaries is in compliance in all material respects with the Clean Air Act, the Federal Water Pollution Control Act, the Marine Protection Research and Sanctuaries

Act, RCRA, CERCLA and any other Environmental Law in effect in any jurisdiction in which any properties of Holdings, the Company or any of its Subsidiaries are located or where any of them conducts its business, and with all applicable published rules and regulations (and applicable standards and requirements) of the federal Environmental Protection Agency and of any similar agencies in states or foreign countries in which Holdings, the Company or any of its Subsidiaries conducts its business other than those instances of noncompliance which in the aggregate have not resulted, and do not create a material risk of resulting, after giving effect to any applicable indemnity, in a Material Adverse Change.

7.14.2. Environmental Litigation. Except as disclosed in Exhibit 7.14, no suit, claim, action, notice of potential liability, information request or proceeding of which Holdings, the Company or any of its Subsidiaries has been given notice or otherwise has knowledge is now pending before any court, governmental agency or board or other forum, or to the knowledge of Holdings, the Company or any of its Subsidiaries, threatened by any Person (nor to the knowledge of Holdings, the Company or any of its Subsidiaries, does any factual basis exist therefor) for, and neither Holdings, the Company nor any of its Subsidiaries has received written correspondence from any federal, state or local governmental authority with respect to:

(a) noncompliance by Holdings, the Company or any of its Subsidiaries with, or any potential liability of Holdings, the Company or any of its Subsidiaries under, any Environmental Law;

(b) personal injury, wrongful death or other tortious conduct relating to materials, commodities or products used, generated, sold, transferred or manufactured by Holdings, the Company or any of its Subsidiaries (including products made of, containing or incorporating asbestos, lead or other hazardous materials, commodities or toxic substances); or

(c) the release into the environment by Holdings, the Company or any of its Subsidiaries of any Hazardous Material generated by Holdings, the Company or any of its Subsidiaries whether or not occurring at or on, or migrating to or from, a site formerly or currently owned, leased or operated by Holdings, the Company or any of its Subsidiaries.

7.14.3. Hazardous Material. Any waste disposal or dump sites at which Hazardous Material generated by Holdings, the Company or any of its Subsidiaries has been disposed of directly or indirectly by Holdings, the Company or any of its Subsidiaries or any independent contractors or agents to whom Holdings, the Company or any of its Subsidiaries have delivered Hazardous Material, or to the knowledge of Holdings, the Company or any of its Subsidiaries, any other waste disposal or dump sites where Hazardous Material generated by Holdings, the Company or any of its

Subsidiaries finally came to be located, has not resulted, and does not create a material risk of resulting, in a Material Adverse Change.

7.14.4. Environmental Condition of Properties. No Hazardous Material is present on or in, or migrating to or from, any real property formerly or currently owned or operated by Holdings, the Company or any of its Subsidiaries except that which has not resulted, and does not create a material risk of resulting, in a Material Adverse Change.

7.14.5. Successor Liability. For purposes of this Section 7.14, any reference to Holdings, the Company or any of its Subsidiaries shall also be deemed to refer to any other Person with respect to which Holdings, the Company or such Subsidiary may be deemed a successor under any applicable Environmental Laws.

7.15. Pension Plans. Each Plan (other than a Multiemployer Plan) and, to the knowledge of Holdings, the Company and its Subsidiaries, each Multiemployer Plan is in material compliance with the applicable provisions of ERISA and the Code. Each Multiemployer Plan and each Plan that constitutes a "defined benefit plan" (as defined in ERISA) are set forth in Exhibit 7.15. Each ERISA Group Person has met all of the funding standards applicable to all Plans that are not Multiemployer Plans, and no condition exists which would permit the institution of proceedings to terminate any Plan that is not a Multiemployer Plan under section 4042 of ERISA. To the best knowledge of Holdings, the Company and its Subsidiaries, no Plan that is a Multiemployer Plan is currently insolvent or in reorganization or has been terminated within the meaning of ERISA.

7.16. Acquisition Agreement, etc. The Acquisition Agreement is a valid and binding contract as to the General Partner and, to the best knowledge of Holdings and the Borrowers, as to the Seller. The General Partner is not in default in any material respect of its obligations under the Acquisition Agreement and, to the best knowledge of Holdings and the Borrowers, the Seller is not in default in any material respect of any of its obligations thereunder. The representations and warranties of the General Partner set forth in the Acquisition Agreement are true and correct in all material respects as of the date hereof with the same force and effect as though made on and as of the date hereof. To the best knowledge of Holdings and the Borrowers, all of the representations and warranties of the Seller set forth in the Acquisition Agreement are true and correct in all material respects as of the date hereof with the same force and effect as though made on and as of the date hereof.

7.17. Foreign Trade Regulations; Government Regulation; Margin Stock.

7.17.1. Foreign Trade Regulations. Neither the execution and delivery of this Agreement or any other Credit Document, nor the making by any Borrower of any borrowings hereunder, nor the guaranteeing of the Credit Obligations by any Guarantor, nor the securing of the Credit Obligations with the Credit Security, has

constituted or resulted in or will constitute or result in the violation of any Foreign Trade Regulation.

7.17.2. Government Regulation. Neither Holdings, the Company nor any of its Subsidiaries, nor any Person controlling Holdings, the Company or any of its Subsidiaries or under common control with Holdings, the Company or any of its Subsidiaries, is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Investment Company Act, the Interstate Commerce Act or any statute or regulation which regulates the incurring by Holdings, the Company or any of its Subsidiaries of Financing Debt as contemplated by this Agreement and the other Credit Documents.

7.17.3. Margin Stock. Neither Holdings, the Company nor any of its Subsidiaries owns any Margin Stock.

7.18. Disclosure. Neither this Agreement nor any other Credit Document to be furnished to the Lenders by or on behalf of Holdings, the Company or any of its Subsidiaries in connection with the transactions contemplated hereby or by such Credit Document contains any untrue statement of material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. No fact is actually known to Holdings, the Company or any of its Subsidiaries which has resulted, or in the future (so far as Holdings, the Company or any of its Subsidiaries can reasonably foresee) will result, or creates a material risk of resulting, in any Material Adverse Change, except to the extent that present or future general economic conditions may result in a Material Adverse Change.

8. Defaults.

8.1. Events of Default. The following events are referred to as "Events of Default":

8.1.1. Payment. Any Borrower shall fail to make any payment in respect of:
(a) interest or any fee on or in respect of any of the Credit Obligations owed by it as the same shall become due and payable, and such failure shall continue for a period of three Banking Days, (b) any Credit Obligation with respect to payments made by any Letter of Credit Issuer under any Letter of Credit or any draft drawn thereunder within three Banking Days after demand therefore by such Letter of Credit Issuer or
(c) principal of any of the Credit Obligations owed by it as the same shall become due, whether at maturity or by acceleration or otherwise.

8.1.2. Specified Covenants. John A. Kaneb, the Company, any of its Subsidiaries or any other Obligor shall fail to perform or observe any of the provisions of Section 6.4.5 or Sections 6.5 through 6.20 or of the Credit Support Agreement.

8.1.3. Other Covenants. The Company, any of its Subsidiaries or any other Obligor shall fail to perform or observe any other covenant, agreement or provision to be performed or observed by it under this Agreement or any other Credit Document, and such failure shall not be rectified or cured to the written satisfaction of the Required Lenders within 30 days after the earlier of (a) notice thereof by the Agent to the Borrowers or (b) a Financial Officer of any Borrower shall have actual knowledge thereof.

8.1.4. Representations and Warranties. Any representation or warranty of or with respect to the Company, any of its Subsidiaries or any other Obligor made to the Lenders or the Agent in, pursuant to or in connection with this Agreement or any other Credit Document shall be materially false on the date as of which it was made.

8.1.5. Cross Default, etc.

(a) Holding, the Company or any of its Subsidiaries shall fail to make any payment when due (after giving effect to any applicable grace periods) in respect of any Financing Debt (other than the Credit Obligations) outstanding in an aggregate amount of principal (whether or not due) and accrued interest exceeding \$100,000;

(b) Holdings, the Company or any of its Subsidiaries shall fail to perform or observe the material terms of any material agreement or instrument relating to such Financing Debt, and such failure shall continue, without having been duly cured, waived or consented to, beyond the period of grace, if any, specified in such agreement or instrument, and such failure shall permit the acceleration of such Financing Debt;

(c) all or any part of such Financing Debt of Holdings, the Company or any of its Subsidiaries shall be accelerated or shall become due or payable prior to its stated maturity (except with respect to voluntary prepayments thereof) for any reason whatsoever;

(d) any Lien on any property of Holdings, the Company or any of its Subsidiaries securing any such Financing Debt shall be enforced by foreclosure or similar action; or

(e) any holder of any such Financing Debt shall exercise any right of rescission or put right with respect thereto.

8.1.6. Ownership; Liquidation; etc. Except as permitted by Section 6.11:

(a) John Kaneb shall cease to be the sole stockholder and director of the General Partner or shall cease to control and own beneficially with his immediate family all of the equity interests in Holdings;

(b) Holdings shall cease to own at least 99.9% of the capital stock of the Company entitled to vote generally;

(c) the Company shall cease to own, directly or indirectly, all the capital stock of its Subsidiaries;

(d) the Company, any of its Subsidiaries or any other Obligor shall initiate any action to dissolve, liquidate or otherwise terminate its existence.

8.1.7. Enforceability, etc. Any Credit Document shall cease for any reason (other than the scheduled termination thereof in accordance with its terms) to be enforceable in accordance with its terms or in full force and effect; or any party to any Credit Document shall so assert in a judicial or similar proceeding; or the security interests created by this Agreement or any other Credit Documents shall cease to be enforceable and of the same effect and priority purported to be created hereby.

8.1.8. Judgments. A final judgment (a) which, with other outstanding final judgments against Holdings, the Company and its Subsidiaries, exceeds an aggregate of \$100,000 in excess of applicable insurance coverage shall be rendered against Holdings, the Company or any of its Subsidiaries, or (b) which grants injunctive relief that results, or creates a material risk of resulting, in a Material Adverse Change and in either case if, (i) within 30 days after entry thereof, such judgment shall not have been discharged or execution thereof stayed pending appeal or (ii) within 30 days after the expiration of any such stay, such judgment shall not have been discharged.

8.1.9. ERISA. Any "reportable event" (as defined in section 4043 of ERISA) shall have occurred that reasonably could be expected to result in termination of a Plan or the appointment by the appropriate United States District Court of a trustee to administer any Plan or the imposition of a Lien in favor of a Plan; or any ERISA Group Person shall fail to pay when due amounts aggregating in excess of \$100,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan shall be filed under Title IV of ERISA by any ERISA Group Person or administrator; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Plan or a proceeding shall be instituted by a fiduciary of any Plan against any ERISA Group Person to enforce section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Plan must be terminated.

8.1.10. Bankruptcy, etc. John A. Kaneb, the Company, any of its Subsidiaries or any other Obligor shall:

(a) commence a voluntary case under the Bankruptcy Code or authorize, by appropriate proceedings of its board of directors or other governing body, the commencement of such a voluntary case;

(b) (i) have filed against it a petition commencing an involuntary case under the Bankruptcy Code that shall not have been dismissed within 60 days after the date on which such petition is filed, or (ii) file an answer or other pleading within such 60-day period admitting or failing to deny the material allegations of such a petition or seeking, consenting to or acquiescing in the relief therein provided, or (iii) have entered against it an order for relief in any involuntary case commenced under the Bankruptcy Code;

(c) seek relief as a debtor under any applicable law, other than the Bankruptcy Code, of any jurisdiction relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors, or consent to or acquiesce in such relief;

(d) have entered against it an order by a court of competent jurisdiction (i) finding it to be bankrupt or insolvent, (ii) ordering or approving its liquidation or reorganization as a debtor or any modification or alteration of the rights of its creditors or (iii) assuming custody of, or appointing a receiver or other custodian for, all or a substantial portion of its property; or

(e) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint, or consent to the appointment of, or suffer to exist a receiver or other custodian for, all or a substantial portion of its property.

8.2. Certain Actions Following an Event of Default. If any one or more Events of Default shall occur and be continuing, then in each and every such case:

8.2.1. Terminate Obligation to Extend Credit. The Agent on behalf of the Lenders may (and upon written request of the Required Lenders the Agent shall) terminate the obligations of the Lenders to make any further extensions of credit under the Credit Documents by furnishing notice of such termination to the Borrowers.

8.2.2. Specific Performance: Exercise of Rights. The Agent on behalf of the Lenders may (and upon written request of the Required Lenders the Agent shall) proceed to protect and enforce the Lenders' rights by suit in equity, action at law and/or other appropriate proceeding, either for specific performance of any covenant or condition contained in this Agreement or any other Credit Document or in any

instrument or assignment delivered to the Lenders pursuant to this Agreement or any other Credit Document, or in aid of the exercise of any power granted in this Agreement or any other Credit Document or any such instrument or assignment.

8.2.3. Acceleration. The Agent on behalf of the Lenders may (and upon written request of the Required Lenders the Agent shall) by notice in writing to the Borrowers declare all or any part of the unpaid balance of the Credit Obligations then outstanding to be immediately due and payable and (b) require Borrower immediately to deposit with the Agent in cash an amount equal to the then Letter of Credit Exposure issued for the account of such Borrower (which cash shall be held and applied as provided in Section 4.5), and thereupon such unpaid balance or part thereof and such amount equal to the Letter of Credit Exposure shall become so due and payable without presentation, protest or further demand or notice of any kind, all of which are hereby expressly waived; provided, however, that if a Bankruptcy Default shall have occurred, the unpaid balance of the Credit Obligations shall automatically become immediately due and payable.

8.2.4. Enforcement of Payment; Credit Security; Setoff. The Agent on behalf of the Lenders may (and upon written request of the Required Lenders the Agent shall) proceed to enforce payment of the Credit Obligations in such manner as it may elect, to cancel, or instruct other Letter of Credit Issuers to cancel, any outstanding Letters of Credit which permit the cancellation thereof and to realize upon any and all rights in the Credit Security. The Lenders may offset and apply toward the payment of the Credit Obligations (and/or toward the curing of any Event of Default) any Indebtedness from the Lenders to the respective Obligors, including any Indebtedness represented by deposits in any account maintained with the Lenders, regardless of the adequacy of any security for the Credit Obligations. The Lenders shall have no duty to determine the adequacy of any such security in connection with any such offset.

8.2.5. Cumulative Remedies. To the extent not prohibited by applicable law which cannot be waived, all of the Lenders' rights hereunder and under each other Credit Document shall be cumulative.

8.3. Annulment of Defaults. Once an Event of Default has occurred, such Event of Default shall be deemed to exist and be continuing for all purposes of the Credit Documents until the Required Lenders or the Agent (with the consent of the Required Lenders) shall have waived such Event of Default in writing, stated in writing that the same has been cured to such Lenders' reasonable satisfaction or entered into an amendment to this Agreement which by its express terms cures such Event of Default, at which time such Event of Default shall no longer be deemed to exist or to have continued. No such action by the Lenders or the Agent shall extend to or affect any subsequent Event of Default or impair any rights of the Lenders upon the occurrence thereof. The making of any extension of credit during the existence of any Default or Event of Default shall not constitute a waiver thereof.

8.4. Waivers. To the extent that such waiver is not prohibited by the provisions of applicable law that cannot be waived, each of the Company and the other Obligors waives:

(a) all presentments, demands for performance, notices of nonperformance (except to the extent required by this Agreement or any other Credit Document), protests, notices of protest and notices of dishonor;

(b) any requirement of diligence or promptness on the part of any Lender in the enforcement of its rights under this Agreement, the Notes or any other Credit Document;

(c) any and all notices of every kind and description which may be required to be given by any statute or rule of law; and

(d) any defense (other than indefeasible payment in full) which it may now or hereafter have with respect to its liability under this Agreement, the Notes or any other Credit Document or with respect to the Credit Obligations.

9. Guarantees.

9.1. Guarantees of Credit Obligations. Each Guarantor unconditionally jointly and severally guarantees that the Credit Obligations will be performed and will be paid in full in cash when due and payable, whether at the stated or accelerated maturity thereof or otherwise, this guarantee being a guarantee of payment and not of collectability and being absolute and in no way conditional or contingent. In the event any part of the Credit Obligations shall not have been so paid in full when due and payable, each Guarantor will, immediately upon notice by the Agent or, without notice, immediately upon the occurrence of a Bankruptcy Default, pay or cause to be paid to the Agent for the account of each Lender in accordance with the Lenders' respective Percentage Interests the amount of such Credit Obligations which are then due and payable and unpaid. The obligations of each Guarantor hereunder shall not be affected by the invalidity, unenforceability or irrecoverability of any of the Credit Obligations as against any other Obligor, any other guarantor thereof or any other Person. For purposes hereof, the Credit Obligations shall be due and payable when and as the same shall be due and payable under the terms of this Agreement or any other Credit Document notwithstanding the fact that the collection or enforcement thereof may be stayed or enjoined under the Bankruptcy Code or other applicable law.

9.2. Continuing Obligation. Each Guarantor acknowledges that the Lenders and the Agent have entered into this Agreement (and, to the extent that the Lenders or the Agent may enter into any future Credit Document, will have entered into such agreement) in reliance on this Section 9 being a continuing irrevocable agreement, and such Guarantor agrees that its guarantee may not be revoked in whole or in part. The obligations of the Guarantors

hereunder shall terminate when the commitment of the Lenders to extend credit under this Agreement shall have terminated and all of the Credit Obligations have been indefeasibly paid in full in cash and discharged; provided, however, that:

(a) if a claim is made upon the Lenders at any time for repayment or recovery of any amounts or any property received by the Lenders from any source on account of any of the Credit Obligations and the Lenders repay or return any amounts or property so received (including interest thereon to the extent required to be paid by the Lenders) or

(b) if the Lenders become liable for any part of such claim by reason of (i) any judgment or order of any court or administrative authority having competent jurisdiction, or (ii) any settlement or compromise of any such claim,

then the Guarantors shall remain liable under this Agreement for the amounts so repaid or property so returned or the amounts for which the Lenders become liable (such amounts being deemed part of the Credit Obligations) to the same extent as if such amounts or property had never been received by the Lenders, notwithstanding any termination hereof or the cancellation of any instrument or agreement evidencing any of the Credit Obligations. Not later than five days after receipt of notice from the Agent, the Guarantors shall jointly and severally pay to the Agent an amount equal to the amount of such repayment or return for which the Lenders have so become liable. Payments hereunder by a Guarantor may be required by the Agent on any number of occasions.

9.3. Waivers with Respect to Credit Obligations. Except to the extent expressly required by this Agreement or any other Credit Document, each Guarantor waives, to the fullest extent permitted by the provisions of applicable law, all of the following (including all defenses, counterclaims and other rights of any nature based upon any of the following):

(a) presentment, demand for payment and protest of nonpayment of any of the Credit Obligations, and notice of protest, dishonor or nonperformance;

(b) notice of acceptance of this guarantee and notice that credit has been extended in reliance on such Guarantor's guarantee of the Credit Obligations;

(c) notice of any Default or of any inability to enforce performance of the obligations of any Borrower or any other Person with respect to any Credit Document, or notice of any acceleration of maturity of any Credit Obligations;

(d) demand for performance or observance of, and any enforcement of any provision of, the Credit Obligations, this Agreement or any other Credit Document or any pursuit or exhaustion of rights or remedies with respect to any Credit Security or against any Borrower or any other Person in respect of the Credit Obligations or any

requirement of diligence or promptness on the part of the Agent or the Lenders in connection with any of the foregoing;

(e) any act or omission on the part of the Agent or the Lenders which may impair or prejudice such rights of the Guarantor, including rights to obtain subrogation, exoneration, contribution, indemnification or any other reimbursement from any Borrower or any other Person, or otherwise operate as a deemed release or discharge;

(f) failure or delay to perfect or continue the perfection of any security interest in any Credit Security or any other action which harms or impairs the value of, or any failure to preserve or protect the value of, any Credit Security;

(g) any statute of limitations or any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than the obligation of the principal;

(h) any "single action" or "anti-deficiency" law which would otherwise prevent the Lenders from bringing any action, including any claim for a deficiency, against such Guarantor before or after the Agent's or the Lenders' commencement or completion of any foreclosure action, whether judicially, by exercise of power of sale or otherwise, or any other law which would otherwise require any election of remedies by the Agent or the Lenders;

(i) all demands and notices of every kind with respect to the foregoing; and

(j) to the extent not referred to above, all defenses (other than payment) which any Borrower or such Guarantor may now or hereafter have to the payment of the Credit Obligations, together with all suretyship defenses, which could otherwise be asserted by such Guarantor.

Each Guarantor represents that it has obtained the advice of counsel as to the extent to which suretyship and other defenses may be available to it with respect to its obligations hereunder in the absence of the waivers contained in this Section 9.3.

No delay or omission on the part of the Agent or the Lenders in exercising any right under this Agreement or any other Credit Document or under any guarantee of the Credit Obligations or with respect to the Credit Security shall operate as a waiver or relinquishment of such right. No action which the Agent, the Lenders or any Borrower may take or refrain from taking with respect to the Credit Obligations, including any amendments thereto or modifications thereof or waivers with respect thereto, shall affect the provisions of this Agreement or the obligations of any Guarantor hereunder. None of the Lenders' or the Agent's rights shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Obligor, or by any noncompliance by any Borrower with the terms,

provisions and covenants of this Agreement, regardless of any knowledge thereof which the Agent or the Lenders may have or otherwise be charged with.

9.4. Lenders' Power to Waive, etc. Each Guarantor grants to the Lenders full power in their discretion, without notice to or consent of such Guarantor, such notice and consent being expressly waived to the fullest extent permitted by applicable law, and without in any way affecting the liability of any Guarantor under its guarantee hereunder:

(a) to waive compliance with, and any Default under, and to consent to any amendment to or modification or termination of any terms or provisions of, or to give any waiver in respect of, this Agreement, any other Credit Document, the Credit Security, the Credit Obligations or any guarantee thereof (each as from time to time in effect);

(b) to grant any extensions of the Credit Obligations (for any duration), and any other indulgence with respect thereto, and to effect any total or partial release (by operation of law or otherwise), discharge, compromise or settlement with respect to the obligations of the Obligors or any other Person in respect of the Credit Obligations, whether or not rights against any Guarantor under this Agreement are reserved in connection therewith;

(c) to take security in any form for the Credit Obligations, and to consent to the addition to or the substitution, exchange, release or other disposition of, or to deal in any other manner with, any part of any property contained in the Credit Security whether or not the property, if any, received upon the exercise of such power shall be of a character or value the same as or different from the character or value of any property disposed of, and to obtain, modify or release any present or future guarantees of the Credit Obligations and to proceed against any of the Credit Security or such guarantees in any order;

(d) to collect or liquidate or realize upon any of the Credit Obligations or the Credit Security in any manner or to refrain from collecting or liquidating or realizing upon any of the Credit Obligations or the Credit Security; and

(e) to extend credit under this Agreement, any other Credit Document or otherwise in such amount as the Lenders may determine, including increasing the amount of credit and the interest rate and fees with respect thereto, even though the condition of the Obligors (financial or otherwise on an individual or Consolidated basis) may have deteriorated since the date hereof.

9.5. Information Regarding the Borrowers, etc. Each Guarantor has made such investigation as it deems desirable of the risks undertaken by it in entering into this Agreement and is fully satisfied that it understands all such risks. Each Guarantor waives any obligation

which may now or hereafter exist on the part of the Agent or the Lenders to inform it of the risks being undertaken by entering into this Agreement or of any changes in such risks and, from and after the date hereof, each Guarantor undertakes to keep itself informed of such risks and any changes therein. Each Guarantor expressly waives any duty which may now or hereafter exist on the part of the Agent or the Lenders to disclose to the Guarantor any matter related to the business, operations, character, collateral, credit, condition (financial or otherwise), income or prospects of the Company and any of its Subsidiaries and Affiliates or their properties or management, whether now or hereafter known by the Agent or the Lenders. Each Guarantor represents, warrants and agrees that it assumes sole responsibility for obtaining from the Company and its Subsidiaries all information concerning this Agreement and all other Credit Documents and all other information as to the Company and any of its Subsidiaries and Affiliates or their properties or management as such Guarantor deems necessary or desirable.

9.6. Certain Guarantor Representations. Each Guarantor represents that:

(a) it is in its best interest and in pursuit of the purposes for which it was organized as an integral part of the business conducted and proposed to be conducted by the Company and its Subsidiaries, and reasonably necessary and convenient in connection with the conduct of the business conducted and proposed to be conducted by them, to induce the Lenders to enter into this Agreement and to extend credit to the Borrowers by making the guarantees contemplated by this Section 9;

(b) the credit available hereunder will directly or indirectly inure to its benefit;

(c) by virtue of the foregoing it is receiving at least reasonably equivalent value from the Lenders for its guarantee;

(d) it will not be rendered insolvent as a result of entering into this Agreement;

(e) after giving effect to the transactions contemplated by this Agreement, it will have assets having a fair saleable value in excess of the amount required to pay its probable liability on its existing debts as they become absolute and matured;

(f) it has, and will have, access to adequate capital for the conduct of its business;

(g) it has the ability to pay its debts from time to time incurred in connection therewith as such debts mature; and

(h) it has been advised by the Agent that the Lenders are unwilling to enter into this Agreement unless the Guarantees contemplated by this Section 9 are given by it.

9.7. Subrogation. Each Guarantor agrees that, until the Credit Obligations are paid in full, it will not exercise any right of reimbursement, subrogation, contribution, offset or other claims against the other Obligors arising by contract or operation of law in connection with any payment made or required to be made by such Guarantor under this Agreement. After the payment in full of the Credit Obligations, each Guarantor shall be entitled to exercise against the Borrowers and the other Obligors all such rights of reimbursement, subrogation, contribution and offset, and all such other claims, to the fullest extent permitted by law.

9.8. Subordination. Each Guarantor covenants and agrees that, after the occurrence of an Event of Default, all Indebtedness, claims and liabilities then or thereafter owing by Borrower or any other Obligor to such Guarantor whether arising hereunder or otherwise are subordinated to the prior payment in full of the Credit Obligations and are so subordinated as a claim against such Obligor or any of its assets, whether such claim be in the ordinary course of business or in the event of voluntary or involuntary liquidation, dissolution, insolvency or bankruptcy, so that no payment with respect to any such Indebtedness, claim or liability will be made or received while any Event of Default exists.

9.9. Future Subsidiaries; Further Assurances. The Company will from time to time cause each of (a) any present Wholly Owned Subsidiary which is a Non-Operating Subsidiary before becoming an Operating Subsidiary or (b) any future Wholly Owned Subsidiary that is an Operating Subsidiary before becoming a Wholly Owned Subsidiary, to join this Agreement as a Guarantor pursuant to a joinder agreement in form and substance satisfactory to the Agent. Each Guarantor will, promptly upon the request of the Agent from time to time, execute, acknowledge and deliver, and file and record, all such instruments, and take all such action, as the Agent deems necessary or advisable to carry out the intent and purposes of this Section 9.

10. Security.

10.1. Credit Security. As security for the payment and performance of the Credit Obligations, each Obligor mortgages, pledges and collaterally grants and assigns to the Agent for the benefit of the Lenders and the holders from time to time of any Credit Obligation, and creates a security interest in favor of the Agent for the benefit of the Lenders and such holders in, all of such Obligor's right, title and interest in and to (but none of its obligations or liabilities with respect to) the items and types of present and future property described in Sections 10.1.1 through 10.1.15 (subject, however, to Section 10.1.16), whether now owned or hereafter acquired, all of which shall be included in the term "Credit Security":

10.1.1. Tangible Personal Property. All goods, machinery, equipment, inventory and all other tangible personal property of any nature whatsoever, wherever located, including ice cream, manufactured dairy shelf products, fluid and cultured dairy products, juice products, crops, raw materials, work in process, finished parts

and products, supplies, spare parts, replacement parts, merchandise for resale, computers, tapes, disks and computer equipment.

10.1.2. Rights to Payment of Money. All rights to receive the payment of money, including accounts (as defined in the UCC) and receivables, rights to receive the payment of money under contracts, franchises, licenses, permits, subscriptions or other agreements (whether or not earned by performance), and rights to receive payments from any other source. All such rights, other than Financing Debt, are collectively referred to as "Accounts").

10.1.3. Intangibles. All of the following (to the extent not included in Section 10.1.2): (a) contracts, franchises, licenses, permits, subscriptions and other agreements and all rights thereunder; (b) rights granted by others which permit the Obligor to sell or market items of personal property; (c) United States and foreign common law and statutory copyrights and rights in literary property and rights and licenses thereunder; (d) trade names, United States and foreign trademarks, service marks, any registrations thereof and any related good will; (e) United States and foreign patents and patent applications; (f) computer software, designs, models, know-how, trade secrets, rights in proprietary information, formulae, customer lists, backlog, orders, subscriptions, royalties, catalogues, sales material, documents, good will, inventions and processes; (g) judgments, causes in action and claims, whether or not inchoate, and (h) all other general intangibles (as defined in the UCC) and intangible property and all rights thereunder.

10.1.4. Pledged Stock. (a) All shares of capital stock or other evidence of beneficial interest in any corporation, business trust or limited liability company, (b) all limited partnership interests in any limited partnership, (c) all general partnership interests in any general partnership, (d) all joint venture interests in any joint venture and (e) all options, warrants and similar rights to acquire such capital stock or such interests. All such capital stock, interests, options, warrants and other rights are collectively referred to as the "Pledged Stock".

10.1.5. Pledged Rights. All rights to receive profits or surplus of, or other Distributions (including income, return of capital and liquidating distributions) from, any partnership or joint venture, including any distributions by any such Person to partners or joint venturers. All such rights are collectively referred to as the "Pledged Rights".

10.1.6. Pledged Indebtedness. All Financing Debt from time to time owing to such Obligor from any Person. All such Financing Debt is collectively referred to as the "Pledged Indebtedness").

10.1.7. Chattel Paper, Instruments and Documents. All chattel paper (as defined in the UCC), non-negotiable instruments, negotiable instruments (as defined in the UCC) and documents (as defined in the UCC).

10.1.8. Leases. All leases of personal property, whether the Obligor is the lessor or the lessee thereunder.

10.1.9. Deposit Accounts. All general or special deposit accounts, including any demand, time, savings, passbook or similar account maintained by the Obligor with any bank, trust company, savings and loan association, credit union or similar organization, and all money, cash and cash equivalents of the Obligor, whether or not deposited in any such deposit account.

10.1.10. Collateral. All collateral granted by third party obligors to, or held by, the Obligor with respect to the Accounts, Pledged Securities, chattel paper, instruments, leases and other items of Credit Security.

10.1.11. Books and Records. All books and records, including books of account and ledgers of every kind and nature, all electronically recorded data (including all computer programs, disks, tapes, electronic data processing media and software used in connection with maintaining the Obligor's books and records), all files and correspondence and all receptacles and containers for the foregoing.

10.1.12. Real Property. All real property and immovable property and fixtures, leasehold interests and easements wherever located, together with any and all estates and interests of the Obligor therein, including lands, buildings, stores, manufacturing facilities and other structures erected on such property, fixed plant, fixed equipment and all permits, rights, licenses, benefits and other interests of any kind or nature whatsoever in respect of such real and immovable property.

10.1.13. Insurance. All insurance policies which insure against any loss or damage to any other Credit Security.

10.1.14. All Other Property. All other property, assets and items of value of every kind and nature, tangible, or intangible, absolute or contingent, legal or equitable.

10.1.15. Proceeds and Products. All proceeds, including insurance proceeds, and products of the items of Credit Security described or referred to in Sections 10.1.1 through 10.1.14 and, to the extent not included in the foregoing, all Distributions and rights of redemption or rescission with respect to the Pledged Securities.

10.1.16. Excluded Property. Notwithstanding Sections 10.1.1 through 10.1.15, the payment and performance of the Credit Obligations shall not be secured by:

(a) any rights arising under, and any property, tangible or intangible, acquired under, any agreement which validly prohibits the creation by such Obligor of a security interest in such rights or property;

(b) any rights or property to the extent that any valid and enforceable law or regulation applicable to such rights or property prohibits the creation of a security interest therein;

(c) more than 66% of the outstanding stock or other equity in any foreign Subsidiary; or

(d) the items described in Section 10.2 (but only in the event and to the extent the Agent has not specified that such items be included in the Credit Security pursuant thereto).

In addition, in the event the Company and its Subsidiaries dispose of assets to third parties in a transaction permitted by Section 6.11, such assets, but not the proceeds or products thereof, shall automatically be released from the Lien of the Credit Security.

10.2. Additional Credit Security. As additional Credit Security, each Obligor covenants that it will mortgage, pledge and collaterally grant and assign to the Agent for the benefit of the Lenders and the holders from time to time of any Credit Obligation, and will create a security interest in favor of the Agent for the benefit of the Lenders and such holders in, all of its right, title and interest in and to (but none of its obligations with respect to) all present and future motor vehicles and aircraft as the Agent may from time to time specify by notice to the Borrowers, whether now owned or hereafter acquired, and the proceeds and products thereof, except to the extent consisting of rights or property of the types referred to in Section 10.1.16, subject only to Liens permitted by Section 10.3.4, all of which shall thereupon be included in the term "Credit Security"

10.3. Representations, Warranties and Covenants with Respect to Credit Security. Each Obligor represents, warrants and covenants that:

10.3.1. Pledged Stock. All shares of capital stock, limited partnership interests and similar securities included in the Pledged Stock are and shall be at all times duly authorized, validly issued, fully paid and (in the case of capital stock and limited partnership interests) nonassessable. Each Obligor will deliver to the Agent certificates representing the Pledged Stock, registered, if the Agent so requests, in the name of the Agent or its nominee, as pledgee, or accompanied by a stock transfer power executed

in blank and, if the Agent so requests, with the signature guaranteed, all in form and manner satisfactory to the Agent. Pledged Stock that is not evidenced by a certificate will be registered in the Agent's name as pledgee on the issuer's records, all in form and substance satisfactory to the Agent. The Agent may transfer into its name or the name of its nominee, as pledgee, any Pledged Securities. In the event the Pledged Stock includes any Margin Stock, the Obligors will furnish to the Lenders Federal Reserve Form U-1 and take such other action as the Agent may request to ensure compliance with applicable laws.

10.3.2. Accounts and Pledged Indebtedness. All Accounts and Pledged Indebtedness owed by any Affiliate of the Obligors shall be on open account and shall not be evidenced by any note or other instrument; provided, however, that all Pledged Indebtedness owed by any Affiliate of any Obligor shall, if the Agent requests, be evidenced by a promissory note, which note shall be delivered to the Agent after having been endorsed in blank. Each Obligor will, immediately upon the receipt thereof, deliver to the Agent any promissory note or similar instrument representing any Pledged Indebtedness, after having endorsed such promissory note or instrument in blank.

10.3.3. Government Contracts Receivables.

(a) Any Obligor's right, title and interest in any Government Receivables shall constitute Accounts for all purposes hereunder; provided, however, that nothing in this Agreement shall obligate any Obligor to comply with FACA except if requested by the Agent if an Event of Default shall have occurred, or as set forth below. If at any time either (i) Government Receivables owing from one account debtor constitute more than 3% of total Accounts (or Government Receivables owing from one account debtor having a term or payable over a period of more than 90 days constitute more than 1% of total Accounts) or (ii) all Government Receivables constitute more than 5% of total Accounts, the Company shall give prompt notice thereof to the Agent and, if requested by the Agent, take such actions required to comply with FACA with respect to all Government Receivables referred to in clause (i) above, or in the case of clause (ii), as necessary to ensure that not more than 5% of total Accounts consist of Government Receivables as to which there has been no compliance with FACA.

(b) No contracts of the Company and its Subsidiaries with government contractors provide that payments to the Company or its Subsidiaries, as the case may be, are contingent or dependent upon the government contractor receiving payment from the federal government.

10.3.4. No Liens or Restrictions on Transfer or Change of Control. All Credit Security shall be free and clear of any Liens and restrictions on the transfer thereof, including contractual provisions which prohibit the assignment of rights under contracts

(except to the extent necessary for such contracts entered into in the ordinary course of business), except for Liens permitted by Section 6.8. Without limiting the generality of the foregoing, each Obligor will exclude from material contracts to which it becomes a party after the date hereof provisions that would prevent such Obligor from creating a security interest in such contract or any property acquired thereunder as contemplated hereby. None of the Pledged Stock is subject to any option to purchase or similar rights of any Person. Except with the written consent of the Agent, no Obligor is, and none of them will be, party to or bound by any agreement, instrument, deed or lease that restricts the change of control or ownership, or the creation of a security interest in the ownership, of the Company or any of its Subsidiaries.

10.3.5. Location of Credit Security. Each Obligor shall at all times keep its records concerning the Accounts at its chief executive office and principal place of business, which office and place of business shall be set forth in Exhibit 7.1, or, so long as such Obligor shall have taken all steps reasonably necessary to perfect the Lenders' security interest in the Credit Security with respect to such new address, at such other address as such Obligor may specify by notice actually received by the Agent not less than 10 Banking Days prior to such change of address. No Obligor shall at any time keep tangible personal property of the type referred to in Section 10.1.1 in any jurisdiction other than the jurisdictions specified in Exhibit 7.1, or, so long as such Obligor shall have taken all steps reasonably necessary to perfect the Lenders' security interest in the Credit Security with respect to such other jurisdiction, other jurisdictions as such Obligor may specify by notice actually received by the Agent not less than 10 days prior to moving such tangible personal property into such other jurisdiction.

10.3.6. Trade Names. No Obligor will adopt or do business under any name other than its name or names designated in Exhibit 7.1 or any other name specified by notice actually received by the Agent not less than 10 Banking Days prior to the conduct of business under such additional name. Since its incorporation, no Obligor has changed its corporate name or adopted or conducted business under any trade name other than a name specified on Exhibit 7.1.

10.3.7. Insurance. Each insurance policy included in, or insuring against loss or damage to, the Credit Security shall name the Agent as additional insured party or as loss payee. No such insurance policy shall be cancelable or subject to termination or reduction in amount or scope of coverage until after at least 30 days' prior written notice from the insurer to the Agent. At least 10 days prior to the expiration of any such insurance policy for any reason, each Obligor shall furnish the Agent with a renewal or replacement policy and evidence of payment of the premiums therefor when due. Each Obligor grants to the Agent full power and authority as its attorney-in-fact, effective upon notice to such Obligor after the occurrence of an Event of Default to obtain, cancel, transfer, adjust and settle any such insurance policy and to endorse any

drafts thereon. Any amounts that the Agent receives under any such policy (including return of unearned premiums) insuring against loss or damage to the Credit Security prior to the occurrence of an Event of Default shall be delivered to the Obligors for the replacement, restoration and maintenance of the Credit Security. Any such amounts that the Agent receives after the occurrence of an Event of Default shall, at the Agent's option, be applied to payment of the Credit Obligations or to the replacement, restoration and maintenance of the Credit Security. If any Obligor fails to provide insurance as required by this Agreement, the Agent may, at its option, purchase such insurance, and such Obligor will on demand pay to the Agent the amount of any payments made by the Agent or the Lenders for such purpose, together with interest on the amounts so disbursed from five Banking Days after the date demanded until payment in full thereof at the Overdue Rate.

10.3.8. Modifications to Credit Security. Except with the prior written consent of the Agent, no Obligor shall amend or modify, or waive any of its rights under or with respect to, any material Accounts, general intangibles, Pledged Securities or leases if the effect of such amendment, modification or waiver would be to reduce the amount of any such items or to extend the time of payment thereof, to waive any default by any other party thereto, or to waive or impair any remedies of the Obligors or the Lenders under or with respect to any such Accounts, general intangibles, Pledged Securities or leases, in each case other than consistent with past practice in the ordinary course of business and on an arm's-length basis. Each Obligor will promptly give the Agent written notice of any request by any Person for any material credit or adjustment with respect to any Account, general intangible, Pledged Securities or leases.

10.3.9. Delivery of Documents. At the Agent's request, each Obligor shall deliver to the Agent, promptly upon such Obligor's receipt thereof, copies of any agreements, instruments, documents or invoices comprising or relating to the Credit Security. Pending such request, such Obligor shall keep such items at its chief executive office and principal place of business (as specified pursuant to Section 10.3.5).

10.3.10. Perfection of Credit Security. Upon the Agent's request from time to time, the Obligors will execute and deliver, and file and record in the proper filing and recording places, all such instruments, including financing statements, collateral assignments of copyrights, trademarks and patents, mortgages or deeds of trust, and notations on certificates of title and will take all such other action, as the Agent deems advisable for confirming to it the Credit Security or to carry out any other purposes of this Agreement or any other Credit Document.

10.4. Administration of Credit Security. The Credit Security shall be administered as follows, and if an Event of Default shall have occurred, Section 10.5 shall also apply.

10.4.1. Use of Credit Security. Until the Agent provides written notice to the contrary, each Obligor may use, commingle and dispose of any part of the Credit Security in the ordinary course of its business, all subject to Section 6.11.

10.4.2. Deposits; Accounts. Each Obligor shall keep all its bank and deposit accounts only with the Agent, other Lenders or the financial institutions listed on Exhibit 10.4.2. To the extent specified by prior written notice from the Agent, whether prior to or after the occurrence of an Event of Default, all sums collected or received and all property recovered or possessed by any Obligor in connection with any Credit Security shall be received and held by such Obligor in trust for and on the Lenders' behalf, shall be segregated from the assets and funds of such Obligor, and shall be delivered to the Agent for the benefit of the Lenders. Without limiting the foregoing, upon the Agent's request, each Obligor shall institute depository collateral accounts, lock-box receipts and similar credit procedures providing for the direct receipt of payment on Accounts at a separate address, the segregation of such proceeds for direct payment to the Agent and appropriate notices to Account debtors. Upon the Agent's request, each Obligor will cause its accounting books and records to be marked with such legends and segregated in such manner as the Agent may specify.

10.4.3. Pledged Securities.

(a) (i) Until an Event of Default shall occur, the respective Obligors shall be entitled, to the extent permitted by the Credit Documents, to receive all Distributions on or with respect to the Pledged Securities (other than Distributions constituting additional Pledged Securities). All Distributions constituting additional Pledged Securities will be retained by the Agent (or if received by any Obligor shall be held by such Person in trust and shall be immediately delivered by such Person to the Agent in the original form received, endorsed in blank) and held by the Agent as part of the Credit Security.

(ii) If an Event of Default shall have occurred, all Distributions on or with respect to the Pledged Securities shall be retained by the Agent (or if received by any Obligor shall be held by such Person in trust and shall be immediately delivered by it to the Agent in the original form received, endorsed in blank) and held by the Agent as part of the Credit Security or applied by the Agent to the payment of the Credit Obligations in accordance with Section 10.5.6.

(b) (i) Until an Event of Default shall occur, the respective Obligor shall be entitled to vote or consent with respect to the Pledged Securities in any manner not inconsistent with the terms of any Credit Document, and the Agent will, if so requested, execute appropriate revocable proxies therefor.

(ii) If an Event of Default shall have occurred, if and to the extent that the Agent shall so notify in writing the Obligor pledging the Pledged Securities in question, only the Agent shall be entitled to vote or consent or take any other action with respect to the Pledged Securities (and any Obligor will, if so requested, execute or cause to be executed appropriate proxies therefor).

10.5. Right to Realize upon Credit Security. Except to the extent prohibited by applicable law that cannot be waived, this Section 10.5 shall govern the Lenders' right to realize upon the Credit Security if any Event of Default shall have occurred. The provisions of this Section 10.5 are in addition to any rights and remedies available at law or in equity and in addition to the provisions of any other Credit Document. In the case of a conflict between this Section 10.5 and any other Credit Document, this Section 10.5 shall govern: provided, however, that in the case of a conflict between this Section 10.5 and any Mortgage, such Mortgage shall govern.

10.5.1. Assembly of Credit Security: Receiver. Each of the Obligors shall, upon the Agent's request, assemble the Credit Security and otherwise make it available to the Agent. The Agent may have a receiver appointed for all or any portion of the Obligor's assets or business which constitutes the Credit Security in order to manage, protect, preserve, sell and otherwise dispose of all or any portion of the Credit Security in accordance with the terms of the Credit Documents, to continue the operations of the Obligors and to collect all revenues and profits therefrom to be applied to the payment of the Credit Obligations, including the compensation and expenses of such receiver.

10.5.2. General Authority. To the extent specified in written notice from the Agent to the Obligor in question, each Obligor grants the Agent full and exclusive power and authority, subject to the other terms hereof and applicable law, to take any of the following actions (for the sole benefit of the Agent on behalf of the Lenders and the holders from time to time of any Credit Obligations, but at the Obligor's expense):

(a) to ask for, demand, take, collect, sue for and receive all payments in respect of any Accounts, general intangibles, Pledged Securities or leases which the Obligor could otherwise ask for, demand, take, collect, sue for and receive for its own use;

(b) to extend the time of payment of any Accounts, general intangibles, Pledged Securities or leases and to make any allowance or other adjustment with respect thereto;

(c) to settle, compromise, prosecute or defend any action or proceeding with respect to any Accounts, general intangibles, Pledged Securities or leases and to enforce all rights and remedies thereunder which the Obligor could otherwise enforce;

(d) to enforce the payment of any Accounts, general intangibles, Pledged Securities or leases, either in the name of the Obligor or in its own name, and to endorse the name of the Obligor on all checks, drafts, money orders and other instruments tendered to or received in payment of any Credit Security;

(e) to notify the third party payor with respect to any Accounts, general intangibles, Pledged Securities or leases of the existence of the security interest created hereby and to cause all payments in respect thereof thereafter to be made directly to the Agent; provided, however, that whether or not the Agent shall have so notified such payor, the Obligors will at their expense render all reasonable assistance to the Agent in collecting such items and in enforcing claims thereon; and

(f) to sell, transfer, assign or otherwise deal in or with any Credit Security or the proceeds thereof, as fully as any Obligor otherwise could do.

10.5.3. Marshaling, etc. Neither the Agent nor the Lenders shall be required to make any demand upon, or pursue or exhaust any of their rights or remedies against, any Obligor or any other guarantor, pledgor or any other Person with respect to the payment of the Credit Obligations or to pursue or exhaust any of their rights or remedies with respect to any collateral therefor or any direct or indirect guarantee thereof. Neither the Agent nor the Lenders shall be required to marshal the Credit Security or any guarantee of the Credit Obligations or to resort to the Credit Security or any such guarantee in any particular order, and all of its and their rights hereunder or under any other Credit Document shall be cumulative. To the extent it may lawfully do so, each of the Obligors absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Agent or the Lenders, any valuation, stay, appraisal, extension, redemption or similar laws now or hereafter existing which, but for this provision, might be applicable to the sale of any Credit Security made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Agreement, or otherwise. Without limiting the generality of the foregoing, each of the Obligors (a) agrees that it will not invoke or utilize any law which might prevent, cause a delay in or otherwise impede the enforcement of the rights of the Agent or any Lender in the Credit Security, (b) waives all such laws, and (c) agrees that it will not invoke or raise as a defense to any enforcement by the Agent or any Lender of any rights and remedies relating to the Credit Security or the Credit Obligations any legal or contractual requirement with which the Agent or any Lender may have in good faith failed to comply. In addition, each of the Obligors waives any right to prior notice (except to the extent expressly

required by this Agreement) or judicial hearing in connection with foreclosure on or disposition of any Credit Security, including any such right which such Obligor would otherwise have under the Constitution of the United States of America, any state or territory thereof or any other jurisdiction.

10.5.4. Sales of Credit Security. All or any part of the Credit Security may be sold for cash or other value in any number of lots at public or private sale, without demand, advertisement or notice; provided, however, that unless the Credit Security to be sold threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Agent shall give the Obligor granting the security interest in such Credit Security 10 days' prior written notice of the time and place of any public sale, or the time after which a private sale may be made, which notice each of the Obligors and the Lenders hereby agrees to be reasonable. At any sale or sales of Credit Security, any Lender or any of its respective officers acting on its behalf, or such Lender's assigns, may bid for and purchase all or any part of the property and rights so sold, may use all or any portion of the Credit Obligations owed to such Lender as payment for the property or rights so purchased, and upon compliance with the terms of such sale may hold and dispose of such property and rights without further accountability to the respective Obligor, except for the proceeds of such sale or sales pursuant to Section 10.5.6. The Obligors acknowledge that any such sale will be made by the Agent on an "as is" basis with disclaimers of all warranties, whether express or implied. The respective Obligors will execute and deliver or cause to be executed and delivered such instruments, documents, assignments, waivers, certificates and affidavits, will supply or cause to be supplied such further information and will take such further action as the Agent shall request in connection with any such sale.

10.5.5. Sale without Registration. If, at any time when the Agent shall determine to exercise its rights hereunder to sell all or part of the securities included in the Credit Security, the securities in question shall not be effectively registered under the Securities Act (or other applicable law), the Agent may, in its sole discretion, sell such securities by private or other sale not requiring such registration in such manner and in such circumstances as the Agent may deem necessary or advisable in order that such sale may be effected in accordance with applicable securities laws without such registration and the related delays, uncertainty and expense. Without limiting the generality of the foregoing, in any event the Agent may, in its sole discretion, (a) approach and negotiate with a single purchaser or one or more possible purchasers to effect such sale, (b) restrict such sale to one or more purchasers each of whom will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such securities and (c) cause to be placed on certificates representing the securities in question a legend to the effect that such securities have not been registered under the Securities Act (or other applicable law) and may not be disposed of in violation of the provisions thereof. Each of the Obligors agrees that such manner of disposition is commercially reasonable, that

it will upon the Agent's request give any such purchaser access to such information regarding the issuer of the securities in question as the Agent may reasonably request and that the Agent and the Lenders shall not incur any responsibility for selling all or part of the securities included in the Credit Security at any private or other sale not requiring such registration, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until after registration under the Securities Act (or other applicable law) or until made in compliance with certain other rules or exemptions from the registration provisions under the Securities Act (or other applicable law). Each of the Obligors acknowledges that no adequate remedy at law exists for breach by it of this Section 10.5.5 and that such breach would not be adequately compensable in damages and therefore agrees that this Section 10.5.5 may be specifically enforced.

10.5.6. Application of Proceeds. The proceeds of all sales and collections in respect of any Credit Security or other assets of any Obligor, all funds collected from the Obligors and any cash contained in the Credit Security, the application of which is not otherwise specifically provided for herein, shall be applied as follows:

First, to the payment of the costs and expenses of such sales and collections, the reasonable expenses of the Agent and the reasonable fees and expenses of its special counsel;

Second, any surplus then remaining to the payment of the Credit Obligations (other than in respect of Interest Rate Protection Agreements) in such order and manner as the Agent may in its sole discretion determine: provided, however, that any such payment of Credit Obligations owed to all Lenders shall be pro rata in accordance with the respective Percentage Interests of the Lenders in the Credit Obligations;

Third, any surplus then remaining to the payment of the Credit Obligations in respect of Interest Rate Protection Agreements with any Lender in such order and manner as the Agent may in its sole discretion determine; and

Fourth, any surplus then remaining shall be paid to the Obligors, subject, however, to the rights of the holder of any then existing Lien of which the Agent has actual notice.

10.6. Custody of Credit Security. Except as provided by applicable law that cannot be waived, the Agent will have no duty as to the custody and protection of the Credit Security, the collection of any part thereof or of any income thereon or the preservation or exercise of any rights pertaining thereto, including rights against prior parties, except for the use of reasonable care in the custody and physical preservation of any Credit Security in its possession. The Lenders will not be liable or responsible for any loss or damage to any Credit

Security, or for any diminution in the value thereof, by reason of the act or omission of any agent selected by the Agent acting in good faith.

10.7. Credit Security Under New York Mortgage.

(a) Notwithstanding anything to the contrary in this Agreement, the New York Mortgage shall secure only the Term Loan, and the maximum principal amount of the Term Loan that is, or under any contingency may be, secured by the New York Mortgage, either on the Initial Closing Date or at any time thereafter, shall under no circumstances exceed the sum of (i) \$7,400,000 plus (ii) any amounts that the Agent expends after a declaration of default under the New York Mortgage to the extent that such amounts constitute payment of (A) taxes, charges or assessments that may be imposed by law upon the real property covered by the New York Mortgage; (B) premiums on insurance policies covering any of the real property covered by the New York Mortgage; (C) expenses incurred in upholding the lien of the New York Mortgage, including the expenses of any litigation to prosecute or defend the rights and lien created by the New York Mortgage; or (D) any amount, cost or charge to which the Agent becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority (collectively, the "New York Secured Amount").

(b) So long as the aggregate amount of the Term Loan equals or exceeds the New York Secured Amount, the amount of the Term Loan secured by the New York Mortgage shall at all times equal only the New York Secured Amount. The New York Secured Amount represents only a portion of the first sums advanced by the Agent with respect to the Term Loan.

(c) The New York Secured Amount shall be reduced only by the last and final sums that the Company repays with respect to the Term Loan and shall not be reduced by any intervening repayments of the Term Loan by the Company. As of the Initial Closing Date, the aggregate amount of the Term Loan exceeds the New York Secured Amount, so that the Secured Amount represents only a portion of the Term Loan.

(d) So long as the aggregate amount of the Term Loan exceeds the New York Secured Amount, any payments and repayments of the Term Loan by the Company shall not be deemed to be applied against, or to reduce, the portion of the Term Loan secured by the New York Mortgage. Such payments shall instead be deemed to reduce only such portions of the Term Loan as are unsecured or are secured by Credit Documents (other than the New York Mortgage) encumbering property of the Company other than the real property covered by the New York Mortgage.

(e) The Company shall be responsible for, and shall hold the Agent harmless against, any and all mortgage recording taxes which arise in connection with the New York Mortgage.

(f) Nothing in this Section 10.7 shall be deemed or construed (i) to prevent the Company from fully prepaying the Term Loan in accordance with the terms hereof; (ii) to prevent the Company from obtaining the release of the real property covered by the New York Mortgage to the extent otherwise provided for in the Credit Documents; or (iii) to limit or impair the Agent's remedies under any Credit Document, including the Agent's right to require immediate payment of all Credit Obligations upon the occurrence of an Event of Default.

(g) The New York Mortgage may be recorded by the Agent at any time and the Company agrees to pay all costs, fees, expenses, charges and taxes associated therewith.

11. Expenses; Indemnity.

11.1. Expenses. Whether or not the transactions contemplated hereby shall be consummated, the Borrowers will pay:

(a) all reasonable expenses of the Agent (including the out-of-pocket expenses related to forming the group of Lenders and reasonable fees and disbursements of the counsel to the Agent) in connection with the preparation and duplication of this Agreement, each other Credit Document, environmental audit reports, examinations by, and reports of, the Agent's commercial financial examiners, the transactions contemplated hereby and thereby and amendments, waivers, consents and other operations hereunder and thereunder;

(b) all recording and filing fees and transfer and documentary stamp and similar taxes at any time payable in respect of this Agreement, any other Credit Document, any Credit Security or the incurrence of the Credit Obligations; and

(c) all other reasonable expenses incurred by the Lenders in connection with the enforcement of any rights hereunder or under any other Credit Document, including costs of collection and reasonable attorneys' fees (including a reasonable allowance for the hourly cost of attorneys employed by the Lenders on a salaried basis) and expenses.

11.2. General Indemnity. The Borrowers shall indemnify the Lenders and the Agent and hold them harmless from any liability, loss or damage resulting from the violation by the Borrowers of Section 2.5. In addition, the Borrowers shall indemnify each Lender, the Agent, each of the Lenders' or the Agent's directors, officers and employees, and each Person, if any,

who controls any Lender or the Agent (each Lender, the Agent and each of such directors, officers, employees and control Persons is referred to as an "Indemnified Party") and hold each of them harmless from and against any and all claims, damages, liabilities and reasonable expenses (including reasonable fees and disbursements of counsel with whom any Indemnified Party may consult in connection therewith and all reasonable expenses of litigation or preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party in connection with (a) the Indemnified Party's compliance with or contest of any subpoena or other process issued against it in any proceeding involving the Company, any of its Subsidiaries or their Affiliates, (b) any litigation or investigation involving the Company or any of its Subsidiaries or their Affiliates, or any officer, director or employee thereof, (c) the existence or exercise of any security rights with respect to the Credit Security in accordance with the Credit Documents, or (d) this Agreement, any other Credit Document or any transaction contemplated hereby or thereby; provided, however, that the foregoing indemnity shall not apply to litigation commenced by the Company or any of its Subsidiaries against the Lenders or the Agent which seeks enforcement of any of the rights of the Company or any of its Subsidiaries hereunder or under any other Credit Document and is determined adversely to the Lenders or the Agent in a final nonappealable judgment or to the extent such claims, damages, liabilities and expenses result from a Lender's or the Agent's gross negligence or willful misconduct.

11.3. Environmental Indemnity. The Borrowers shall indemnify each Indemnified Party and hold each of them harmless from and against any and all direct and indirect claims, demands, causes of action, liabilities, losses, damages, costs and expenses (including costs of any litigation and reasonable attorneys' fees) arising from or in connection with (a) the presence, emanation, spill, release or discharge of any Hazardous Materials on, within or migrating to or from any real property owned or leased by any Borrower (each a Property") or (b) any activity carried on or undertaken on or off of any Property, whether prior to, during or after the term of the Credit Obligations and whether by any Borrower or any predecessor of any Borrower in title or any employees, agents, contractors or subcontractors of any Person at any time occupying or present on any Property or in connection with the use, generation, creation, manufacture, treatment, decontamination, clean up, testing, handling, transportation, storage, installation, dumping, presence, emanation, spill, discharge, release or disposal of any Hazardous Materials at any time located or present on or generated or handled within or from any Property or in connection with the current or future operation thereon. The foregoing indemnity shall inure to the benefit of the Lenders and the Agent and their successors and assigns and shall survive the term of this Agreement and shall further apply to any residual contamination on, within or migrating to or from any Property, or affecting any natural resources, and to any contamination of any Property or natural resources arising in connection with any such Hazardous Materials, irrespective of whether any of such activities were or undertaken in accordance with applicable Environmental Laws.

12. Operations: Agent.

12.1. Interests in Credits. The percentage interest of each Lender in the Loan and the Letters of Credit, and the related Commitments, shall be computed based on the maximum principal amount for each Lender as follows:

<u>Lender</u>	<u>Maximum Principal Amount</u>	<u>Percentage Interest</u>
Fleet National Bank of Massachusetts	\$70,000,000	100%
	<hr/>	<hr/>
Total	\$70,000,000	100%

The foregoing percentage interests, as from time to time in effect and reflected in the Register, are referred to as the "Percentage Interests" with respect to all or any portion of the Loan and the Letters of Credit, and the related Commitments.

12.2. Agent's Authority to Act, etc. Each of the Lenders appoints and authorizes Fleet to act for the Lenders as the Lenders' Agent in connection with the transactions contemplated by this Agreement and the other Credit Documents on the terms set forth herein. In acting hereunder, the Agent is acting for the account of Fleet to the extent of its Percentage Interest and for the account of each other Lender to the extent of the Lenders' respective Percentage Interests, and all action in connection with the enforcement of, or the exercise of any remedies (other than the Lenders' rights of set-off as provided in Section 8.2.4 or in any Credit Document) in respect of the Credit Obligations and Credit Documents shall be taken by the Agent.

12.3. Borrowers to Pay Agent, etc. The Borrowers and each Guarantor shall be fully protected in making all payments in respect of the Credit Obligations to the Agent, in relying upon consents, modifications and amendments executed by the Agent purportedly on the Lenders' behalf, and in dealing with the Agent as herein provided. The Agent may charge the accounts of the Borrowers, on the dates when the amounts thereof become due and payable, with the amounts of the principal of and interest on the Loan, any amounts paid by the Letter of Credit Issuer to third parties under Letters of Credit or drafts presented thereunder, commitment fees, Letter of Credit fees and all other fees and amounts owing under any Credit Document.

12.4. Lender Operations for Advances, Letters of Credit, etc.

12.4.1. Advances. On each Closing Date, each Lender shall advance to the Agent in immediately available funds such Lender's Percentage Interest in the portion of the Loan advanced on such Closing Date prior to 12:00 noon (Boston time). If such

funds are not received at such time, but all applicable conditions set forth in Section 5 have been satisfied, each Lender authorizes and requests the Agent to advance for the Lender's account, pursuant to the terms hereof, the Lender's respective Percentage Interest in such portion of the Loan and agrees to reimburse the Agent in immediately available funds for the amount thereof prior to 2:00 p.m. (Boston time) on the day any portion of the Loan is advanced hereunder; provided, however, that the Agent is not authorized to make any such advance for the account of any Lender who has previously notified the Agent in writing that such Lender will not be performing its obligations to make further advances hereunder; and provided, further, that the Agent shall be under no obligation to make any such advance.

12.4.2. Letters of Credit. Each of the Lenders authorizes and requests each Letter of Credit Issuer to issue the Letters of Credit provided for in Section 2.3 and to grant each Lender a participation in each of such Letters of Credit in an amount equal to its Percentage Interest in the amount of each such Letter of Credit. Promptly upon the request of the Letter of Credit Issuer, each Lender shall reimburse the Letter of Credit Issuer in immediately available funds for such Lender's Percentage Interest in the amount of all obligations to third parties incurred by the Letter of Credit Issuer in respect of each Letter of Credit and each draft accepted under a Letter of Credit to the extent not reimbursed by the applicable Borrower. The Letter of Credit Issuer will notify each Lender of the issuance of any Letter of Credit, the amount and date of payment of any draft drawn or accepted under a Letter of Credit and whether in connection with the payment of any such draft the amount thereof was added to the Company Revolving Loan or the Subsidiary Revolving Loan or was reimbursed by the applicable Borrower.

12.4.3. Agent to Allocate Payments, etc. All payments of principal and interest in respect of the extensions of credit made pursuant to this Agreement, reimbursement of amounts paid by any Letter of Credit Issuer to third parties under Letters of Credit or drafts presented thereunder, commitment fees, Letter of Credit fees and other fees under this Agreement shall, as a matter of convenience, be made by the Borrowers and the other Guarantors to the Agent in immediately available funds. The share of each Lender shall be credited to such Lender by the Agent in immediately available funds in such manner that the principal amount of the Credit Obligations to be paid shall be paid proportionately in accordance with the Lenders' respective Percentage Interests in such Credit Obligations, except as otherwise provided in this Agreement. Under no circumstances shall any Lender be required to produce or present its Notes as evidence of its interests in the Credit Obligations in any action or proceeding relating to the Credit Obligations.

12.4.4. Delinquent Lenders; Nonperforming Lenders. In the event that any Lender fails to reimburse the Agent pursuant to Section 12.4.1 for the Percentage Interest of such lender (a "Delinquent Lender") in any credit advanced by the Agent

pursuant hereto, overdue amounts (the "Delinquent Payment") due from the Delinquent Lender to the Agent shall bear interest, payable by the Delinquent Lender on demand, at a per annum rate equal to (a) the Federal Funds Rate for the first three days overdue and (b) the sum of 2% plus the Federal Funds Rate for any longer period. Such interest shall be payable to the Agent for its own account for the period commencing on the date of the Delinquent Payment and ending on the date the Delinquent Lender reimburses the Agent on account of the Delinquent Payment (to the extent not paid by the applicable Borrower as provided below) and the accrued interest thereon (the "Delinquency Period"), whether pursuant to the assignments referred to below or otherwise. Upon notice by the Agent, the applicable Borrower will pay to the Agent the principal (but not the interest) portion of the Delinquent Payment. During the Delinquency Period, in order to make reimbursements for the Delinquent Payment and accrued interest thereon, the Delinquent Lender shall be deemed to have assigned to the Agent all interest, commitment fees and other payments made by the Borrowers under Section 3 that would have thereafter otherwise been payable under the Credit Documents to the Delinquent Lender. During any other period in which any Lender is not performing its obligations to extend credit under Section 2 (a "Nonperforming Lender"), the Nonperforming Lender shall be deemed to have assigned to each Lender that is not a Nonperforming Lender (a "Performing Lender") all principal and other payments made by the Borrowers under Section 4 that would have thereafter otherwise been payable under the Credit Documents to the Nonperforming Lender. The Agent shall credit a portion of such payments to each Performing Lender in an amount equal to the Percentage Interest of such Performing Lender divided by an amount equal to one minus the Percentage Interest of the Nonperforming Lender until the respective portions of the Loan owed to all the Lenders are the same as the Percentage Interests of the Lenders immediately prior to the failure of the Nonperforming Lender to perform its obligations under Section 2. The foregoing provisions shall be in addition to any other remedies the Agent, the Performing Lenders or the Borrowers may have under law or equity against the Delinquent Lender as a result of the Delinquent Payment or against the Nonperforming Lender as a result of its failure to perform its obligations under Section 2.

12.5. Sharing of Payments, etc. Each Lender agrees that (a) if by exercising any right of set-off or counterclaim or otherwise, it shall receive payment of (i) a proportion of the aggregate amount due with respect to its Percentage Interest in the Loan and, Letter of Credit Exposure which is greater than (ii) the proportion received by any other Lender in respect of the aggregate amount due with respect to such other Lender's Percentage Interest in the Loan and Letter of Credit Exposure and (b) if such inequality shall continue for more than 10 days, the Lender receiving such proportionately greater payment shall purchase participations in the Percentage Interests in the Loan and Letter of Credit Exposure held by the other Lenders, and such other adjustments shall be made from time to time (including rescission of such purchases of participations in the event the unequal payment originally received is recovered from such Lender through bankruptcy proceedings or otherwise), as may be required so that all such

payments of principal and interest with respect to the Loan and Letter of Credit Exposure held by the Lenders shall be shared by the Lenders pro rata in accordance with their respective Percentage Interests; provided, however, that this Section 12.5 shall not impair the right of any Lender to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of Indebtedness of any Obligor other than such Obligor's Indebtedness with respect to the Loan and Letter of Credit Exposure. Each Lender that grants a participation in the Credit Obligations to a Credit Participant shall require as a condition to the granting of such participation that such Credit Participant agree to share payments received in respect of the Credit Obligations as provided in this Section 12.5. The provisions of this Section 12.5 are for the sole and exclusive benefit of the Lenders and no failure of any Lender to comply with the terms hereof shall be available to any Obligor as a defense to the payment of the Credit Obligations.

12.6. Amendments, Consents, Waivers, etc. Except as otherwise set forth herein, the Agent may (and upon the written request of the Required Lenders the Agent shall) take or refrain from taking any action under this Agreement or any other Credit Document, including giving its written consent to any modification of or amendment to and waiving in writing compliance with any covenant or condition in this Agreement or any other Credit Document (other than an Interest Rate Protection Agreement) or any Default or Event of Default, all of which actions shall be binding upon all of the Lenders; provided, however, that:

(a) Except as provided below, without the written consent of the Lenders owning at least 66 2/3% of the Percentage Interests (other than any Delinquent Lender during the existence of a Delinquency Period so long as such Delinquent Lender is treated the same as the other Lenders with respect to any actions enumerated below), no written modification of, amendment to, consent with respect to, waiver of compliance with or waiver of a Default under, any of the Credit Documents (other than an Interest Rate Protection Agreement) shall be made.

(b) Without the written consent of such Lenders as own 100% of the Percentage Interests (other than any Delinquent Lender during the existence of a Delinquency Period so long as such Delinquent Lender is treated the same as the other Lenders with respect to any actions enumerated below):

(i) No reduction shall be made in (A) the amount of principal of the Loan, (B) the interest rate on the Loan or (C) the commitment fees or Letter of Credit fees.

(ii) No change shall be made in the stated time of payment of all or any portion of the Loan or interest thereon or reimbursement of payments made under Letters of Credit or fees relating to any of the foregoing payable to all of the Lenders and no waiver shall be made of any Default under Section 8.1.1.

(iii) No increase shall be made in the amount, or extension of the term, of the Commitments beyond that provided for under Section 2.

(iv) No alteration shall be made of the Lenders' rights of set-off contained in Section 8.2.4.

(v) No release of any Credit Security or of any Guarantor shall be made (except that the Agent may release particular items of Credit Security or particular Guarantors in dispositions permitted by Section 6.11 and may release all Credit Security pursuant to Section 18 upon payment in full of the Credit Obligations and termination of the Commitments without the written consent of the Lenders).

(vi) No amendment to or modification of this Section 12.6 shall be made.

12.7. Agent's Resignation. The Agent may resign at any time by giving at least 60 days' prior written notice of its intention to do so to each of the other Lenders and the Borrowers and upon the appointment by the Required Lenders of a successor Agent satisfactory to the Borrowers. If no successor Agent shall have been so appointed and shall have accepted such appointment within 45 days after the retiring Agent's giving of such notice of resignation, then the retiring Agent may with the consent of the Borrowers, which shall not be unreasonably withheld, appoint a successor Agent which shall be a bank or a trust company organized under the laws of the United States of America or any state thereof and having a combined capital, surplus and undivided profit of at least \$100,000,000; provided, however, that any successor Agent appointed under this sentence may be removed upon the written request of the Required Lenders, which request shall also appoint a successor Agent satisfactory to the Borrowers. Upon the appointment of a new Agent hereunder, the term "Agent" shall for all purposes of this Agreement thereafter mean such successor. After any retiring Agent's resignation hereunder as Agent, or the removal hereunder of any successor Agent, the provisions of this Agreement shall continue to inure to the benefit of such Agent as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

12.8. Concerning the Agent.

12.8.1. Action in Good Faith, etc. The Agent and its officers, directors, employees and agents shall be under no liability to any of the Lenders or to any future holder of any interest in the Credit Obligations for any action or failure to act taken or suffered in good faith, and any action or failure to act in accordance with an opinion of its counsel shall conclusively be deemed to be in good faith. The Agent shall in all cases be entitled to rely, and shall be fully protected in relying, on instructions given to the Agent by the required holders of Credit Obligations as provided in this Agreement.

12.8.2. No Implied Duties, etc. The Agent shall have and may exercise such powers as are specifically delegated to the Agent under this Agreement or any other Credit Document together with all other powers incidental thereto. The Agent shall have no implied duties to any Person or any obligation to take any action under this Agreement or any other Credit Document except for action specifically provided for in this Agreement or any other Credit Document to be taken by the Agent. Before taking any action under this Agreement or any other Credit Document, the Agent may request an appropriate specific indemnity satisfactory to it from each Lender in addition to the general indemnity provided for in Section 12.11. Until the Agent has received such specific indemnity, the Agent shall not be obligated to take (although it may in its sole discretion take) any such action under this Agreement or any other Credit Document. Each Lender confirms that the Agent does not have a fiduciary relationship to it under the Credit Documents. Each of the Company and its Subsidiaries party hereto confirms that neither the Agent nor any other Lender has a fiduciary relationship to it under the Credit Documents.

12.8.3. Validity, etc. The Agent shall not be responsible to any Lender or any future holder of any interest in the Credit Obligations (a) for the legality, validity, enforceability or effectiveness of this Agreement or any other Credit Document, (b) for any recitals, reports, representations, warranties or statements contained in or made in connection with this Agreement or any other Credit Document, (c) for the existence or value of any assets included in any security for the Credit Obligations, (d) for the effectiveness of any Lien purported to be included in the Credit Security, (e) for the specification or failure to specify any particular assets to be included in the Credit Security, or (f) unless the Agent shall have failed to comply with Section 12.8.1, for the perfection of the security interests in the Credit Security.

12.8.4. Compliance. The Agent shall not be obligated to ascertain or inquire as to the performance or observance of any of the terms of this Agreement or any other Credit Document, and in connection with any extension of credit under this Agreement or any other Credit Document, the Agent shall be fully protected in relying on a certificate of any Borrower as to the fulfillment by such Borrower of any conditions to such extension of credit.

12.8.5. Employment of Agents and Counsel. The Agent may execute any of its duties as Agent under this Agreement or any other Credit Document by or through employees, agents and attorneys-in-fact and shall not be responsible to any Lender, any Borrower or any other Obligor for the default or misconduct of any such agents or attorneys-in-fact selected by the Agent acting in good faith. The Agent shall be entitled to advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder or under any other Credit Document.

12.8.6. Reliance on Documents and Counsel. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any affidavit, certificate, cablegram, consent, instrument, letter, notice, order, document, statement, telecopy, telegram, telex or teletype message or writing reasonably believed in good faith by the Agent to be genuine and correct and to have been signed, sent or made by the Person in question, including any telephonic or oral statement made by such Person, and, with respect to legal matters, upon an opinion or the advice of counsel selected by the Agent.

12.8.7. Agent's Reimbursement. Each of the Lenders severally agrees to reimburse the Agent, in the amount of such Lender's Percentage Interest, for any reasonable expenses not reimbursed by the Borrowers or the other Guarantors (without limiting the obligation of the Borrowers or the other Guarantors to make such reimbursement): (a) for which the Agent is entitled to reimbursement by the Borrowers or the other Guarantors under this Agreement or any other Credit Document, and (b) after the occurrence of a Default, for any other reasonable expenses incurred by the Agent on the Lenders' behalf in connection with the enforcement of the Lenders' rights under this Agreement or any other Credit Document.

12.8.8. Agent's Fees. The Borrowers shall pay to the Agent for its own account an agent's fee in the amount separately agreed to from time to time by the Borrowers and the Agent.

12.9. Rights as a Lender. With respect to any credit extended by it hereunder, Fleet shall have the same rights, obligations and powers hereunder as any other Lender and may exercise such rights and powers as though it were not the Agent, and unless the context otherwise specifies, Fleet shall be treated in its individual capacity as though it were not the Agent hereunder. Without limiting the generality of the foregoing, the Percentage Interest of Fleet shall be included in any computations of Percentage Interests. Fleet and its Affiliates may accept deposits from, lend money to, act as trustee for and generally engage in any kind of banking or trust business with the Company, any of its Subsidiaries or any Affiliate of any of them and any Person who may do business with or own an equity interest in the Company or any of its Subsidiaries or any Affiliate of any of them, all as if Fleet were not the Agent and without any duty to account therefor to the other Lenders.

12.10. Independent Credit Decision. Each of the Lenders acknowledges that it has independently and without reliance upon the Agent, based on the financial statements and other documents referred to in Section 7.2, on the other representations and warranties contained herein and on such other information with respect to the Company and its Subsidiaries as such Lender deemed appropriate, made such Lender's own credit analysis and decision to enter into this Agreement and to make the extensions of credit provided for hereunder. Each Lender represents to the Agent that such Lender will continue to make its own independent credit and other decisions in taking or not taking action under this Agreement or any other Credit

Document. Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to such Lender, and no act by the Agent taken under this Agreement or any other Credit Document, including any review of the affairs of the Company and its Subsidiaries, shall be deemed to constitute any representation or warranty by the Agent. Except for notices, reports and other documents expressly required to be furnished to each Lender by the Agent under this Agreement or any other Credit Document, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition, financial or otherwise, or creditworthiness of the Company or any of its Subsidiaries which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.11. Indemnification. The holders of the Credit Obligations shall indemnify the Agent and its officers, directors, employees and agents (to the extent not reimbursed by the Obligor and without limiting the obligation of any of the Obligor to do so), pro rata in accordance with their respective Percentage Interests, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against the Agent or such Persons relating to or arising out of this Agreement, any other Credit Document, the transactions contemplated hereby or thereby, or any action taken or omitted by the Agent in connection with any of the foregoing; provided, however, that the foregoing shall not extend to actions or omissions which are taken by the Agent with gross negligence or willful misconduct.

13. Successors and Assigns; Lender Assignments and Participations. Any reference in this Agreement to any of the parties hereto shall be deemed to include the successors and assigns of such party, and all covenants and agreements by or on behalf of the Borrowers, the other Guarantors, the Lenders or the Agent that are contained in this Agreement or any other Credit Documents shall bind and inure to the benefit of their respective successors and assigns; provided, however, that (a) the Company, its Subsidiaries and Holdings may not assign their rights or obligations under this Agreement except for mergers or liquidations permitted by Section 6.11, and (b) the Lenders shall be not entitled to assign their respective Percentage Interests in the Loan hereunder except as set forth below in this Section 13.

13.1. Assignments by Lenders.

13.1.1. Assignees and Assignment Procedures. Each Lender may (a) without the consent of the Agent or the Borrowers if the proposed assignee is already a Lender hereunder or a Wholly Owned Subsidiary of the same corporate parent of which the assigning Lender is a Subsidiary, or (b) otherwise with the consents of the Agent and (so long as no Event of Default exists) the Borrowers (which consents will not be unreasonably withheld), in compliance with applicable laws in connection with such

assignment, assign to one or more commercial banks or other financial institutions (each an "Assignee") all or a portion of its interests, rights and obligations under this Agreement and the other Credit Documents, including all or a portion of its Commitment, the portion of the Loan and the Letter of Credit Exposure at the time owing to it and the Notes held by it, but excluding its rights and obligations as a Letter of Credit Issuer; provided, however, that:

(i) the aggregate amount of the Commitment of the assigning Lender subject to each such assignment to any Assignee other than another Lender (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Agent) shall be not less than \$5,000,000 and in increments of \$500,000; and

(ii) the parties to each such assignment shall execute and deliver to the Agent an Assignment and Acceptance (the "Assignment and Acceptance") substantially in the form of Exhibit 13.1.1, together with the Note subject to such assignment and a processing and recordation fee of \$3,000 payable to the Agent by the assigning Lender or the Assignee.

Upon acceptance and recording pursuant to Section 13.1.4, from and after the effective date specified in each Assignment and Acceptance (which effective date shall be at least five Banking Days after the execution thereof unless waived by the Agent):

(A) the Assignee shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and

(B) the assigning Lender shall, to the extent provided in such assignment, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.4, 3.5, 3.6, 3.7 and 11, as well as to any fees accrued for its account hereunder and not yet paid).

13.1.2. Terms of Assignment and Acceptance. By executing and delivering an Assignment and Acceptance, the assigning Lender and Assignee shall be deemed to confirm to and agree with each other and the other parties hereto as follows:

(a) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection

with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto;

(b) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company and its Subsidiaries or the performance or observance by the Company or any of its Subsidiaries of any of its obligations under this Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto;

(c) such Assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.2 or Section 6.4 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance;

(d) such Assignee will independently and without reliance upon the Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement;

(e) such Assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and

(f) such Assignee agrees that it will perform in accordance with the terms of this Agreement all the obligations which are required to be performed by it as a Lender.

13.1.3. Register. The Agent shall maintain at the Boston Office a register (the "Register") for the recordation of (a) the names and addresses of the Lenders and the Assignees which assume rights and obligations pursuant to an assignment under Section 13.1.1. (b) the Percentage Interest of each such Lender as set forth in Section 12.1 and (c) the amount of the Loan and Letter of Credit Exposure owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrowers, the Lenders and the Agent may treat each Person whose name is registered therein for all purposes as a party to this Agreement. The Register shall be available for inspection by any Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

13.1.4. Acceptance of Assignment and Assumption. Upon its receipt of a completed Assignment and Acceptance executed by an assigning Lender and an

Assignee together with the Note subject to such assignment, and the processing and recordation fee referred to in Section 13.1.1, the Agent shall (a) accept such Assignment and Acceptance, (b) record the information contained therein in the Register and (c) give prompt notice thereof to the Borrowers. Within five Banking Days after receipt of notice, the applicable Borrower, at its own expense, shall execute and deliver to the Agent, in exchange for the surrendered Note, a new Note to the order of such Assignee in a principal amount equal to the applicable Commitment and Loan assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment and Loan, a new Note to the order of such assigning Lender in a principal amount equal to the applicable Commitment and Loan retained by it. Such new Note shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note, and shall be dated the date of the surrendered Note which it replaces.

13.1.5. Federal Reserve Bank. Notwithstanding the foregoing provisions of this Section 13, any Lender may at any time pledge or assign all or any portion of such Lender's rights under this Agreement and the other Credit Documents to a Federal Reserve Bank; provided, however, that no such pledge or assignment shall release such Lender from such Lender's obligations hereunder or under any other Credit Document.

13.1.6. Further Assurances. The Company and its Subsidiaries shall sign such documents and take such other actions from time to time reasonably requested by an Assignee to enable it to share in the benefits of the rights created by the Credit Documents.

13.2. Credit Participants. Each Lender may, without the consent of the Borrowers or the Agent, in compliance with applicable laws in connection with such participation, sell to one or more commercial banks or other financial institutions (each a "Credit Participant") participations in all or a portion of its interests, rights and obligations under this Agreement and the other Credit Documents (including all or a portion of its Commitment, the Loan, the Letter of Credit Exposure owing to it and the Note held by it); provided, however, that:

(a) such Lender's obligations under this Agreement shall remain unchanged;

(b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations;

(c) the Credit Participant shall be entitled to the benefit of the cost protection provisions contained in Sections 3.4, 3.5, 3.6, 3.7 and 11, but shall not be entitled to receive any greater payment thereunder than the selling Lender would have been entitled to receive with respect to the interest so sold if such interest had not been sold; and

(d) the Borrowers, the other Lenders and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right as one of the Lenders to vote with respect to the enforcement of the obligations of the Borrowers relating to the Loan and the Letter of Credit Exposure and the approval of any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications, consents or waivers described in clause (b) of the proviso to Section 12.6).

Each Obligor agrees, to the fullest extent permitted by applicable law, that any Credit Participant and any Lender purchasing a participation from another Lender pursuant to Section 12.5 may exercise all rights of payment (including the right of set-off), with respect to its participation as fully as if such Credit Participant or such Lender were the direct creditor of the Obligors and a Lender hereunder in the amount of such participation.

13.3. Replacement of Lender. In the event that any Lender or, to the extent applicable, any Credit Participant (the "Affected Lender"):

(a) fails to perform its obligations to fund any portion of the Loan or to issue any Letter of Credit on any Closing Date when required to do so by the terms of the Credit Documents;

(b) demands payment under the Reserve provisions of Section 3.4, the Tax provisions of Section 3.5, the capital adequacy provisions of Section 3.6 or the regulatory change provisions in Section 3.7 in an amount the Borrowers deem materially in excess of the amounts with respect thereto demanded by the other Lenders; or

(c) refuses to consent to a proposed amendment, modification, waiver or other action requiring consent of the holders of 100% of the Percentage Interests under Section 12.6(b) that is consented to by the other Lenders;

then, so long as no Event of Default exists, the Borrowers shall have the right to seek a replacement lender which is reasonably satisfactory to the Agent (the "Replacement Lender"). The Replacement Lender shall purchase the interests of the Affected Lender in the Loan, the Letter of Credit and its Commitment and shall assume the obligations of the Affected Lender hereunder and under the other Credit Documents upon execution by the Replacement Lender of an Assignment and Acceptance and the tender by it to the Affected Lender of a purchase price agreed between it and the Affected Lender (or, if they are unable to agree, a purchase price in the amount of the Affected Lender's Percentage Interest in the Loan, or appropriate credit support for contingent amounts included therein, and all other outstanding Credit Obligations then owed to the Affected Lender). Upon consummation of such assignment, the Replacement Lender shall become party to this Agreement as a signatory hereto and shall have

all the rights and obligations of the Affected Lender under this Agreement and the other Credit Documents with a Percentage Interest equal to the Percentage Interest of the Affected Lender, the Affected Lender shall be released from its obligations hereunder and under the other Credit Documents, and no further consent or action by any party shall be required. Upon the consummation of such assignment, the Borrowers, the Agent and the Affected Lender shall make appropriate arrangements so that new Notes are issued to the Replacement Lender if it has acquired a portion of the Loan. The Borrowers and the other Guarantors shall sign such documents and take such other actions reasonably requested by the Replacement Lender to enable it to share in the benefits of the rights created by the Credit Documents. Until the consummation of an assignment in accordance with the foregoing provisions of this Section 13.3, the Borrowers shall continue to pay to the Affected Lender any Credit Obligations as they become due and payable.

14. Confidentiality. Each Lender will make no disclosure of confidential information furnished to it by the Company or any of its Subsidiaries unless such information shall have become public, except:

(a) in connection with operations under or the enforcement of this Agreement or any other Credit Document;

(b) pursuant to any statutory or regulatory requirement or any mandatory court order, subpoena or other legal process;

(c) to any parent or corporate Affiliate of such Lender or to any Credit Participant, proposed Credit Participant or proposed Assignee; provided, however, that any such Person shall agree to comply with the restrictions set forth in this Section 14 with respect to such information;

(d) to its independent counsel, auditors and other professional advisors with an instruction to such Person to keep such information confidential; and

(e) with the prior written consent of the Borrowers, to any other Person.

15. Foreign Lenders. If any Lender is not incorporated or organized under the laws of the United States of America or a state thereof, such Lender shall deliver to the Borrowers and the Agent the following:

(a) two duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor form, as the case may be, certifying in each case that such Person is entitled to receive payments under this Agreement, the Notes and the Letters of Credit payable to it, without deduction or withholding of any United States federal income taxes; and

(b) a duly completed Internal Revenue Service Form W-8 or W-9 or successor form, as the case may be, to establish an exemption from United States backup withholding tax.

Each such Lender that delivers to the Borrowers and the Agent a Form 1001 or 4224 and Form W-8 or W-9 pursuant to this Section 15 further undertakes to deliver to the Borrower and the Agent two further copies of Form 1001 or 4224 and Form W-8 or W-9, or successor applicable form, or other manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrowers and the Agent. Such Forms 1001 or 4224 shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes. The foregoing documents need not be delivered in the event any change in treaty, law or regulation or official interpretation thereof has occurred which renders all such forms inapplicable or which would prevent such Lender from delivering any such form with respect to it, or such Lender advises the Borrowers that it is not capable of receiving payments without any deduction or withholding of United States federal income tax and, in the case of a Form W-8 or W-9, establishing an exemption from United States backup withholding tax. Until such time as the Borrowers and the Agent have received such forms indicating that payments hereunder are not subject to United States withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Borrowers shall withhold taxes from such payments at the applicable statutory rate without regard to Section 3.5.

16. Notices. Except as otherwise specified in this Agreement, any notice required to be given pursuant to this Agreement shall be given in writing. Any notice, consent, approval, demand or other communication in connection with this Agreement shall be deemed to be given if given in writing (including telex, telecopy or similar teletransmission) addressed as provided below (or to the addressee at such other address as the addressee shall have specified by notice actually received by the addressor), and if either (a) actually delivered in fully legible form to such address (evidenced in the case of a telex by receipt of the correct answerback) or (b) in the case of a letter, unless actual receipt of the notice is required by any Credit Document five days shall have elapsed after the same shall have been deposited in the United States mails, with first-class postage prepaid and registered or certified.

If to the Company, any of its Subsidiaries or Holdings, to it at its address set forth in Exhibit 7.1 (as supplemented pursuant to Sections 6.4.1 and 6.4.2), to the attention of the chief financial officer.

If to any Lender or the Agent, to it at its address set forth on the signature pages of this Agreement or in the Register, with a copy to the Agent.

17. Course of Dealing; Amendments and Waivers. No course of dealing between any Lender or the Agent, on one hand, and any Borrower or any other Obligor, on the other hand, shall

operate as a waiver of any of the Lenders' or the Agent's rights under this Agreement or any other Credit Document or with respect to the Credit Obligations. Each of the Borrowers and the other Guarantors acknowledges that if the Lenders or the Agent, without being required to do so by this Agreement or any other Credit Document, give any notice or information to, or obtain any consent from, any Borrower or any other Obligor, the Lenders and the Agent shall not by implication have amended, waived or modified any provision of this Agreement or any other Credit Document, or created any duty to give any such notice or information or to obtain any such consent on any future occasion. No delay or omission on the part of any Lender of the Agent in exercising any right under this Agreement or any other Credit Document or with respect to the Credit Obligations shall operate as a waiver of such right or any other right hereunder or thereunder. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No waiver, consent or amendment with respect to this Agreement or any other Credit Document shall be binding unless it is in writing and signed by the Agent or the Required Lenders.

18. Defeasance. When all Credit Obligations have been paid, performed and reasonably determined by the Lenders to have been indefeasibly discharged in full, and if at the time no Lender continues to be committed to extend any credit to the Borrowers hereunder or under any other Credit Document, this Agreement shall terminate and, at the Borrowers' written request, accompanied by such certificates and other items as the Agent shall reasonably deem necessary, the Credit Security shall revert to the Obligors and the right, title and interest of the Lenders therein shall terminate. Thereupon, on the Obligors' demand and at their cost and expense, the Agent shall execute proper instruments, acknowledging satisfaction of and discharging this Agreement, and shall redeliver to the Obligors any Credit Security then in its possession: provided, however, that Sections 3.4, 3.5, 3.6, 3.7, 11, 12.8.7, 12.11, 14, 19 and 20 shall survive the termination of this Agreement.

19. Venue; Service of Process. Each of the Borrowers and the other Obligors:

(a) irrevocably submits to the nonexclusive jurisdiction of the state courts of The Commonwealth of Massachusetts and to the nonexclusive jurisdiction of the United States District Court for the District of Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement or any other Credit Document or the subject matter hereof or thereof;

(b) waives to the extent not prohibited by applicable law that cannot be waived, and agrees not to assert, by way of motion, as a defense or otherwise, in any such proceeding brought in any of the above-named courts, any claim that it is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment or execution, that such proceeding is brought in an inconvenient forum, that the venue of such proceeding is improper, or that this Agreement or any other Credit Document, or the subject matter hereof or thereof, may not be enforced in or by such court.

Each of the Borrowers and the other Obligors consents to service of process in any such proceeding in any manner at the time permitted by Chapter 223A of the General Laws of The Commonwealth of Massachusetts and agrees that service of process by registered or certified mail, return receipt requested, at its address specified in or pursuant to Section 16 is reasonably calculated to give actual notice.

20. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH OF THE BORROWERS, THE OTHER OBLIGORS, THE LENDERS AND THE AGENT WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE SUBJECT MATTER HEREOF OR THEREOF OR ANY CREDIT OBLIGATION OR IN ANY WAY CONNECTED WITH THE DEALINGS OF ANY BORROWERS, ANY OTHER OBLIGOR, ANY LENDER OR THE AGENT IN CONNECTION WITH ANY OF THE ABOVE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. Each of the Borrowers and the other Obligors acknowledges that it has been informed by the Agent that the provisions of this Section 20 constitute a material inducement upon which each of the Lenders has relied and will rely in entering into this Agreement and any other Credit Document, and that it has reviewed the provisions of this Section 20 with its counsel. Any Borrower, any other Obligor, any Lender or the Agent may file an original counterpart or a copy of this Section 20 with any court as written evidence of the consent of the Borrowers, the other Obligors, the Lenders and the Agent to the waiver of their rights to trial by jury.

21. General. All covenants, agreements, representations and warranties made in this Agreement or any other Credit Document or in certificates delivered pursuant hereto or thereto shall be deemed to have been relied on by each Lender, notwithstanding any investigation made by any Lender on its behalf, and shall survive the execution and delivery to the Lenders hereof and thereof. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement and the other Credit Documents constitute the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous understandings and agreements, whether written or oral, with respect to such subject matter. This Agreement may be executed in any number of counterparts which together shall constitute one instrument. This Agreement shall be governed by and construed in accordance with the laws (other than the conflict of laws rules) of The Commonwealth of Massachusetts, except as may be required by the UCC with respect to matters involving the perfection of the Agent's Lien on the Credit Security.

Each of the undersigned has caused this Agreement to be executed and delivered by its duly authorized officer as an agreement under seal as of the date first above written.

H.P. HOOD INC.

By /s/ Robert L. Keller
Title: President

H.P. HOOD & SONS, INC.

By /s/ Robert L. Keller
Title: President

**CATAMOUNT DAIRY HOLDINGS
LIMITED PARTNERSHIP**

By The Catamount Corporation,
its General Partner

By /s/ John A. Kaneb
Title: President

FLEET NATIONAL BANK OF MASSACHUSETTS
both as a Lender and as Agent for itself and
the other Lenders

By /s/ Thomas F. McNamara
Title: Vice President

Fleet National Bank of Massachusetts
Mail Stop MA BO F04H
75 State Street
Boston, Massachusetts 02109
Telecopy: (617) 346-1837
Telex:

H.P. HOOD INC.
H.P. HOOD & SONS, INC.

FLEET NATIONAL BANK OF MASSACHUSETTS, AGENT

EXHIBITS

- 2.1.4 - Company Revolving Note
- 2.2.2 - Term Note
- 2.4.4 - Subsidiary Revolving Note
- 5.1.6 - Credit Support Agreement
- 5.2.1 - Officer's Certificate
- 7.1 - Holdings, Company and its Subsidiaries
- 7.2.2 - Material Agreements
- 7.3 - Financing Debt, Certain Investments, etc.
- 7.14 - Hazardous Material Sites
- 7.15 - Multi-employer and Defined Benefit Plans
- 10.4.2 - Depository Institutions
- 13.1.1 - Assignment and Acceptance

COMPANY REVOLVING NOTE

N-_____, 199_

FOR VALUE RECEIVED, the undersigned H.P. Hood Inc., a Massachusetts corporation (the "Borrower"), hereby promises to pay _____ (the "Lender") or order, on the Company Final Maturity Date, the aggregate unpaid principal amount of the loans made by the Lender to the Borrower as part of the Company Revolving Loan pursuant to the Credit Agreement referred to below. The Borrower promises to pay daily interest from the date hereof, computed as provided in such Credit Agreement, on the aggregate principal amount of such loans from time to time unpaid at the per annum rate applicable to such unpaid principal amount as provided in such Credit Agreement and to pay interest on overdue principal and, to the extent not prohibited by applicable law, on overdue installments of interest at the rate specified in such Credit Agreement, all such interest being payable at the times specified in such Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof.

Payments hereunder shall be made to Fleet National Bank of Massachusetts, as agent for the Lender, at 75 State Street, Boston, Massachusetts 02109.

All loans made by the Lender as part of the Company Revolving Loan pursuant to the Credit Agreement referred to below and all repayments of the principal thereof shall be recorded by the Lender and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such loan then outstanding shall be endorsed by the Lender on the schedule attached hereto or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower under this Note, such Credit Agreement or any other Credit Document.

This Note evidences borrowings under, and is entitled to the benefits and security of, and is subject to the provisions of, the Credit Agreement dated as of December 15, 1995, as from time to time in effect (the "Credit Agreement"), among the Borrower, certain of its Affiliates, the Lender and certain other parties. The principal of this Note is prepayable in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

In case an Event of Default shall occur, the entire principal of this Note may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS (OTHER THAN THE CONFLICT OF LAWS RULES) OF THE COMMONWEALTH OF MASSACHUSETTS.

The parties hereto, including the Borrower and all guarantors and endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment, or forbearance or other indulgence without notice.

H.P. HOOD INC.

By _____
Title:

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Amount of Principal Repaid	Unpaid Principal Balance	Notation Made By

TERM NOTE

N-_____, 199_

FOR VALUE RECEIVED, the undersigned H.P. Hood Inc., a Massachusetts corporation (the "Borrower"), hereby promises to pay _____ (the "Lender") or order, on the Company Final Maturity Date, the aggregate unpaid principal amount of the loan made by the Lender to the Borrower as part of the Term Loan pursuant to the Credit Agreement referred to below. The Borrower promises to pay daily interest from the date hereof, computed as provided in such Credit Agreement, on the aggregate principal amount of such loan from time to time unpaid at the per annum rate applicable to such unpaid principal amount as provided in such Credit Agreement and to pay interest on overdue principal and, to the extent not prohibited by applicable law, on overdue installments of interest at the rate specified in such Credit Agreement, all such interest being payable at the times specified in such Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof.

Payments hereunder shall be made to Fleet National Bank of Massachusetts, as agent for the Lender, at 75 State Street, Boston, Massachusetts 02109.

This Note evidences borrowings under, and is entitled to the benefits and security of, and is subject to the provisions of, the Credit Agreement dated as of December 15, 1995, as from time to time in effect (the "Credit Agreement"), among the Borrower, certain of its Affiliates, the Lender and certain other parties. The principal of this Note is prepayable in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

In case an Event of Default shall occur, the entire principal of this Note may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS (OTHER THAN THE CONFLICT OF LAWS RULES) OF THE COMMONWEALTH OF MASSACHUSETTS.

The parties hereto, including the Borrower and all guarantors and endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment, or forbearance or other indulgence without notice.

H.P. HOOD INC.

By _____
Title:

SUBSIDIARY REVOLVING NOTE

N-_____, _____, 199_

FOR VALUE RECEIVED, the undersigned H.P. Hood & Sons, Inc., a Massachusetts corporation (the "Borrower"), hereby promises to pay _____ (the "Lender") or order, on the Subsidiary Final Maturity Date, the aggregate unpaid principal amount of the loans made by the Lender to the Borrower as part of the Subsidiary Revolving Loan pursuant to the Credit Agreement referred to below. The Borrower promises to pay daily interest from the date hereof, computed as provided in such Credit Agreement, on the aggregate principal amount of such loans from time to time unpaid at the per annum rate applicable to such unpaid principal amount as provided in such Credit Agreement and to pay interest on overdue principal and, to the extent not prohibited by applicable law, on overdue installments of interest at the rate specified in such Credit Agreement, all such interest being payable at the times specified in such Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof.

Payments hereunder shall be made to Fleet National Bank of Massachusetts, as agent for the Lender, at 75 State Street, Boston, Massachusetts 02109.

All loans made by the Lender as part of the Subsidiary Revolving Loan pursuant to the Credit Agreement referred to below and all repayments of the principal thereof shall be recorded by the Lender and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such loan then outstanding shall be endorsed by the Lender on the schedule attached hereto or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower under this Note, such Credit Agreement or any other Credit Document.

This Note evidences borrowings under, and is entitled to the benefits and security of, and is subject to the provisions of, the Credit Agreement dated as of December 15, 1995, as from time to time in effect (the "Credit Agreement"), among the Borrower, certain of its Affiliates, the Lender and certain other parties. The principal of this Note is prepayable in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

In case an Event of Default shall occur, the entire principal of this Note may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS (OTHER THAN THE CONFLICT OF LAWS RULES) OF THE COMMONWEALTH OF MASSACHUSETTS.

The parties hereto, including the Borrower and all guarantors and endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment, or forbearance or other indulgence without notice.

H.P. HOOD & SONS, INC.

By _____
Title:

CREDIT SUPPORT AGREEMENT

993851 03

H.P. HOOD INC.
H.P. HOOD & SONS, INC.
CATAMOUNT DAIRY HOLDINGS LIMITED PARTNERSHIP

CREDIT SUPPORT AGREEMENT

This Agreement, dated as of December 15, 1995, is among H.P. Hood Inc., a Massachusetts corporation (the "Company"), H.P. Hood & Sons, Inc., a Massachusetts corporation (the "Subsidiary Borrower"), Catamount Dairy Holdings Limited Partnership, a Massachusetts limited partnership ("Holdings"), John A. Kaneb, a citizen of Massachusetts ("Kaneb"), and Fleet National Bank of Massachusetts, as agent (the "Agent") for itself and the other Lenders (as defined below). The parties agree as follows:

1. Credit Agreement: Definitions. The Lenders are providing loans to the Borrowers (as defined below) pursuant to a Credit Agreement dated as of December 15, 1995, as amended and in effect from time to time (the "Credit Agreement"), among Holdings, the Company, certain subsidiaries of the Company party thereto, including the Subsidiary Borrower, the Lenders and the Agent. As a condition to providing loans under the Credit Agreement, the Lenders are requiring that Kaneb provide credit support to the Borrowers. The Borrowers have provided a copy of the Credit Agreement to Kaneb. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined. Except as otherwise explicitly specified to the contrary or unless the context clearly requires otherwise, (a) the capitalized term "Section" refers to sections in this Agreement, (b) the capitalized term "Exhibit" refers to exhibits to this Agreement, (c) references to any Section include all subsections thereof and (d) the work "including" shall be construed as "including without limitation".

2. Credit Support.

2.1. Cash Equivalents: Subordinated Loans. Kaneb unconditionally covenants and agrees that:

(a) at all times Kaneb will own beneficially and of record, free and clear of all Liens or other claims, at least \$15,000,000 in the aggregate in Cash Equivalents or securities registered and traded on a nationally recognized national securities exchange or any OTC security designated for trading in the National Market System ("Marketable Securities");

(b) upon the written request of the Agent, Kaneb will, within five Banking Days of such request, provide written verification of the existence of such Cash Equivalents or Marketable Securities, such verification to be in form and substance reasonably satisfactory to the Agent; and

(c) (i) after the earlier of the occurrence of an Event of Default or the 180th day after the Closing Date, upon the written request of the Agent from time to time thereafter, Kaneb will, within ten days of such request, contribute up to an aggregate amount in cash of \$10,000,000 to the Subsidiary Borrower (I) such amount to be paid at Kaneb's election either directly to the Agent for the benefit of the Lenders to prepay the Subsidiary Loan or to a separate account of the Subsidiary Borrower with the Agent designated specifically to be applied to prepay the Subsidiary Loan and (II) such contribution at Kaneb's election to be in the form of (A) subsequent payments by Holdings to the Company against all or any portion of the Indebtedness evidenced by the Holdings Note to the Company as contributed by the Company to the Subsidiary Borrower on terms satisfactory to the Lenders, (B) subordinated loans from Kaneb to the Subsidiary Borrower on terms satisfactory to the Lenders, each such loan to be subordinated to the prior payment in full of the Credit Obligations on terms satisfactory to the Agent and to be evidenced by a subordinated note in substantially the form of Exhibit 2 or (C) any combination of the foregoing; and

(ii) if on the 90th day after the Initial Closing Date, Fleet's Commitment under the Credit Agreement exceeds \$45,000,000, upon the written request of the Agent at any time thereafter, Kaneb will, within ten days of such request, contribute to the Borrowers designated by the Agent in such request an amount in cash equal to Fleet's Commitment under the Credit Agreement, less \$45,000,000 (I) such amount to be paid at Kaneb's election either directly to the Agent for the benefit of the Lenders to prepay the Loan or to a separate account of such Borrower with the Agent designated specifically to be applied to prepay the Loan and (II) such contribution at Kaneb's election to be in the form of (i) an equity contribution to such Borrower (or if the Subsidiary Borrower, to the Company to be contributed to the Subsidiary Borrower), all on terms satisfactory to the Agent, (ii) subordinated loans from Kaneb to such Borrower, each such loan to be subordinated to the prior payment in full of the Credit Obligations on terms satisfactory to the Agent and to be evidenced by a subordinated note in substantially the form of Exhibit 2 or (iii) any combination of the foregoing; provided, however, if an Event of Default occurs and the Agent requests the payment of any portion of \$10,000,000 pursuant to Section 2.1(c) (i) on or prior to the 90th day after the Initial Closing Date, the amount payable under this Section 2.1(c) (ii) shall be reduced by the amount of prior payment required under Section 2.1(c) (i) actually applied to prepay and reduce permanently Fleet's Commitment under the Credit Agreement.

(d) upon the written request from time to time of the Agent, Kaneb will within ten days of such request contribute in cash to any Borrower designated by the Agent in such request an amount in cash equal to the Environmental Liability Amount (as defined below) (I) such amount to be paid either directly to the Agent for the benefit of the Lenders to prepay the Loan or to a separate account of such Borrower with the Agent designated specifically to be applied to prepay the Loan and (II) such contribution to be in the form of (i) an equity contribution to such Borrower (or if the Subsidiary Borrower, to the Company to be contributed to the Subsidiary Borrower), all on terms satisfactory to the Agent, (ii) subordinated loans from Kaneb to such Borrower, each such loan to be subordinated to the prior payment in full of the Credit Obligations on terms satisfactory to the Agent and to be evidenced by a subordinated note in substantially the form of Exhibit 2 or (iii) any combination of the foregoing; and

(e) upon either (i) the Agent's determination of a failure of the Subsidiary Borrower to comply in a timely fashion with the requirements of section 6.20 of the Credit Agreement with respect to the Agawam Property (as defined below), or (ii) the Agent's determination, in its sole discretion, at any time from and after the 61st day after the Closing Date, that the survey of the Agawam Property submitted pursuant to section 6.20 of the Credit Agreement or other information shows a Survey Defect (as defined below) and such Survey Defect has not been cured, Kaneb will within ten days of such determination contribute in cash to the Subsidiary Borrower an amount in cash equal to the Agawam Survey Amount (as defined below) (I) such amount to be paid either directly to the Agent for the benefit of the Lenders to prepay the Loan or to a separate account of the Subsidiary Borrower with the Agent designated specifically to be applied to prepay the Loan and (II) such contribution to be in the form of (A) an equity contribution to the Subsidiary Borrower on terms satisfactory to the Agent, (B) subordinated loans from Kaneb to the Subsidiary Borrower, each such loan to be subordinated to the prior payment in full of the Credit Obligations on terms satisfactory to the Agent and to be evidenced by a subordinated note in substantially the form of Exhibit 2 or (C) any combination of the foregoing.

"Environmental Liability Amount" means, at any date, the sum of any and all direct or indirect claims, demands, liabilities, losses, damages, costs and expenses (including costs of any litigation and reasonable attorneys' fees) required to be paid by any Obligor (other than Kaneb) arising from or in connection with (a) the presence, emanation, spill, release or discharge (except in to the extent arising out of the current typical operations of the Borrower in compliance with applicable Environmental Laws) of any Hazardous Materials on, within or migrating to or from any property formerly or currently owned by either Borrower, other than those Excluded Properties listed on Schedule A (the "Properties"); or (b) any violation of, or instance of non-compliance with, any Environmental Law arising out of current or former operations of either Borrower at the Properties; or (c) any liability of Borrower arising out of activities carried on or undertaken on or off the Properties or at any Excluded Property,

whether prior to, during, or after the term of the Credit Obligations, and whether such actions are undertaken by the Borrowers, their predecessors, or contractors or agents thereof, in connection with the transportation to, or storage, dumping, presence, emanation, spill, discharge, release or disposal at any off-site location of any Hazardous Materials.

"Agawam Survey Amount" means the amount of any diminution in value of the real property owned by the Subsidiary Borrower and located in Agawam, Massachusetts (the "Agawam Property"), as determined by an appraisal done by an appraiser satisfactory to the Agent, due to any Survey Defect, up to a maximum of \$1,900,000.

"Survey Defect" means any discrepancy in the description of the Agawam Property, title defect, encumbrance, encroachment, or other matter that would be shown on an ALTA survey of the Agawam Property.

The Agent may, on any number of occasions, require (A) to provide a statement by Coopers and Lybrand (or if they cease to be accountants of Kaneb, other certified public accountants of recognized national standings reasonably satisfactory to the Agent) that they have caused this Agreement to be reviewed and that in the course of their audit of Kaneb, no facts have come to their attention that cause them to believe that any default exists under Section 2.1(b), (B) to provide such other written verification requested from time to time by the Agent and (C) to make payments under Section 2.1(c)(i)(A) or 2.1(c)(ii) or loans under Section 2.1(i)(B).

Kaneb's obligations under Section 2.1(e) shall automatically terminate upon the earlier of (i) the timely compliance with section 6.21 of the Credit Agreement with respect to the survey of the Agawam Property, together with the title endorsement required by said section 6.21 and a determination by the Agent, in its sole discretion, that the Agawam Survey Amount equals zero; (ii) a determination by the Agent that the survey of the Agawam Property provided by the subsidiary Borrower pursuant to said section 6.21 of the Credit Agreement reveals a Survey Defect and that such Survey Defect has been cured (by title registration, boundary line agreement or otherwise) to the satisfaction of the Agent; or (iii) the sale of the Agawam Property (in full compliance with the Credit Agreement) for a purchase price of no less than \$1,900,000.

2.2. Continuing Obligation. Kaneb acknowledges that the Lenders have entered into the Credit Agreement (and, to the extent that the Lenders may enter into any future Credit Document, will have entered into such agreement) in reliance on this Section 2 being a continuing and irrevocable agreement, and Kaneb agrees that its agreement under this Section 2 may not be revoked in whole or in part. The obligations of Kaneb hereunder shall terminate when the commitment of the Lenders to extend credit under the Credit Agreement shall have terminated and all of the Credit Obligations have been indefeasibly paid in full in cash and discharged.

3. Representations and Warranties. In order to induce the Lenders to extend credit under the Credit Agreement, Kaneb represents and warrants that:

3.1. Organization and Business. Kaneb has all the power and authority necessary (a) to enter into and perform this Agreement and each other Credit Document to which he is a party and (b) to own his properties and to engage in the business he is now conducting or proposes to conduct. Kaneb has taken all action required to execute, deliver and perform this Agreement and each other Credit Document to which he is a party.

3.2. Enforceability: No Legal Obstacle to Agreements. Each of this Agreement and each other Credit Document to which Kaneb is party constitutes his legal, valid and binding obligation, enforceable against him in accordance with its terms. Neither the execution and delivery of this Agreement or any other Credit Document, nor the consummation of any transaction referred to in or contemplated by this Agreement or any other Credit Document, nor the fulfillment of the terms hereof or thereof or of any other agreement, instrument, deed or lease referred to in this Agreement or any other Credit Document, has constituted or resulted, or will constitute or result, in:

(a) any breach or termination of the provisions of any agreement, instrument, deed or lease to which Kaneb is party or by which he is bound;

(b) The violation of any law, statute, judgment, decree or governmental order, rule or regulation applicable to Kaneb;

(c) the creation under any agreement, instrument, deed or lease of any Lien upon any of Kaneb's assets; or

(d) any redemption, retirement or other repurchase obligation of Kaneb under any agreement, instrument, deed or lease.

No approval, authorization or other action by, or declaration to or filing with, any governmental or administrative authority or any other Person is required to be obtained or made by Kaneb in connection with the execution, delivery and performance of this Agreement or any other Credit Document to which he is party or the transactions contemplated hereby or thereby.

4. Certain Waivers. To the extent that such waiver is not prohibited by the provisions of applicable law that cannot be waived, Kaneb waives:

(a) all presentments, demands for performance, notices of nonperformance (except to the extent required by this Agreement or any other Credit Document), protests, notices of protest and notices of dishonor;

(b) any requirement of diligence or promptness on the part of the Agent in the enforcement of its rights under this Agreement or any other Credit Document;

(c) any and all notices of every kind and description which may be required to be given by any statute or rule of law; and

(d) any defense (other than infeasible payment in full) which he may now or hereafter have with respect to his liability under this Agreement or any other Credit Document or with respect to the Credit Obligations.

5. Further Assurances. Kaneb will, promptly upon the request of the Agent from time to time, execute, acknowledge and deliver, and file and record, all such instruments, and take all such action, as the Agent deems necessary or advisable to carry out the intent and purposes of this Agreement.

6. Successors and Assigns. The provisions of this Agreement shall inure to the benefit of the Agent and its successors and assigns and shall be binding upon Kaneb and his successors and assigns; provided, however, that Kaneb may not assign his rights and obligations under this Agreement or any other Credit Document.

7. Notices. Any notice or other communication in connection with this Agreement shall be deemed to be given if given in writing (including telex, telecopy or similar teletransmission) addressed as provided below (or to the addressee at such other address as the addressee shall have specified by notice actually received by the addressor), and if either (a) actually delivered in fully legible form to such address (evidenced in the case of a telex by receipt of the correct answerback) or (b) in the case of a letter, five business days shall have elapsed after the same shall have been deposited in the United States mails, with first-class postage prepaid and registered or certified.

If to Holdings or any Borrower, to it at its address specified pursuant to Section 16 of the Credit Agreement.

If Kaneb, to him at his address set forth on the signature pages to this Agreement.

If to the Agent, to it at its address set forth on the signature pages to this Agreement, with a copy to Ropes & Gray, One International Place, Boston, Massachusetts 02110, to the attention of Hemmie Chang, Esq.

8. Course of Dealing; Amendments and Waivers. No course of dealing between the Agent, on one hand, and any Borrower, Kaneb or any other Obligor, on the other hand, shall operate as a waiver of any of the Agent's rights under this Agreement or any other Credit Document or with respect to the Credit Obligations. Each of the Obligors and Kaneb acknowledges that if the Agent, without being required to do so by this Agreement or any other Credit

Document, gives any notice or information to, or obtains any consent from, any Borrower, Kaneb or any other Obligor, the Agent shall not by implication have amended, waived or modified any provision of this Agreement or any other Credit Document, or created any duty to give any such notice or information or to obtain any such consent on any future occasion. No delay or omission on the part of the Agent in exercising any right under this Agreement or any other Credit Document or with respect to the Credit Obligations shall operate as a waiver of such right or any other right hereunder or thereunder. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No waiver, consent or amendment with respect to this Agreement or any other Credit Document shall be binding unless it is in writing and signed by the Agent and Kaneb.

9. Venue: Service of Process. Each of the Obligors and Kaneb:

(a) irrevocably submits to the nonexclusive jurisdiction of the state courts of The Commonwealth of Massachusetts and to the nonexclusive jurisdiction of the United States District Court for the District of Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement or any other Credit Document or the subject matter hereof or thereof; and

(b) waives to the extent not prohibited by applicable law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such proceeding brought in any of the above-named courts, any claim that it is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment or execution, that such proceeding is brought in an inconvenient forum, that the venue of any such proceeding is improper, or that this Agreement or any other Credit Document, or the subject matter hereof or thereof, may not be enforced in or by such court.

Each of the Obligors and Kaneb consents to service of process in any such proceeding in any manner permitted by Chapter 223A of the General Laws of The Commonwealth of Massachusetts and agrees that service of process by registered or certified mail, return receipt requested, at their address specified in or pursuant to Section 7 is reasonably calculated to give actual notice.

10. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE OBLIGORS, - KANEB AND THE AGENT WAIVES, AND COVENANTS NOT TO ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND OR ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE SUBJECT MATTER HEREOF OR THEREOF OR ANY CREDIT OBLIGATION OR IN ANY WAY CONNECTED WITH THE DEALINGS OF THE BORROWERS, KANEB OR THE AGENT IN CONNECTION WITH ANY OF THE

ABOVE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT OR TORT OR OTHERWISE. Each of the Obligors and Kaneb acknowledges that it has been informed by the Agent that the provisions of this Section 10 constitute a material inducement upon which the Agent has relied, is relying and will rely in entering into this Agreement and any other Credit Document, and that it has reviewed the provisions of this Section 10 with its counsel. Each of the Obligors, Kaneb and the Agent may file an original counterpart or a copy of this Section 10 with any court as written evidence of the consent of the Obligors, Kaneb and the Agent to the waiver of their rights to trial by jury.

11. General. All covenants, agreements, representations and warranties made in this Agreement or any other Credit Document or in certificates delivered pursuant hereto or thereto, and all other information furnished or to be furnished to the Agent by the Obligors, Kaneb or any of their affiliates with respect to the transactions contemplated by this Agreement or any other Credit Document, shall be deemed to have been relied on by the Agent, notwithstanding any investigation made by the Agent on its behalf, and shall survive the execution and delivery to the Agent of this Agreement and each other Credit Document. The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term or provision hereof. The headings in this Agreement are for convenience of reference only and shall not limit, alter or otherwise affect the meaning hereof. This Agreement and the other Credit Documents constitute the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior and current understandings and agreements, whether written or oral, with respect to such subject matter. This Agreement is a Credit Document and may be executed in any number of counterparts, which together shall constitute one instrument. This Agreement shall be governed by and construed in accordance with the laws (other than the conflict of laws rules) of The Commonwealth of Massachusetts.

Each of the undersigned has caused this Agreement to be executed and delivered by its duly authorized officer as an agreement under seal as of the dated first written above.

H.P. HOOD INC.

By Robert H Keller
Title: pres

H.P. HOOD & SONS, INC.

By Robert H Keller
Title: pres.

CATAMOUNT DAIRY HOLDINGS
PARTNERSHIP

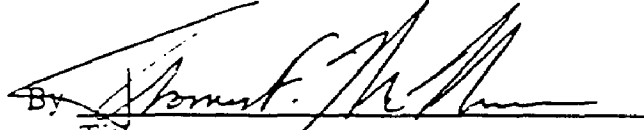
By The Catamount Corporation, its General Partner

By J. A. Kaneb
Title: PRESIDENT

J. A. Kaneb

John A. Kaneb
c/o The Catamount Corporation
90 Everett Avenue
Chelsea, MA 02150-2337

FLEET NATIONAL BANK OF
MASSACHUSETTS

By 
Title:

Fleet National Bank of Massachusetts
Mail Stop MA BO FO4H
75 State Street
Boston, Massachusetts 02109
Telecopy: (617) 346-1837

FLEET NATIONAL BANK OF
MASSACHUSETTS

By _____
Title:

Fleet National Bank of Massachusetts
Mail Stop MA BO FO4H
75 State Street
Boston, Massachusetts 02109
Telecopy: (617) 346-1837

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT COVERING THE TRANSFER OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT REGISTRATION UNDER SAID ACT IS NOT REQUIRED.

SUBORDINATED DEMAND NOTE

\$ _____, 19__

FOR VALUE RECEIVED, the undersigned [INSERT NAME OF BORROWER], a Massachusetts corporation (the "Corporation"), promises to pay to John A. Kaneb, at _____ or order, on DEMAND, the principal sum of _____ Dollars (\$ _____), together with simple interest from the date hereof on the principal amount from time to time unpaid at the per annum rate of interest announced from time to time by Fleet National Bank of Massachusetts at its principal banking office in Boston, Massachusetts as its "prime rate." The Corporation will pay such interest on the last business day of March, June, September and December in each year commencing _____, except that all accrued but unpaid interest shall be due and payable or upon the payment in full hereof. This note may be prepaid in whole or in part at any time, without premium, penalty or prior notice.

In the event that (a) the Corporation fails to make any payment of interest on this note as provided herein or (b) the Corporation files or has filed against it any petition under any bankruptcy or insolvency law or for the appointment of a receiver or makes a general assignment for the benefit of creditors, then the entire unpaid principal of this note, together with accrued interest thereon, shall automatically become immediately due and payable. No failure by the holder to take action with respect to any default hereunder shall affect its subsequent rights to take action with respect to the same or any other default. In the event of default the Corporation agrees to pay all reasonable costs of collection, including reasonable attorneys' fees, to the extent allowed by law.

The payment of any amounts in respect of this note is and shall be subordinated and junior, in the manner hereinafter set forth, in right of payment to the prior payment in full of all obligations of the Corporation with respect to present and future indebtedness, including interest whether before or after the institution by or against the Corporation of proceedings under Title 11 of the United States Code, for money borrowed from banks, trust companies, finance companies, insurance companies, pension plans, venture capital firms and other private or public institutional lenders, including the obligations to Fleet Bank of Massachusetts, N.A.,

as Agent under the Credit Agreement dated as of December 15, 1995 and from time to time in effect (the "Credit Agreement") and the Lenders thereunder (the "Senior Indebtedness"), and this note is hereby subordinated as a claim against the Corporation or any of its assets, whether such claim be in the ordinary course of business or in the event of any dissolution, liquidation, bankruptcy, receivership or reorganization of the Corporation (collectively, a "Reorganization"), to the prior payment in full of the Senior Indebtedness. Unless and until all Senior Indebtedness has been paid in full, no payment of principal or interest on this note shall be made; provided, however, that the Corporation may pay interest on this note when and as due so long as immediately after giving effect to such payment there shall exist no event of default, or an event which with the passage of time or the giving of notice or both would become an event of default, which has not been waived or cured that would permit holders of Senior Indebtedness to accelerate the maturity thereof. In the event of any reorganization, all Senior Indebtedness shall first be paid in full in cash before any payment is made on account of this note, and the holder hereof authorizes the holders of Senior Indebtedness to prove any claim on this note in a reorganization to such extent, and to take any other action necessary to effectuate the foregoing. If a payment is made to the holder of this note in violation of the foregoing provisions, such payment shall be held by such holder in trust for the benefit of the holders of Senior Indebtedness. So long as any Senior Indebtedness is outstanding and its maturity has not been accelerated, the holder of this note will not exercise any remedies, including acceleration or commencing or joining in any proceeding seeking to effect a reorganization. The holder of this note covenants to execute and deliver such further instruments and to take such further action as the Corporation, the Agent under the Credit Agreement or any holder of Senior Indebtedness may at any time reasonably request in order to carry out the intent of the subordination provisions of this note. The holder of this note acknowledges and agrees, by acceptance hereof, that the provisions of this paragraph are for the benefit of the holders from time to time of Senior Indebtedness and may be enforced by them against the holder of this note and that the holders of Senior Indebtedness have relied upon and will continue to rely upon the subordination provided for herein. The holder of this note hereby waives notice or proof of reliance hereon.

All payments to the holder hereof shall be made at the address set forth above or at such other address as the holder hereof shall specify in writing to the Corporation.

This note shall be governed by and construed in accordance with the laws (other than the conflict of law rules) of The Commonwealth of Massachusetts.

The Corporation and all endorsers and guarantors of this note hereby waive presentment, demand, notice of nonpayment and protest except as provided in this note.

IN WITNESS WHEREOF, the undersigned Corporation has caused this note to be executed under its corporate seal by its duly authorized officer.

[INSERT NAME OF BORROWER]

By _____
Title:

[Seal]

Witness

EXCLUDED PROPERTIES

1. The premises located at 1250 East Street, Suffield, Connecticut.
2. The premises located at 100 Milk Street, Newington, Connecticut.
3. The premises located at Ganesee Street (crosses w/Seneca Street), Oneida, New York and the premises located at Broad Street, Oneida, New York.
4. The premises located at 19 Ward Street, Vernon, New York.
5. The premises located at 480, 500, 570 Rutherford Avenue, Boston, Massachusetts
6. The premises located at 233 Masin Street, Agawam-, Massachusetts.
7. The premises located at 187 South Winooski Avenue, Burlington, Vermont.
8. The premises located at 349 Park Avenue, Portland, Maine.

H.P. HOOD INC.

OFFICER'S CERTIFICATE

Pursuant to [Section 2.1.3 or 2.3.2] of the Credit Agreement dated as of December 15, 1995, as now in effect (the "Credit Agreement"), among H.P. Hood Inc., a Massachusetts corporation (the "Borrower"), H.P. Hood & Sons, Inc., a Massachusetts corporation, and the other Subsidiaries of the Borrower party thereto, Catamount Dairy Holdings Limited Partnership, a Massachusetts limited partnership, the Lenders party thereto and Fleet National Bank of Massachusetts, as agent (the "Agent") for itself and the other Lenders, the Borrower requests that [a loan be made][a Letter of Credit be issued] on the date specified below (the "Closing Date") in the following amount:

Closing Date:

[Loan Principal Amount: \$]

[Letter of Credit: \$]

In connection with the foregoing request, the Borrower certifies that the representations and warranties contained in Sections 7 and 10.3 of the Credit Agreement are true and correct on and as of the date hereof with the same force and effect as though originally made on and as of the date hereof (except as to any representation or warranty which refers to a specific earlier date); no Default exists on the date hereof or will exist immediately after giving effect to the extension of credit requested hereby; and since June 24, 1995, no Material Adverse Change has occurred.

The foregoing representations and warranties shall be deemed made by the Borrower on the requested Closing Date unless the Borrower shall have notified the Agent in writing to the contrary prior to such Closing Date.

Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

This certificate has been executed by a duly authorized Financial Officer this ___ of _____, 199_.

H.P. HOOD INC.

By _____
Financial Officer

H. P. HOOD & SONS, INC.

OFFICER'S CERTIFICATE

Pursuant to Section 2.4.3 of the Credit Agreement dated as of December 15, 1995, as now in effect (the "Credit Agreement"), among H.P. Hood Inc., a Massachusetts corporation (the "Company"), H.P. Hood & Sons, Inc., a Massachusetts corporation (the "Borrower"), and the other Subsidiaries of the Company party thereto, Catamount Dairy Holdings Limited Partnership, a Massachusetts limited partnership, the Lenders party thereto and Fleet National Bank of Massachusetts, as agent (the "Agent") for itself and the other Lenders, the Borrower requests that a loan be made on the date specified below (the "Closing Date") in the following amount:

Closing Date:

Loan Principal Amount: \$

In connection with the foregoing request, the Borrower certifies that the representations and warranties contained in Sections 7 and 10.3 of the Credit Agreement are true and correct on and as of the date hereof with the same force and effect as though originally made on and as of the date hereof (except as to any representation or warranty which refers to a specific earlier date); no Default exists on the date hereof or will exist immediately after giving effect to the extension of credit requested hereby; and since June 24, 1995, no Material Adverse Change has occurred.

The foregoing representations and warranties shall be deemed made by the Borrower on the requested Closing Date unless the Borrower shall have notified the Agent in writing to the contrary prior to such Closing Date.

Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

This certificate has been executed by a duly authorized Financial Officer this ____ of _____, 199_.

H. P. HOOD & SONS, INC.

By _____
Financial Officer

REAL PROPERTY SURVEYS

1. Newington, Connecticut
2. Portland, Maine
3. Agawam, Massachusetts
4. Boston (Charlestown), Massachusetts
5. Oneida, New York

HOLDINGS, COMPANY AND ITS SUBSIDIARIES

Holdings:

Catamount Dairy Holdings Limited Partnership was organized under the laws of The Commonwealth of Massachusetts. The address of its principal executive office and its chief place of business is 90 Everett Avenue, Chelsea, Massachusetts 02150.

Catamount Dairy Holdings Limited Partnership conducts its business solely under its formal partnership name.

Catamount Dairy Holdings Limited Partnership keeps tangible personal property in Massachusetts and in no other jurisdiction.

The Company:

The Company was organized under the laws of The Commonwealth of Massachusetts. The address of its principal executive office and its chief place of business is 500 Rutherford Avenue, Boston, Massachusetts.

The Company conducts its business primarily under its formal corporate name, and, to the extent of the fluid milk dairy business conducted by it, under the name of H.P. Hood & Sons, Inc.

The Company keeps tangible personal property in those jurisdictions named in Item 1 of Schedule 2.3 to the Disclosure Schedule to the Acquisition Agreement.

The Subsidiaries (Operating and Non-Operating):

H.P. Hood & Sons, Inc. is a Massachusetts corporation with its principal executive office and place of business at 500 Rutherford Avenue, Boston, Massachusetts. It conducts its business under its formal corporate name. It is the sole Operating Subsidiary.

All Operating and Non-Operating Subsidiaries keep tangible personal property in no jurisdiction other than those listed for each in Schedule 2.3 to the Disclosure Schedule to the Acquisition Agreement, except that H.P. Hood & Sons keeps personally in, and, on December 15, 1995 applied for qualification in, Maine.

MATERIAL AGREEMENTS

Nestle Beverage Company

- Aseptic Quik Dairy License Agreement dated March 4, 1993
- Carnation Hot Cocoa Drink Dairy License Agreement dated July 1, 1993
- Carnation Instant Breakfast Dairy License Agreement dated December 15, 1993
- Carnation Coffee-Mate Liquid Dairy License Agreement dated January 1, 1995
- Dairy License (Quik RTD Chocolate/Oneida) dated August 24, 1989
- Dairy License (Quik RTD Strawberry/Oneida) dated August 24, 1989
- Dairy License (Quik RTD Chocolate/Agawam & Boston) dated
October 1, 1982
- Co-Pack Agreement dated March 25, 1992
- Dairy License (Quik RTD Chocolate/Agawam & Boston) dated October 1, 1982

McNeil Consumer Products Company

- Lactaid Distributor Agreement dated December 1, 1992
- Lactaid Distributor Agreement dated November 15, 1993

Stock Purchase Agreement dated December 14, 1995 by and among The Catamount Corporation and Agway Holdings, Inc.

FINANCING DEBT, CERTAIN INVESTMENTS, ETC.
(Other than under the Credit Agreement)

Holdings

- a) FINANCING DEBT
\$9,600,000 Demand Note dated December 15, 1995
- b) LIENS AND GUARANTEES
None
- c) INVESTMENT OBLIGATIONS
None

The Company

- a) FINANCING DEBT
- | | <u>\$000</u> | |
|------------------------------|--------------|--------------|
| Income, Debentures | 495 | (at 6/24/95) |
| 7.5% Subordinated Debentures | 6673 | (" " " ") |
| Capital Leases | 420 | (" " " ") |
| Other Long-term Notes | 1200 | (" " " ") |
- b) LIENS AND GUARANTEES
None
- c) INVESTMENT OBLIGATIONS
None

The Subsidiary

- a) FINANCING DEBT
None
- b) LIENS AND GUARANTEES
None
- c) INVESTMENT OBLIGATIONS
None

ENVIRONMENTAL LITIGATION

Please refer to Schedule 2.23 (and the documents listed in the accompanying Index of Environmental Documents) to the Stock Purchase Agreement by and among the Catamount Corporation and Agway Holdings, Inc., dated as of December 14, 1995 (the "Stock Purchase Agreement").

Exhibit 7.15

MULTI-EMPLOYER AND DEFINED BENEFIT PLANS

See Schedule 2.18 to Disclosure
Schedule of Stock Purchase Agreement dated
as of December 14, 1995 between Agway Holdings, Inc.
and The Catamount Corporation

DEPOSITORY INSTITUTIONS

93851.03

ASSIGNMENT AND ACCEPTANCE

This Agreement, dated as of _____, 199_, is between _____, a Lender under the Credit Agreement referred to below (the "Assignor"), and _____ (the "Assignee").

For valuable consideration, the receipt of which is hereby acknowledged, the Assignor agrees with the Assignee as follows:

1. Reference to Credit Agreement: Definitions. Reference is made to the Credit Agreement dated as of December 15, 1995, as from time to time in effect (the "Credit Agreement"), among H.P. Hood Inc., a Massachusetts corporation (the "Company"), H.P. Hood & Sons, Inc., a Massachusetts corporation, and the other Subsidiaries of the Company from time to time party thereto, Catamount Dairy Holdings Limited Partnership, a Massachusetts limited partnership, the Lenders from time to time party thereto and Fleet National Bank of Massachusetts, as agent (the "Agent") for itself and the other Lenders. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

2. Assignment and Assumption. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, a __% interest in and to all the Assignor's rights and obligations (other than its rights and obligations as a Letter of Credit Issuer) under the Credit Agreement and the other Credit Documents (other than Interest Rate Protection Agreements) as of the Assignment Date (as defined below), including without limitation such percentage interest in the Commitment of the Assignor on the Assignment Date and in the portion of the Loan and the Letter of Credit Exposure owing to the Assignor on the Assignment Date, together with such percentage interest in all unpaid interest with respect to such portion of the Loan, any commitment fees and any Letter of Credit fees owing to the Assignor on the Assignment Date.

3. Representations, Warranties, etc.

3.1. Assignor's Representations and Warranties. The Assignor:

(a) represents that as of the date hereof, its Commitment is \$_____ and the outstanding principal balance of its portion of the Loan is \$_____;

(b) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with

the Credit Agreement or any other Credit Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other Credit Document or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; and

(c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company and its Subsidiaries or the performance by the Company and its Subsidiaries of their obligations under the Credit Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto or thereto.

3.2. Assignee's Representations, Warranties and Agreements. The Assignee:

(a) represents and warrants that it is legally authorized to enter into this Agreement;

(b) the Assignee represents and warrants that it is a "qualified institutional buyer" for purposes of Rule 144A under the Securities Act;

(c) the Assignee represents and warrants that (i) it is incorporated or organized under the laws of the United States of America or a state thereof or (ii) it will perform all of the obligations relating to United States income tax withholding under Section 15 of the Credit Agreement;

(d) confirms that it has received a copy of the Credit Agreement and any other Credit Document which it has requested, together with copies of the most recent financial statements delivered pursuant to Section 6.4 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement;

(e) agrees that it will, independently and without reliance upon the Assignor or any other Person which has become a Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement and the other Credit Documents; and

(f) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with their terms all the obligations which by the terms of the Credit Agreement and the other Credit Documents are required to be performed by it as a Lender.

4. Assignment Date. The effective date of this Agreement shall be _____, 199_ (the "Assignment Date").

5. Assignee Party to Credit Agreement: Assignor Release of Obligations. From and after the Assignment Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Agreement, have the rights and obligations of a Lender thereunder and under the other Credit Documents and (b) the Assignor shall, to the extent provided in this Agreement, relinquish its rights and be released from its obligations under the Credit Agreement and the other Credit Documents.

6. Notices. All notices and other communications required to be given or made to the Assignee under this Agreement, the Credit Agreement or any other Credit Document shall be given or made at the address of the Assignee set forth on the signature page hereto or at such other address as the Assignee shall have specified to the Assignor, the Borrowers and the Agent in writing.

7. Further Assurances. The parties hereto agree to execute and deliver such other instruments and documents and to take such other actions as any party hereto may reasonably request in connection with the transactions contemplated by this Agreement.

8. General. This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all current and prior agreements and understandings, whether written or oral, with respect to such subject matter. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term or provision hereof. This Agreement may be executed in any number of counterparts, which together shall constitute one instrument, and shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, including as such successors and assigns all holders of any Credit Obligation. This Agreement shall be governed by and construed in accordance with the laws (other than the conflict of laws rules) of The Commonwealth of Massachusetts.

Each of the Assignor and the Assignee has caused this Agreement to be executed and delivered by its duly authorized officer as an agreement under seal as of the date first above written.

[ASSIGNOR]

By _____
Title:

[ASSIGNEE]

By _____
Title:

[Street Address
City, State Zip Code]
Telecopy:
Telex:

The foregoing is hereby approved:

H.P. HOOD INC.

By _____
Title:

H.P. HOOD & SONS, INC.

By _____
Title:

FLEET NATIONAL BANK OF MASSACHUSETTS,
as Agent under the Credit Agreement

By _____
Title:

TRADEMARK
REEL: 001978 FRAME: 0444

REPORTING BURDEN

Public reporting burden for this collection of information is estimated to average 1.86 minutes (0.031 hours) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, including suggestions for reducing this burden, to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0115), Washington, D.C. 20503.

FR U-1

O.M.B. No. 7100-0115

Approval expires June 30, 1994

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Statement of Purpose for an Extension of Credit
Secured by Margin Stock**

Fleet National Bank of Massachusetts

Name of Bank

(Federal Reserve Form U-1)

This form is required by law (15 U.S.C. §§78g and 78w; 12 CFR 221).

INSTRUCTIONS

1. This form must be completed when a bank extends credit in excess of \$100,000 secured directly or indirectly, in whole or in part, by any margin stock.
2. The term "margin stock" is defined in Regulation U (12 CFR 221) and includes, principally: (1) stocks that are registered on a national securities exchange or that are on the Federal Reserve Board's List of Marginable OTC Stocks; (2) debt securities (bonds) that are convertible into margin stocks; (3) any over-the-counter

security designated as qualified for trading in the National Market System under a designation plan approved by the Securities and Exchange Commission (NMS security); and (4) shares of mutual funds, unless 95 per cent of the assets of the fund are continuously invested in U.S. government, agency, state, or municipal obligations.

3. Please print or type (if space is inadequate, attach separate sheet).

PART I. To be completed by borrower(s).

1. What is the amount of the credit being extended? \$70,000,000.00

2. Will any part of this credit be used to purchase or carry margin stock? Yes No

If the answer is "no," describe the specific purpose of the credit. Proceeds will be used to prepay the existing indebtedness and for working capital.

I (we) have read this form and certify that to the best of my (our) knowledge and belief the information given is true, accurate, and complete, and that the margin stock and any other securities col-

lateralizing this credit are authentic, genuine, unaltered, and not stolen, forged, or counterfeit.

Signed:

 12/15/95
Date

John A. Kaneb
Print or Type Name

Signed: H. P. Hodd, Inc. and H. P. Hurd + Sons, Inc.

By: Robert L. Keller 12/15/95
Borrower's Signature Date

Robert L. Keller
Print or Type Name

This form should not be signed in blank.

A borrower who falsely certifies the purpose of a credit on this form or otherwise willfully or intentionally evades the provisions of Regulation U will also violate Federal Reserve Regulation X, "Borrowers of Securities Credit."

PART II. To be completed by bank only if the purpose of the credit is to purchase or carry margin stock (Part I(2) answered "yes").

1. List the margin stock securing this credit; do not include debt securities convertible into margin stock. The maximum loan value of margin stock is per cent of its current market value under the current Supplement to Regulation U.

No. of shares	Issue	Market price per share	Date and source of valuation (See note below)	Total market value per issue

2. List the debt securities convertible into margin stock securing this credit. The maximum loan value of such debt securities is per cent of the current market value under the current Supplement to Regulation U.

Principal amount	Issue	Market price	Date and source of valuation (See note below)	Total market value per issue

3. List other collateral including nonmargin stock securing this credit.

Describe briefly	Market price	Date and source of valuation (See note below)	Good faith loan value

Note: Bank need not complete "Date and source of valuation" if the market value was obtained from regularly published information in a journal of general circulation.

PART III. To be signed by a bank officer in all instances.

I am a duly authorized officer of the bank and understand that this credit secured by margin stock may be subject to the credit restrictions of Regulation U. I have read this form and any attachments, and I have accepted the customer's statement in part I in good faith as required by Regulation U*, and I certify that to the best of my knowledge and belief, all the information given is true, accurate, and complete. I also certify that if any securities that directly secure the credit are not or will not be registered in the name of the borrower or its nominee, I have or will cause to have examined

the written consent of the registered owner to pledge such securities. I further certify that any securities that have been or will be physically delivered to the bank in connection with this credit have been or will be examined, that all validation procedures required by bank policy and the Securities Exchange Act of 1934 (section 17(f), as amended) have been or will be performed, and that I am satisfied to the best of my knowledge and belief that such securities are genuine and not stolen or forged and their faces have not been altered.

Date

Title

Signed: _____
Bank officer's signature

Print or type name

*To accept the customer's statement in good faith, the officer of the bank must be alert to the circumstances surrounding the credit and, if in possession of any information that would cause a prudent person not to accept the statement without inquiry, must have investigated and be satisfied that the statement is truthful. Among the facts which would require such investigation are receipt of the statement through the mail or from a third party.

This form must be retained by the bank for at least three years after the credit is extinguished.

MRD REC 122095

01-25-1996

HEET

U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

40.00 481

575.00 482

Tab settings



To the Honorable Commissioner of Patents

100120753

Send original documents or copy thereof.

1. Name of conveying party(ies):

H.P. Hood Inc. 500 Rutherford Avenue Boston, Massachusetts 02129

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State, Other

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Fleet National Bank of Massachusetts

Internal Address: Mail Stop MA BO F04H

Street Address: 75 State Street

City: Boston State: MA ZIP: 02109

- Individual(s) citizenship, Association National Banking Association, General Partnership, Limited Partnership, Corporation-State, Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: 12/15/95

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See Schedule A to the attached Trademark Security Agreement.

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Ropes & Gray

Internal Address: Attn: Linda S. Day

Street Address: One International Place

City: Boston State: MA ZIP: 02110

6. Total number of applications and registrations involved:

24

7. Total fee (37 CFR 3.41): \$ 615.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

060 DE 01/22/96 1097623

0 48: 575.00 CK

9. 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.

ROBERT L KEELER

Signature

12/15/95

Date

Name of Person Signing

Total number of pages including cover sheet, attachments, and document:

23

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

TRADEMARK

REEL: 1421 FRAME: 0467

EXHIBIT A

FEDERAL REGISTERED MARKS

	<u>TRADEMARKS</u>	<u>DATE REGISTERED/ RENEWED</u>	<u>REGISTRATION NUMBER</u>
1.	BELLACOTTA	07/25/78	1,097,623
2.	DAIRYLEA	11/11/78	669,674
3.	DAIRYLEA (W/FLOWER)	06/29/91	915,764
4.	DAIRYLEA (W/FLOWER)	05/16/78	1,091,500
5.	DARI-LEAN	03/09/91	909,693
6.	ESSENTIAL	07/29/75	1,017,065
7.	FROGURT	07/31/93	965,205
8.	FROGURT AND DESIGN	09/20/77	1,073,720
9.	FROGURT DESIGN LOGO	10/04/77	1,074,683
10.	HOOD	05/21/77	645,833
		07/30/77	649,413
		11/16/85	798,857
11.	HOODSIE	10/20/85	204,599
12.	ICEBERGS	04/16/83	174,338
13.	IGLOO	07/17/76	619,576
14.	JERSEY BELLE	02/26/84	180,379
15.	KEEPS FOR WEEKS (and Design)	10/18/83	1,254,651
16.	NATURAL LEA (w/flower Between Words)	03/09/76	1,035,474
17.	NU CHATEL (Stylized Letters)	03/12/77	642,732 (S.R.)
18.	NUFORM (Stylized Letters)	03/31/90	888,782
		05/26/81	1,155,784

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TRADEMARK
REEL: 1421 FRAME: 0468

TRADEMARK
REEL: 001978 FRAME: 0448

19.	SHAKE UPS	04/02/85	1,328,817
20.	SHIMMY	06/21/80	699,937
21.	SULADINE	02/14/76	621,100

H. P. HOOD INC.

CANADIAN REGISTERED MARKS

9.	FIRM 'N FRUITY	11/04/80	252,024
10.	HOOD	3/29/85	301,321
11.	FROGURT DESIGN LOGO	04/25/80	243,766

H.P. HOOD INC.

STATE REGISTERED MARKS

1.	BALANCE	MILK	MA
2.	BRAE BURN		MA
3.	BROWNIE BURGERS		MA
4.	CHERRY HILL		MA
5.	CONEY ISLAND		TN
6.	CORONET		NJ/MA
7.	COUNTRY VALUE		MA
8.	EMPIRE WHITE		NY

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-2-

TRADEMARK
REEL: 1421 FRAME: 0469

TRADEMARK
REEL: 001978 FRAME: 0449

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement by and between H.P. Hood Inc., a Massachusetts corporation ("Debtor"), located at 500 Rutherford Avenue, Boston, Massachusetts 02129 and Fleet National Bank of Massachusetts, as Agent ("Secured Party"), located at 75 State Street, Boston, Massachusetts 02109, acting for itself and certain other lenders under the Credit Agreement dated as of December 15, 1995, as from time to time in effect (the "Credit Agreement"), among Catamount Dairy Holdings Limited Partnership, a Massachusetts limited partnership, Debtor, certain of its subsidiaries party thereto including H.P. Hood & Sons, Inc., a Massachusetts corporation, certain Lenders (as defined therein) and Secured Party, to secure the payment and performance of the loans, fees, expenses, indemnities and other obligations (collectively, the "Credit Obligations") of Debtor to Secured Party. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

1. Grant of Security Interest. Debtor hereby grants to Secured Party and its successors and assigns, a security interest in the items as set forth below (hereinafter collectively referred to as the "Collateral" or the "Trademarks").

1.1. All of the right, title and interest of Debtor in and to all trademark registrations (collectively, the "Registrations") and all trademark applications (collectively, the "Applications"), now owned or hereafter acquired by Debtor. Such Registrations and Applications shall include without limitation, all existing United States registrations and applications of Debtor described in Exhibit A attached hereto.

1.2. The goodwill of the business of Debtor symbolized by each of the trademarks that are the subject of the Registrations and the Applications.

1.3. All right, title and interest of Debtor in and to any cause of action that has heretofore arisen or that may arise with respect to unconsented use or infringement of the Registrations or the Applications.

2. Further Assurances. Debtor shall execute, or use its best efforts at its expense to have carefully executed, any further documents as may be reasonably requested by Secured Party in order to fully effectuate the grant of security interest set forth in Section 1.

3. Agreement to Assign Collateral. Debtor shall execute and deliver to Secured Party on the date of this Agreement, a written Assignment of Trademarks to Secured Party in substantially the form attached hereto as Exhibit B (the "Trademark Assignment"). Secured Party shall hold the Trademark Assignment in escrow until (a) the occurrence and continuance

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TRADEMARK
REEL: 1421 FRAME: 0470

TRADEMARK
REEL: 001978 FRAME: 0450

of an Event of Default (as defined in the Credit Agreement), at which time Secured Party may file the Trademark Assignment with the U.S. Patent and Trademark Office or (b) Debtor requests delivery of the Trademark Assignment pursuant to the provisions of Section 5 hereof.

4. Foreclosure. Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have, in addition to all other rights and remedies granted by this Agreement and the Trademark Assignment, those allowed by law and the rights and remedies enacted in any of the jurisdictions in which the Collateral may be located. Without limiting the generality of the foregoing, Secured Party may, upon the occurrence and during the continuance of an Event of Default, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in The Commonwealth of Massachusetts or elsewhere, all or from time to time any of the Collateral, or any interest which Debtor may have therein. Notice of any sale or other disposition of the Collateral shall be given to Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of the Collateral is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any Credit Obligation or Secured Party may, to the extent permissible under applicable law, purchase the whole or any part of the Collateral (including associated goodwill) sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released. After deducting from the proceeds of sale or other disposition of the Collateral and associated goodwill all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Credit Obligations. Any remainder of the proceeds after payment in full of the Credit Obligations shall be paid over to Debtor.

5. Defeasance. Upon payment in full of the Credit Obligations and termination of the commitments therefor, Secured Party shall, at Debtor's expense, release the security interest in the Collateral granted under this Agreement and execute and deliver such instruments and other documents and take such further actions as may be necessary to carry out such release, including cancellation of this Agreement by written notice, executed on behalf of Secured Party, to the U.S. Patent and Trademark Office and delivery to Debtor of the Trademark Assignment upon request of Debtor.

6. Covenants.

Debtor covenants and agrees as follows:

6.1. Debtor shall not abandon any Registrations or Applications included in the Collateral held on the date hereof for the term of this Agreement except any Registrations or Applications which Debtor reasonably determines are not material to its business.

6.2. Debtor shall maintain any and all rights held by Debtor relating to the

Registrations and Applications owned on the date hereof except any Registrations or Applications which Debtor reasonably determines are not material to its business.

6.3. Debtor shall not, until all of the Credit Obligations shall have been satisfied in full and termination of the commitments therefor, enter into any agreement (including a license agreement) which conflicts with Debtor's obligations under this Agreement other than agreements that do not materially adversely affect the value of the Collateral, without Secured Party's prior written consent.

6.4. If, before the Credit Obligations shall have been satisfied in full, Debtor shall obtain rights to any new registrable trademarks, the provisions of Section 1 shall automatically apply thereto and at least annually Debtor shall give to Secured Party written notice thereof, shall execute an amendment to Exhibit A including such registrations and applications and shall take any other action reasonably necessary to record Secured Party's interest in such trademarks.

6.5. Debtor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Collateral to the extent commercially practicable and customary within the relevant industry.

6.6. Debtor has used, and will continue to use for the duration of this Agreement, reasonably consistent standards of quality in its manufacture of products sold under the Trademarks.

6.7. Debtor hereby grants to Secured Party and its employees and agents, upon reasonable written request and no more than twice a year, the right to visit Debtor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

7. Representations and Warranties of Title.

Debtor represents and warrants that:

7.1. Exhibit A sets forth as of the date hereof all United States Registrations and Applications owned by Debtor.

7.2. As of the date hereof, the Trademarks set forth on Exhibit A are subsisting and have not been adjudged invalid and unenforceable.

7.3. As of the date hereof, no claim has been made that the use of any of the Collateral violates the rights of any third person and Debtor is not aware of any basis for any such claim to be asserted.

7.4. Debtor is the sole and exclusive owner of the entire right, title and interest in and to each of the Trademarks, free and clear of any Liens, including without limitation, pledges, assignments, licenses, registered user agreements and covenants by Debtor not to sue third persons (other than any of the foregoing entered into in the ordinary course of business or other Liens permitted under Section 6.8 of the Credit Agreement).

7.5. Debtor has the full power and authority to enter into this Agreement and perform its terms including those set forth in Section 3.

8. Miscellaneous.

8.1. No course of dealing between Debtor and Secured Party, nor any failure to exercise, nor any delay in exercising on the part of Secured Party, any right, power or privilege hereunder or under the Credit Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any right, power or privilege.

8.2. All of Secured Party's rights and remedies with respect to the Collateral, whether established hereby or by the Credit Agreement, or by any other agreement or by law shall be cumulative and may be exercised singularly or concurrently.

8.3. If any clause or provision of this Agreement shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

8.4. This Agreement is subject to modification only by a writing signed by the parties, except as otherwise provided in Section 3 and Section 6.4.

8.5. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

8.6. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the Commonwealth of Massachusetts without regard to any choice or conflict of laws, rule or principle that would result in the application of the domestic substantive law of any other jurisdiction.

8.7. This Agreement is a Credit Document (as defined in the Credit Agreement) and may be executed in any number of counterparts, which together shall constitute one instrument.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be signed by its duly authorized officer this fifteenth day of December, 1995.

H.P. HOOD INC.

By Robert H. Keeler
Title: Pres

FLEET NATIONAL BANK OF
MASSACHUSETTS
as Agent under the Credit Agreement

By Donald F. McLean
Title:

9.	FRUIT GEMS	MA
10.	GOLD MEDAL DIARY	NY
11.	GOLDEN CREST	MA
12.	GOLDEN GLO	MA
13.	GOLDEN GLO 2%	ME/MA
14.	GOODIE GRAB BAG	MA
15.	H BAR (and Design)	MA
16.	HOOD	MA/RI
17.	HOOD (and Design)	MA
18.	IDLENOT VT SPRING WATER	VT
19.	IDLENOT VT SPRING WATER and Design	NH
20.	IGLOO	MA
21.	JERSEY BELLE	MA
22.	LEAN 2	NJ/NY
23.	MDR	MA
24.	NEW YOU (and Design)	NH/ME/MA
25.	NU-CHATEL	VT/MA
26.	RIVIERA and Design	MA
27.	SHIMMY SHERBET	MA
28.	SIL-OU-ET	MA
29.	SLIM LINE	NY
30.	ST. LAWRENCE VALLEY	NY

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-3-

TRADEMARK
REEL: 1421 FRAME: 0475

TRADEMARK
REEL: 001978 FRAME: 0455

- | | | |
|-----|---------------------------------------|-----------------------|
| 31. | SUBURBAN FARMS | MA |
| 32. | SUNNY MEADOW | NY |
| 33. | SUNSHINE CUP | MA |
| 34. | SUNSHINE FRESH | NH/ME/VT |
| 35. | SUNSHINE FRESH (and Design) | MA |
| 36. | SUPER RICH | NH/MA/ME |
| 37. | ST. LAWRENCE VALLEY
CHEESE COMPANY | NY |
| 38. | ST. LAWRENCE VALLEY | NY |
| 39. | VERMONT SPRING WATER FROM IDLENOT | MA |
| 40. | ZINGO | ICE CREAM
MA/CT/VT |
| 41. | ZINGO (and Design) | MA |

H.P. HOOD INC.

UNREGISTERED MARKS CURRENTLY DESIGNATED WITH A "TM"

BARN LOGO
 BETTER TASTE
 BLUERAZZMATAZZ
 CALCI-PLUS
 CAPE COD
 CARIBBEAN COFFEE ROYALE
 CENTENNIAL
 CHERRY CRAZE
 CITRUS STIX
 CITRUS CREAM STIX
 COCO 'NUT BARS
 COUNTRY FRESH LOCUST
 DAIRY RESEARCH & DEVELOPMENT CORP.
 DELUXE FUDGE BARS
 FAMILY VALUE

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-4-

TRADEMARK
 REEL: 1421 FRAME: 0476

TRADEMARK
 REEL: 001978 FRAME: 0456


FITCHETT
FITCHETT BROTHERS
FLORIDA SUN
FLORIDA JUICE BARS
FLORIDA DAIRIES
"FOR YOUR COFFEE" LOGO
FUDGE FANTASIES
GOLD MEDAL DAIRY (D/B/A/ FILED WITH ONEIDA COUNTY CLERK'S OFFICE)
HAPPY BIRTHDAY
HAPPY HALLOWEEN
HENDRIES
HI HEALTH
HI HEALTH LOOK LOVELY
HI HEALTH HI 'N LO-2
HO-MOOOOOOO
HOOD FREE
HOOD LIGHT
HOOD SELECT
HOODGOODIE
HOODWICH
IDLENOT
ISLAND SORBET
JIMMY ROLL
KIDS KARNIVAL STIX
LAYTON'S DAIRY
LOCUST FARM
M'M'M' NICE
MAPLE RIDGE DAIRY
MOSER FARMS
NATURAL BLENDERS
NATURAL COUNTRY
NATURAL LIGHT
NICE 'N ICEY
NUFORM ICE MILK
NUTTY ROYALE
OLD GLORY
PARADISE COOLER
PATCHWORK POPS
QUINLAN'S DAIRY
RIVERSIDE DAIRY
SILVER LAKE
SILVER LAKE DAIRY
ST. PATRICK'S DAY

3094971.02

-5-

TRADEMARK
REEL: 1421 FRAME: 0477

TRADEMARK
REEL: 001978 FRAME: 0457



SUNNY HILL
SUNSHINE PATCH
SUNSHINE STIX
SWEET CLOVER
SWEET CLOVER FARMS
TIN ROOF SUNDAE BARS
XTRA

3094971.02

-6-

TRADEMARK
REEL: 1421 FRAME: 0478

TRADEMARK
REEL: 001978 FRAME: 0458

H.P. HOOD INC.

UNREGISTERED MARKS NOT CURRENTLY DESIGNATED WITH A "TM"

BUTTERSCOTCH BLAST
CITRUS 'N BERRY STIX
FABULOUS FUDGIES
MAPLE SUGAR SHACK
MASSACHUSETTS MUD PIE
SIZZLE 'N SOUR STIX

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-7-

TRADEMARK
REEL: 1421 FRAME: 0479

TRADEMARK
REEL: 001978 FRAME: 0459

TRADEMARK ASSIGNMENT

This Assignment of Trademarks ("Trademark Assignment") is by and between H.P. HOOD INC., a Massachusetts corporation ("Debtor"), located at 500 Rutherford Avenue, Boston, Massachusetts 02129 and FLEET NATIONAL BANK OF MASSACHUSETTS, as Agent ("Secured Party") located at 75 State Street, Boston, Massachusetts 02109, acting for itself and certain other lenders under the Credit Agreement dated as of December 15, 1995, as from time to time in effect (the "Credit Agreement"), among Catamount Dairy Holdings Limited Partnership, a Massachusetts limited partnership, Debtor, certain of Debtor's subsidiaries party thereto including H.P. Hood & Sons, Inc., a Massachusetts corporation, certain lenders party thereto and Secured Party, to secure the payment and performance of the loans, fees, expenses, indemnities and other obligations (collectively, the "Credit Obligations") of Debtor to Secured Party. This Trademark Assignment is made pursuant to that certain Trademark Security Agreement dated as of this date (the "Trademark Security Agreement") by and between Debtor and Secured Party. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

BACKGROUND

Section 3 of the Trademark Security Agreement provides that Debtor shall execute a written assignment of the items listed in Exhibit A thereto (collectively, the "Collateral"), as amended (attached hereto as Exhibit 1A) and that Secured Party may file such Trademark Assignment upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement).

ASSIGNMENT

1. Assignment. Subject to the occurrence and continuance of an Event of Default, Debtor hereby assigns to Secured Party and its successors and assigns, the items referred to below (collectively, the "Assigned Material").
 - 1.1. All of the right, title and interest of Debtor in and to all trademark registrations (collectively, the "Registrations") and all trademark applications (collectively, the "Applications"), now owned or hereafter acquired by Debtor. Such Registrations and Applications shall include without limitation, all existing United States registrations and applications of Debtor described in Exhibit 1A attached hereto.
 - 1.2. The goodwill of the business of Debtor symbolized by each of the trademarks that are the subject of the Registrations and the Applications.

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TRADEMARK
REEL: 1421 FRAME: 0480

TRADEMARK
REEL: 001978 FRAME: 0460

1.3. All right, title and interest of Debtor in and to any cause of action that has heretofore arisen or that may arise with respect to unconsented use or infringement of the Registrations or the Applications.

2. Further Assurances. Debtor shall execute, or use its best efforts at its expense to have carefully executed, any further documents as may be reasonably requested by Secured Party in order to fully effectuate this Trademark Assignment.
3. Indemnification. Debtor shall indemnify and hold harmless Secured Party against any claim, loss or liability with respect to a third party incurred by Secured Party as assignee of the Assigned Material resulting from any use by Debtor, or any of its sublicensees, of goods or services, products or processes, as the case may be, covered by the Assigned Material.
4. Miscellaneous. The provisions of this Trademark Assignment shall be read cumulatively with the provisions of Sections 4, 5, 6, 7 and 8 of the Trademark Security Agreement. This Trademark Assignment amends the Trademark Security Agreement by deleting Sections 1, 2, and 3 of the Trademark Security Agreement which Sections 1, 2 and 3 shall be of no further force or effect in respect of the Assigned Material.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the undersigned has caused this Trademark Assignment to be signed by a duly authorized officer this fifteenth day of December, 1995.

H.P. HOOD INC.

By _____
Title:

FLEET NATIONAL BANK OF
MASSACHUSETTS
as Agent under the Credit Agreement

By _____
Title:

3094971.02

-3-

TRADEMARK
REEL: 1421 FRAME: 0482

TRADEMARK
REEL: 001978 FRAME: 0462

EXHIBIT 1A

FEDERAL REGISTERED MARKS

<u>TRADEMARKS</u>	<u>DATE REGISTERED/ RENEWED</u>	<u>REGISTRATION NUMBER</u>
1. BELLACOTTA	07/25/78	1,097,623
2. DAIRYLEA	11/11/78	669,674
3. DAIRYLEA (W/FLOWER)	06/29/91	915,764
4. DAIRYLEA (W/FLOWER)	05/16/78	1,091,500
5. DARI-LEAN	03/09/91	909,693
6. ESSENTIAL	07/29/75	1,017,065
7. FROGURT	07/31/93	965,205
8. FROGURT AND DESIGN	09/20/77	1,073,720
9. FROGURT DESIGN LOGO	10/04/77	1,074,683
10. HOOD	05/21/77	645,833
	07/30/77	649,413
	11/16/85	798,857
11. HOODSIE	10/20/85	204,599
12. ICEBERGS	04/16/83	174,338
13. IGLOO	07/17/76	619,576
14. JERSEY BELLE	02/26/84	180,379
15. KEEPS FOR WEEKS (and Design)	10/18/83	1,254,651
16. NATURAL LEA (w/flower Between Words)	03/09/76	1,035,474
17. NU CHATEL (Stylized Letters)	03/12/77	642,732 (S.R.)
18. NUFORM (Stylized Letters)	03/31/90	888,782

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-4-

TRADEMARK
REEL: 1421 FRAME: 0483

TRADEMARK
REEL: 001978 FRAME: 0463

		05/26/81	1,155,784
19.	SHAKE UPS	04/02/85	1,328,817
20.	SHIMMY	06/21/80	699,937
21.	SULADINE	02/14/76	621,100

H. P. HOOD INC.

CANADIAN REGISTERED MARKS

5.	FIRM 'N FRUITY	11/04/80	252,024
6.	HOOD	3/29/85	301,321
7.	FROGURT DESIGN LOGO	04/25/80	243,766

H.P. HOOD INC.

STATE REGISTERED MARKS

1.	BALANCE	MILK	MA
2.	BRAE BURN		MA
3.	BROWNIE BURGERS		MA
4.	CHERRY HILL		MA
5.	CONEY ISLAND		TN
6.	CORONET		NJ/MA
7.	COUNTRY VALUE		MA
8.	EMPIRE WHITE		NY

3094971.02

-5-

TRADEMARK
REEL: 1421 FRAME: 0484

TRADEMARK
REEL: 001978 FRAME: 0464

9.	FRUIT GEMS	MA
10.	GOLD MEDAL DIARY	NY
11.	GOLDEN CREST	MA
12.	GOLDEN GLO	MA
13.	GOLDEN GLO 2%	ME/MA
14.	GOODIE GRAB BAG	MA
15.	H BAR (and Design)	MA
16.	HOOD	MA/RI
17.	HOOD (and Design)	MA
18.	IDLENOT VT SPRING WATER	VT
19.	IDLENOT VT SPRING WATER and Design	NH
20.	IGLOO	MA
21.	JERSEY BELLE	MA
22.	LEAN 2	NJ/NY
23.	MDR	MA
24.	NEW YOU (and Design)	NH/ME/MA
25.	NU-CHATEL	VT/MA
26.	RIVIERA and Design	MA
27.	SHIMMY SHERBET	MA
28.	SIL-OU-ET	MA
29.	SLIM LINE	NY
30.	ST. LAWRENCE VALLEY	NY

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-6-

TRADEMARK
REEL: 1421 FRAME: 0485

TRADEMARK
REEL: 001978 FRAME: 0465

- | | | | |
|-----|---------------------------------------|-----------|----------|
| 31. | SUBURBAN FARMS | MA | |
| 32. | SUNNY MEADOW | NY | |
| 33. | SUNSHINE CUP | MA | |
| 34. | SUNSHINE FRESH | NH/ME/VT | |
| 35. | SUNSHINE FRESH (and Design) | MA | |
| 36. | SUPER RICH | NH/MA/ME | |
| 37. | ST. LAWRENCE VALLEY
CHEESE COMPANY | NY | |
| 38. | ST. LAWRENCE VALLEY | NY | |
| 39. | VERMONT SPRING WATER FROM IDLENOT | MA | |
| 40. | ZINGO | ICE CREAM | MA/CT/VT |
| 41. | ZINGO (and Design) | MA | |

H.P. HOOD INC.

UNREGISTERED MARKS CURRENTLY DESIGNATED WITH A "TM"

BARN LOGO
 BETTER TASTE
 BLUERAZZMATAZZ
 CALCI-PLUS
 CAPE COD
 CARIBBEAN COFFEE ROYALE
 CENTENNIAL
 CHERRY CRAZE
 CITRUS STIX
 CITRUS CREAM STIX
 COCO 'NUT BARS
 COUNTRY FRESH LOCUST
 DAIRY RESEARCH & DEVELOPMENT CORP.
 DELUXE FUDGE BARS
 FAMILY VALUE

3094971.02

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TRADEMARK
 REEL: 1421 FRAME: 0486

TRADEMARK
 REEL: 001978 FRAME: 0466


FITCHETT
FITCHETT BROTHERS
FLORIDA SUN
FLORIDA JUICE BARS
FLORIDA DAIRIES
"FOR YOUR COFFEE" LOGO
FUDGE FANTASIES
GOLD MEDAL DAIRY (D/B/A/ FILED WITH ONEIDA COUNTY CLERK'S OFFICE)
HAPPY BIRTHDAY
HAPPY HALLOWEEN
HENDRIES
HI HEALTH
HI HEALTH LOOK LOVELY
HI HEALTH HI 'N LO-2
HO-MOOOOOOO
HOOD FREE
HOOD LIGHT
HOOD SELECT
HOODGOODIE
HOODWICH
IDLENOT
ISLAND SORBET
JIMMY ROLL
KIDS KARNIVAL STIX
LAYTON'S DAIRY
LOCUST FARM
M'M'M' NICE
MAPLE RIDGE DAIRY
MOSER FARMS
NATURAL BLENDERS
NATURAL COUNTRY
NATURAL LIGHT
NICE 'N ICEY
NUFORM ICE MILK
NUTTY ROYALE
OLD GLORY
PARADISE COOLER
PATCHWORK POPS
QUINLAN'S DAIRY
RIVERSIDE DAIRY
SILVER LAKE
SILVER LAKE DAIRY
ST. PATRICK'S DAY

3094971.02

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TRADEMARK
REEL: 1421 FRAME: 0487

TRADEMARK
REEL: 001978 FRAME: 0467



SUNNY HILL
SUNSHINE PATCH
SUNSHINE STIX
SWEET CLOVER
SWEET CLOVER FARMS
TIN ROOF SUNDAE BARS
XTRA

3094971.02

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TRADEMARK
REEL: 1421 FRAME: 0488

TRADEMARK
REEL: 001978 FRAME: 0468

H.P. HOOD INC.

UNREGISTERED MARKS NOT CURRENTLY DESIGNATED WITH A "TM"

BUTTERSCOTCH BLAST
CITRUS 'N BERRY STIX
FABULOUS FUDGIES
MAPLE SUGAR SHACK
MASSACHUSETTS MUD PIE
SIZZLE 'N SOUR STIX

3094971.02

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RECORDED: 12/20/1995

TRADEMARK
REEL: 1421 FRAME: 0489

RECORDED: 08/26/1999

TRADEMARK
REEL: 001978 FRAME: 0469