

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Publicom, Inc.		04/14/2003	CORPORATION: MASSACHUSETTS

RECEIVING PARTY DATA

Name:	Middlesex Savings Bank
Street Address:	235 West Central Street
City:	Natick
State/Country:	MASSACHUSETTS
Postal Code:	01760
Entity Type:	CORPORATION: MASSACHUSETTS

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Registration Number:	1940681	VANDERWYK & BURNHAM
Registration Number:	1956305	V&B
Registration Number:	2040263	HIGHER LEARNING THROUGH HUMAN INTEREST
Registration Number:	2444752	HELPING HANDS
Registration Number:	2386199	LIFE: PART TWO

CORRESPONDENCE DATA

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CH \$140.00 1940681

ATTORNEY DOCKET NUMBER:	161712.4006-001
NAME OF SUBMITTER:	Robin L. Wilkes
Signature:	/Robin Wilkes/
Date:	12/09/2005

Total Attachments: 29

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MIDDLESEX SAVINGS BANK

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (ALL ASSETS)

LOAN AND SECURITY AGREEMENT (ALL ASSETS), dated as of April 14, 2003 between Publicom, Inc. a Massachusetts corporation with offices located at 60 Aberdeen Avenue, Cambridge, Massachusetts (the "**Borrower**"), and Middlesex Savings Bank, a Massachusetts banking corporation (the "**Bank**"). This Agreement amends and restates that certain Loan and Security Agreement between Bank and Borrower dated September 27, 2001. The parties hereto hereby agree as follows:

1. DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 As used in this Agreement, the following terms have the following meanings (terms defined in the singular to have the same meaning when used in the plural and vice versa):

"**Affiliate**" shall mean any Person (i) which directly or indirectly Controls, or is Controlled by or is under common Control with the Borrower or a subsidiary, (ii) which directly or indirectly beneficially holds or owns five (5%) percent or more of any class of voting stock of the Borrower or any subsidiary, or (iii) five (5%) percent or more of the voting stock of which is directly or indirectly beneficially owned or held by the Borrower or a subsidiary.

"**Bankruptcy Code**" as used herein shall mean Title 11 of the United States Code entitled "Bankruptcy".

"**Borrowing Base**" as used herein shall mean the sum of the following:

- (a) Seventy-five (75%) percent of the unpaid face amount of Qualified Accounts (as defined below) or such other percentage thereof as may from time to time be fixed by Bank upon notice to Borrower, if Bank determines in its reasonable judgment that there has been a change in circumstances relating to any or all Accounts from those circumstances in existence on or prior to the date hereof, MINUS
- (b) one hundred (100%) percent of the aggregate amount then undrawn on all letters of credit and acceptances issued pursuant to this Agreement for the account of the Borrower.

"**Change of Management**" shall mean the failure by Borrower to employ its chief executive officer or manager (the "**CEO**") actually serving in such capacity (except for temporary disability not exceeding ninety (90) consecutive days).

"Change in Ownership" shall mean the failure by the CEO or the Permitted Transferees to own, whether of record or beneficially, directly or indirectly, at least seventy-five (75%) percent of the voting ownership interest issued by or in Borrower or any Affiliate or related entity of Borrower.

"Credit Limit" means an amount equal to Seven Hundred Sixty Five Thousand (\$765,000.00) Dollars.

"Debt" means (a) indebtedness or liability for borrowed money; (b) obligations evidenced by bonds, debentures, notes, or other similar instruments; (c) obligations for the deferred purchase price of property or services (including trade obligations); (d) obligations as lessee under Capital Leases; (e) current liabilities in respect of unfunded vested benefits under plans covered by ERISA; (f) obligations under letters of credit; (g) obligations under acceptance facilities; (h) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business), and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; and (i) obligations secured by any Liens, whether or not the obligations have been assumed.

"Eligible Inventory" means Borrower's raw materials, work in process and finished goods which are initially and at all times until sold: new and unused (except, with Bank's written approval, used equipment held for sale or lease), in first class condition, merchantable and saleable through normal trade channels; at a location which has been identified in writing to Bank; subject to a first priority perfected security interest in favor of Bank; not obsolete; not scrap, waste, defective goods and the like; not stored with a bailee, warehouseman or similar party unless Bank has given its prior written consent thereto; and have not been designated by Bank, in accordance with its normal credit policies, as unacceptable for any reason by notice to Borrower.

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

"GAAP" shall mean generally accepted accounting principles.

"Lien" means any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority, or other security agreement or preferential arrangement, charge, or encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction to evidence any of the foregoing).

"Loans" shall mean all Revolving Loans and all Term Loans.

"Organizational Documents" means (a) with respect to a corporation, its certificate or articles of incorporation and by-laws; (b) with respect to a partnership, its partnership certificate and partnership agreement; (c) with respect to a limited liability company, its articles or certificate of formation and its operating or management agreement; and (d) with respect to a trust, the declaration of trust; and, with respect to any of them, any other document required to be filed with public authorities to evidence or establish authority to conduct business.

"Owner" means with respect to Borrower, any Person having legal or beneficial title to an ownership interest in Borrower or a right to acquire such an interest.

"Permitted Protests" means the right of the Borrower to protest any Lien (other than a Lien that secures the Obligations), tax (other than payroll taxes or taxes that are the subject of a federal or state tax lien) or rental payment, provided that (x) a reserve with respect to such liability is established on the books of the Borrower in an amount that is reasonably satisfactory to the Bank, (y) any such protest is instituted and diligently prosecuted by the Borrower in good faith, and (z) the Bank is satisfied that, while such protest is pending, there will be no impairment of the enforceability, validity or priority of any of the Liens of the Bank in and to the Collateral.

"Permitted Transferee(s)" shall mean (a) the spouse or children of an Owner, (b) a trust, the beneficiaries of which consist of (i) the Owner and/or the spouse or children of the Owner, or (ii) the beneficial owner of the ownership interest for which a Person acts as a trustee and/or such beneficial owner's spouse or children, (c) the estate of a deceased Owner, (d) an existing Owner, and (e) the Borrower's ESOP.

"Person" means an individual, partnership, corporation, limited liability company, limited liability partnership, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

"Prime Rate" shall mean the per annum rate of interest announced from time to time by Bank, at its offices in Natick, Massachusetts, as its Prime Rate, it being understood that such rate is a reference rate and not necessarily the lowest rate of interest charged by the Bank.

"Qualified Account", as used herein, means an Account owing to Borrower which met the following specifications at the time it came into existence and continues to meet the same until it is collected in full:

- (a) The Account is not more than ninety (90) days from the date of the invoice thereof.
- (b) The Account arose from the performance of services or an outright sale of goods by Borrower, such goods have been shipped to the account debtor,

and Borrower has possession of, or has delivered to Bank, shipping and delivery receipts evidencing such shipment.

- (c) The Account is not subject to any prior assignment, claim, lien, or security interest, and Borrower will not make any further assignment thereof or create any further security interest therein, nor permit Borrower's rights therein to be reached by attachment, levy, garnishment or other judicial process.
- (d) The Account is not subject to set-off, credit, allowance or adjustment by the account debtor, except discount allowed for prompt payment and the account debtor has not complained as to his liability thereon and has not returned any of the goods from the sale of which the Account arose.
- (e) The Account arose in the ordinary course of Borrower's business and did not arise from the performance of services or a sale of goods to a supplier or employee of the Borrower.
- (f) No notice of bankruptcy or insolvency of the account debtor has been received by or is known to the Borrower.
- (g) The Account is not owed by an account debtor whose principal place of business is outside the United States of America.
- (h) The Account is not owed by an entity which is a parent, brother/sister, subsidiary or Affiliate.
- (i) The account debtor is not located in the State of New Jersey or in the State of Minnesota (or any other state that requires a creditor to file a business activity report or similar document in order to bring suit or otherwise enforce its remedies against such account debtor in the courts or through any judicial process of such state), unless Borrower has qualified to do business in such state, or has filed a notice of business activities report with the applicable division of taxation, the department of revenue or with such other state offices, as appropriate, for the then current year, or is exempt from such requirement.
- (j) THIS SECTION DELETED.
- (k) The Account is not evidenced by a promissory note.
- (l) The Account did not arise out of any sale made on a bill and hold, dating or delayed shipment basis.

- (m) This Section intentionally deleted.
- (n) The Account is not for retainage.
- (o) Bank has not deemed the Account to be unacceptable for any reason.

PROVIDED THAT if at any time FORTY (40%) percent or more of the aggregate amount of the Accounts due from any account debtor are unpaid in whole or in part more than ninety (90) days from the respective dates of invoice, from and after such time none of the Accounts (then existing or hereafter arising) due from such account debtor shall be deemed to be Qualified Accounts until such time as all Accounts due from such account debtor are (as a result of actual payments received thereon) no more than forty-five (45) days from the date of invoice; Accounts payable by Borrower to an account debtor shall be netted against Accounts due from such account debtor and the difference (if positive) shall constitute Qualified Accounts from such account debtor for purposes of determining the Borrowing Base (notwithstanding paragraph (d) above); characterization of any Account due from an account debtor as a Qualified Account shall not be deemed a determination by Bank as to its actual value nor in any way obligate Bank to accept any Account subsequently arising from such account debtor to be, or to continue to deem such Account to be, a Qualified Account; it is Borrower's responsibility to determine the creditworthiness of account debtors and all risks concerning the same and collection of Accounts are with Borrower; and all Accounts whether or not Qualified Accounts constitute Collateral.

"UCC" shall mean the Massachusetts Uniform Commercial Code as in effect from time to time.

Section 1.02 All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 7.05, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

Section 1.03 Unless otherwise defined in this Agreement, capitalized words shall have the meanings set forth in the UCC.

2. LOANS AND OTHER FINANCIAL ACCOMMODATIONS.

Section 2.01 Subject to the terms and provisions of this Agreement and a prior Loan and Security Agreement dated April 6, 2001, Bank has extended to Borrower a term loan, evidenced by a Term Note in the form of Exhibit 1 annexed hereto, in the original principal amount of One Hundred Thousand (\$100,000.00) Dollars (the "Term Loan"). The Term Loan

shall mature and bear interest as provided in the Term Note and shall otherwise be subject to the terms and conditions of the Term Note and this Agreement.

Section 2.02 Subject to the terms and provisions of this Agreement, Bank hereby establishes a discretionary revolving line of credit in Borrower's favor in the amount of the Credit Limit, as determined by Bank from time to time hereafter. Bank may make such loans, advances and grant credit accommodations to Borrower, based upon such facts and circumstances existing at the time of the request, as from time to time Bank elects to make which are secured by Borrower's Inventory, Accounts and all other Collateral and the proceeds thereof (the "**Revolving Loan**"). Without limiting the discretionary nature of Bank's obligation to make Revolving Loans hereunder, or the demand feature of any Revolving Loans Bank does make hereunder, Borrower agrees that the aggregate unpaid principal of all Revolving Loans outstanding at any one time shall not exceed the Borrowing Base.

Section 2.03 All such Revolving Loans shall bear interest and at the option of Bank shall be evidenced by a Revolving Line of Credit Note(s) in the form of Exhibit 2 annexed hereto, but in the absence of notes shall be conclusively evidenced by the Bank's record of disbursements and repayments and shall be payable ON DEMAND. Interest will be charged to Borrower at a fluctuating rate which is the daily equivalent to the Prime Rate in effect from time to time, plus one and one-half (1.5%) percent per annum or at such other rate agreed on from time to time by the parties, upon any balance owing to Bank at the close of each day and shall be payable monthly in arrears, on the first day of each month, until the Bank makes demand. The rate of interest payable by Borrower shall be changed effective as of that date on which a change in the Prime Rate becomes effective. Interest shall be computed on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days.

Section 2.04 Borrower hereby authorizes and directs Bank, in Bank's sole discretion (provided, however, Bank shall have no obligation to do so): (i) to pay accrued interest as the same becomes due and payable pursuant to this Agreement or pursuant to any note or other agreement between Borrower and Bank, and to treat the same as a Revolving Loan to Borrower, which shall be added to Borrower's loan balance pursuant to this Agreement; (ii) to charge any of Borrower's accounts under the control of Bank; or (iii) apply the proceeds of Collateral, including, without limitation, payments on Accounts and other payments from sales or lease of Inventory and any other funds to the payment of such items. Bank shall promptly notify Borrower of any such charges or applications.

Section 2.05 At the request of the Borrower, and upon the execution of letter of credit documentation satisfactory to Bank, Bank, within the limits of the Borrowing Base, as then computed and also within the limits of the Credit Limit as then computed, may issue letters of credit from time to time for the account of the Borrower (hereinafter collectively "**Letter(s) of Credit**"). The Letters of Credit shall be on terms mutually acceptable to Bank and the Borrower. A Revolving Loan in an amount equal to any amount paid by Bank under a Letter of Credit shall be deemed made to Borrower, without request therefor, immediately upon any payment by Bank on such Letter of Credit. In connection with the issuance of any Letter of

Credit, Borrower shall pay to Bank the fee and commissions relating to any such Letter of Credit at such rate as Lender may from time to time establish, plus transaction fees at Bank's customary rates, and all other normal and customary fees charged by Bank. Borrower hereby authorizes and directs Bank, in Bank's sole discretion (provided, however, Bank shall have no obligation to do so) to pay all such fees and costs as the same become due and payable and to treat the same as a Revolving Loan to Borrower, which shall be added to Borrower's loan balance pursuant to this Agreement. For purposes of computing the Credit Limit, all Letters of Credit and acceptances shall be deemed to be Revolving Loans and in no event shall the sum of all Revolving Loans plus the sum of the aggregate amount undrawn on all letters of credit and acceptances be in excess of the Credit Limit.

3. BANK'S REPORTS.

After the end of each month, Bank will render to Borrower a statement of Borrower's loan account with Bank hereunder, showing all applicable credits and debits. Each statement shall be considered correct and to have been accepted by Borrower and shall be conclusively binding upon Borrower in respect of all charges, debits and credits of whatsoever nature contained therein under or pursuant to this Agreement, and the closing balance shown therein, unless Borrower notifies Bank in writing of any discrepancy within twenty (20) days from the mailing by Bank to Borrower of any such monthly statement.

4. SECURITY INTEREST.

Borrower, for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to Bank a continuing security interest in and to, and assigns to Bank, all assets of the Borrower, wherever located and whether now owned or hereafter acquired, including, without limitation, the following:

(a) all inventory, including all goods, merchandise, raw materials, goods and work in process, finished goods, and other tangible personal property now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Borrower's business (all hereinafter called the "**Inventory**");

(b) all Accounts, contracts, contract rights, notes, bills, drafts, acceptances, General Intangibles (including without limitation registered and unregistered tradenames, copyrights, customer lists, goodwill, computer programs, computer records, computer software, computer data, trade secrets, trademarks, patents, ledger sheets, files, records, data processing records relating to any Accounts and all tax refunds of every kind and nature to which Borrower is now or hereafter may become entitled to, no matter how arising), Instruments, Documents, Chattel Paper (whether tangible or electronic), Deposit Accounts, Letter of Credit Rights (whether or not the Letter of Credit is evidenced by a writing), Securities, Security Entitlements, Security Accounts, Investment Property, Supporting Obligations, choses in action, Commercial Tort Claims, and all other debts, obligations and liabilities in whatever form, owing to Borrower from any Person, whether now existing or hereafter arising, now or hereafter received by or

belonging or owing to Borrower, for goods sold by it or for services rendered by it, or however otherwise same may have been established or created, all guarantees and securities therefor, all right, title and interest of Borrower in the merchandise or services which gave rise thereto, including the rights of reclamation and stoppage in transit, all rights to replevy goods, and all rights of an unpaid seller of merchandise or services (all hereinafter called the "**Receivables**");

(c) all machinery, Equipment, Fixtures and other Goods whether now owned or hereafter acquired by the Borrower and wherever located, all replacements and substitutions therefor or accessions thereto and all proceeds thereof (all hereinafter called the "**Equipment**"); and

(d) all proceeds and products of all of the foregoing in any form, including, without limitation, all proceeds of credit, fire or other insurance, and also including, without limitation, rents and profits resulting from the temporary use of any of the foregoing (which, with Inventory, Receivables and Equipment are all hereinafter called "**Collateral**").

5. OBLIGATIONS SECURED.

The security interest granted hereby is to secure payment and performance of all Loans, debts, liabilities and obligations of Borrower to Bank hereunder and also any and all other debts, liabilities and obligations of Borrower to Bank of every kind and description, direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising, whether or not such obligations are related to the transactions described in this Agreement, by class, or kind, or whether or not contemplated by the parties at the time of the granting of this security interest, regardless of how they arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, and includes obligations to perform acts and refrain from taking action as well as obligations to pay money including, without limitation, all interest, fees, charges, expenses and overdrafts, and also including, without limitation, all obligations and liabilities which Bank may incur or become liable for, on account of, or as a result of, any transactions between Bank and Borrower including any which may arise out of any Letter of Credit, acceptance or similar instrument or obligation issued pursuant to this Agreement (all hereinafter called "**Obligations**").

6. BORROWER'S PLACES OF BUSINESS, INVENTORY LOCATIONS AND RETURNS POLICY.

Section 6.01 Borrower warrants that Borrower has no places of business other than that shown at the end of this Agreement, unless other places of business are listed on Schedule "A", annexed hereto, in which event Borrower represents that it has additional places of business at those locations set forth on Schedule "A".

Section 6.02 Borrower's principal executive office and the office where Borrower keeps its records concerning its accounts, contract rights and other property, is that shown at the end of

this Agreement. All Inventory presently owned by Borrower is stored at the locations set forth on Schedule "A".

Section 6.03 Borrower will promptly notify Bank in writing of any change in the location of any place of business or the location of any Inventory or the establishment of any new place of business or location of Inventory or office where its records are kept which would be shown in this Agreement if it were executed after such change.

7. BORROWER'S ADDITIONAL REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants that:

Section 7.01 Borrower is duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts as a corporation and shall hereafter remain in good standing in that state, and is duly qualified and in good standing in every other state in which it is doing business, and shall hereafter remain duly qualified and in good standing in every other state in which the failure to qualify or become licensed could have a material adverse effect on the financial condition, business or operations of the Borrower.

Section 7.02 Borrower's exact legal name is as set forth in this Agreement and Borrower will not undertake or commit to undertake any act which will result in a change of Borrower's legal name, without giving Bank at least thirty (30) days' prior written notice of the same. The organizational identification number of Borrower is as set forth on Schedule "A" annexed hereto.

Section 7.03 Borrower owns all of the assets reflected in the most recent of Borrower's financial statements provided to Bank, except assets sold or otherwise disposed of in the ordinary course of business since the date thereof, and such assets together with any assets acquired since such date, including without limitation the Collateral, are free and clear of any Lien, except (a) the security interests and other encumbrances (if any) listed on Schedule "B" annexed hereto, (b) those leases set forth on Schedule "C" annexed hereto, (c) those liens permitted pursuant to Section 11.04 of this Agreement, or (d) Liens in favor of Bank.

Section 7.04 Borrower has made or filed all tax returns, reports and declarations relating to any material tax liability required by any jurisdiction to which it is subject (any tax liability which may result in a lien on any Collateral being hereby deemed material); has paid all taxes shown or determined to be due thereon except those being contested in good faith and which Borrower has, prior to the date of such contest, identified in writing to Bank as being contested; and has made adequate provision for the payment of all taxes so contested, so that no lien will encumber any Collateral, and in respect of subsequent periods.

Section 7.05 Borrower (a) is not subject to any restrictions in its Organization Documents or other legal restriction, or any judgment, award, decree, order, governmental rule or regulation or contractual restriction which could have a material adverse effect on its financial condition, business or prospects, and (b) is in compliance with its Organization Documents, all contractual requirements by which it or any of its properties may be bound and all applicable laws, rules and regulations (including without limitation those relating to environmental protection) other than laws, rules or regulations the validity or applicability of which it is contesting in good faith or provisions of any of the foregoing the failure to comply with which cannot reasonably be expected to materially adversely affect its financial condition, business or prospects or the value of any Collateral.

Section 7.06 Except as disclosed in writing by Borrower to Bank, there is no action, suit, proceeding or investigation pending or, to Borrower's knowledge, threatened against or affecting it or any of its assets before or by any court or other governmental authority which, if determined adversely to it, would have a material adverse effect on its financial condition, business or prospects or the value of any Collateral.

8. FINANCING STATEMENTS.

Borrower hereby irrevocably authorizes Bank at any time and from time to time to file in any UCC jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of Borrower or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether Borrower is an organization, the type of organization and any organization identification number issued to Borrower, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted Collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Borrower agrees to furnish any such information to Bank promptly upon request. Borrower also ratifies its authorization for Bank to have filed in any UCC jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

9. BORROWER'S REPORTS.

Section 9.01 On Monday of each week or on such other more frequent basis as may be required by Bank from time to time:

(a) Borrower shall submit to Bank an aging report in form satisfactory to Bank showing the amounts due and owing on all Accounts according to Borrower's records as of the close of the preceding business day or such shorter period as may be required by Bank from time to time, together with such other information as Bank may require.

(b) Borrower shall submit to Bank an accounts payable aging report in form satisfactory to Bank showing the amounts due and owing on all accounts payable according to Borrower's records as of the close of the preceding business day or such shorter period as may be required by Bank from time to time, together with such other information as Bank may require. If Borrower's weekly accounts payable aging reports are prepared by an accounting service or other agent, Borrower hereby authorizes such service or agent to deliver such accounts payable aging reports and any other related documents to Bank.

(c) Borrower shall submit a twenty four (24) month revenue plan.

(d) Borrower shall deliver to Bank a Borrowing Base Certificate in a form satisfactory to Bank which shall include cash receipts, credit memos, sales, debit memos, the unpaid Revolving Loan balance, new borrowing requests and the adjusted Revolving Loan balance.

Section 9.02 Borrower shall deliver to Bank a notice of noncompliance with the provisions of this Agreement immediately upon learning of such noncompliance, or if any representation or warranty contained herein is no longer true or accurate.

Section 9.03 Borrower will furnish Bank as soon as available, and in any event within thirty (30) days after the close of each quarterly period of its fiscal year, a balance sheet as of the end of such period, and a statement of income and retained earnings for the period commencing at the end of the previous fiscal year and ending with the end of such period, and a statement of cash flows of the Borrower for the portion of the fiscal year ended with the last day of such period, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the previous fiscal year, and all prepared in accordance with GAAP, certified by the chief financial officer of the Borrower (subject to year end adjustment).

Section 9.04 Borrower will furnish Bank, annually, as soon as available, and in any event within ninety (90) days after the end of each fiscal year of Borrower, review financial statements including a balance sheet as of the end of such fiscal year, and a statement of income and retained earnings for such fiscal year, and a statement of cash flows for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the prior fiscal year, and all prepared in accordance with GAAP, accompanied by a review level report thereon prepared by independent public accountants selected by the Borrower and acceptable to Bank.

Section 9.05 In addition to the foregoing, the Borrower promptly shall provide Bank with such other and additional information concerning the Borrower, the Collateral, the operation of the Borrower's business, and the Borrower's financial condition, including financial reports and statements, as Bank may from time to time request from the Borrower. All financial information provided Bank by the Borrower shall be prepared in accordance with GAAP or generally accepted auditing principles (as applicable) applied consistently in the preparation

thereof and with prior periods to fairly reflect the financial conditions of the Borrower at the close of, and its results of operations for, the periods in question.

10. GENERAL AGREEMENTS OF BORROWER.

Section 10.01 Borrower agrees to keep all the Collateral insured with coverage and in amounts not less than that usually carried by one engaged in a like business and in any event not less than that required by Bank with loss payable to Bank and Borrower, as their interests may appear, hereby appointing Bank as attorney for Borrower in obtaining, adjusting, settling and canceling such insurance and endorsing any drafts.

Section 10.02 Bank or its agents have the right to inspect the Collateral and all records pertaining thereto at intervals to be determined by Bank and without hindrance or delay.

Section 10.03 Although, as above set forth, Bank has a continuing security interest in all of Borrower's Collateral and in the proceeds thereof, Borrower will at all times maintain as the minimum security hereunder a Borrowing Base not less than the aggregate unpaid principal of all Revolving Loans made hereunder plus the aggregate amount undrawn on all Letters of Credit issued hereunder and if Borrower fails to do so, Borrower will immediately make the necessary reduction in the unpaid principal amount of said Revolving Loans so that the sum of the Revolving Loans outstanding hereunder plus the amount undrawn on Letters of Credit outstanding hereunder does not in the aggregate exceed the Borrowing Base.

Section 10.04 Borrower will at all times keep accurate and complete records of Borrower's Inventory, Accounts and other Collateral, and Bank, or any of its agents, shall have the right to call at Borrower's place or places of business at intervals to be determined by Bank, and without hindrance or delay, to inspect, audit, check, and make extracts from any copies of the books, records, journals, orders, receipts, correspondence which relate to Borrower's Accounts, and other Collateral or other transactions, between the parties thereto and the general financial condition of Borrower and Bank may remove any of such records temporarily for the purpose of having copies made thereof. Borrower shall pay to Bank all reasonable audit fees, plus all travel and other expenses incurred in connection with any such audit.

Section 10.05 Borrower will maintain its existence in good standing and comply with all laws and regulations of the United States or of any state or states thereof or of any political subdivision thereof, or of any governmental authority which may be applicable to it or to its business.

Section 10.06 Borrower will pay all real and personal property taxes, assessments and charges and all franchises, income, unemployment, old age benefits, withholding, sales and other taxes assessed against it, or payable by it at such times and in such manner as to prevent any penalty from accruing or any lien or charge from attaching to its property.

Section 10.07 Following Demand or an [Event of] Default hereunder, Bank may in its own name or in the name of others communicate with account debtors in order to verify with them to Bank's satisfaction the existence, amount and terms of any Accounts.

Section 10.08 If any of Borrower's Accounts arise out of contracts with the United States or any department, agency, or instrumentality thereof, Borrower will immediately notify Bank thereof in writing and execute any instruments and take any steps required by Bank in order that all monies due and to become due under such contracts shall be assigned to Bank and notice thereof given to the Government under the Federal Assignment of Claims Act.

Section 10.09 If any of Borrower's Accounts should be evidenced by promissory notes, trade acceptances, or other instruments for the payment of money, Borrower will immediately deliver same to Bank, appropriately endorsed to Bank's order and, regardless of the form of such endorsement, Borrower hereby waives presentment, demand, notice of dishonor, protest and notice of protest and all other notices with respect thereto.

Section 10.10 If any goods are at any time in the possession of a bailee, Borrower shall promptly notify Bank thereof and, if requested by Bank, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to Bank, that the bailee holds such Collateral for the benefit of Bank and shall act upon the instructions of Bank, without the further consent of Borrower. Bank agrees with Borrower that Bank shall not give any such instructions unless an Event of Default has occurred and is continuing or would occur after taking into account any action by Borrower with respect to the bailee.

Section 10.11 If Borrower is at any time a beneficiary under a letter of credit now or hereafter issued in favor of Borrower, Borrower shall promptly notify Bank thereof and, at the request and option of Bank, Borrower shall, pursuant to an agreement in form and substance satisfactory to Bank, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to Bank of the proceeds of any drawing under the letter of credit, or (ii) arrange for Bank to become the transferee beneficiary of the letter of credit, with Bank agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied in the same manner as any other payment on an Account.

Section 10.12 If Borrower shall at any time hold or acquire a commercial tort claim, Borrower shall immediately notify Bank in a writing signed by Borrower of the brief details thereof and grant to Bank in such writing a security interest therein, and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Bank.

Section 10.13 Borrower will promptly pay when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement, or upon any note or notes evidencing the Obligations, and will, at the request of Bank, promptly furnish Bank the receipted bills therefor. At its option, Bank may discharge taxes, Liens or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the

maintenance and preservation of the Collateral. Borrower agrees to reimburse Bank on demand for any payments made, or any expenses incurred by Bank pursuant to the foregoing authorization, and upon failure of the Borrower so to reimburse Bank, any such sums paid or advanced by Bank shall be deemed secured by the Collateral and constitute part of the Obligations.

Section 10.14 Borrower will immediately notify Bank upon receipt of notification of any potential or known release or threat of release of hazardous materials, hazardous waste, hazardous or toxic substance or oil from any site operated by Borrower or of the inurrence of any expense or loss in connection therewith or with the Borrower's obtaining knowledge of any investigation, action or the inurrence of any expense or loss by any governmental authority in connection with the assessment, containment or removal of any hazardous material or oil for which expense or loss the Borrower may be liable. As used herein, the terms "hazardous waste," "hazardous or toxic substance," "hazardous material" or "oil" shall have the same meanings as defined and used in any of the following (the "Acts"): the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.; the Federal Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; M.G.L.A. c. 21E (Massachusetts Oil and Hazardous Material Release Prevention Act); M.G.L.A. c. 21C (Massachusetts Hazardous Waste Management Act); and/or the regulations adopted and publications promulgated pursuant to any of the Acts, as the same may be amended from time to time.

Section 10.15 Except for Bank's gross negligence or willful misconduct, Borrower will indemnify and save Bank harmless from all loss, costs, damage, liability or expenses (including, without limitation, court costs and reasonable attorneys' fees) that Bank may sustain or incur by reason of defending or protecting this security interest or the priority thereof or enforcing the Obligations, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or in connection with this Agreement and/or any other documents now or hereafter executed in connection with this Agreement and/or the Obligations and/or the Collateral. This indemnity shall survive the repayment of the Obligations and the termination of Bank's agreement to make Loans available to Borrower and the termination of this Agreement.

Section 10.16 All advances by Bank to Borrower under this Agreement and under any other agreement constitute one general revolving fluctuating Loan, and all indebtedness of Borrower to Bank under this and under any other agreement constitute one general Obligation. Each advance to Borrower hereunder or otherwise shall be made upon the security of all of the Collateral held and to be held by Bank. It is distinctly understood and agreed that all of the rights of Bank contained in this Agreement shall likewise apply, insofar as applicable, to any modification of or supplement to this Agreement and to any other agreements between Bank and Borrower. Any default of this Agreement by Borrower shall constitute, likewise, a default by Borrower of any other existing agreement with Bank, and any default by Borrower of any other agreement with Bank shall constitute a default of this Agreement. The entire Obligation of

Borrower to Bank shall become due and payable when payments become due and payable hereunder upon termination of this Agreement.

Section 10.17 Borrower will, at its expense, upon request of Bank promptly and duly execute and deliver such documents and assurances and take such actions as may be necessary or desirable or as Bank may request in order to correct any defect, error or omission which may at any time be discovered or to more effectively carry out the intent and purpose of this Agreement and to establish, perfect and protect Bank's security interest, rights and remedies created or intended to be created hereunder. Without limiting the generality of the above, Borrower will join with Bank in executing notices appropriate under applicable Federal or state law in form satisfactory to Bank and filing the same in all public offices and jurisdictions wherever and whenever requested by Bank.

Section 10.18 Borrower shall promptly notify Bank in writing of any litigation, proceeding, or counterclaim against, or of any investigation of, Borrower if: (a) the outcome of such litigation, proceeding, counterclaim, or investigation may materially and adversely affect the finances or operations of Borrower or title to, or the value of, any Collateral; or (b) such litigation, proceeding, counterclaim, or investigation questions the validity of this Agreement or any action taken, or to be taken, pursuant to this Agreement, Borrower shall furnish to Bank such information regarding any such litigation, proceeding, counterclaim, or investigation as Bank shall request.

Section 10.19 Borrower will cause each individual guarantor of the Obligations to submit to Bank current personal financial statements in a form satisfactory to Bank within ninety (90) days after the close of each of Borrower's fiscal years, and within ten (10) days after the date each year when it is required to be filed, the federal income tax return of each individual guarantor of the Obligations, with all schedules thereto, signed and dated, as filed with the Internal Revenue Service. Borrower will also cause each corporate guarantor to furnish to Bank, as soon as available and in any event within ninety (90) days following the close of each fiscal year, copies of reviewed financial statements consisting of a balance sheet and statements of changes in financial position and of earnings, in each case prepared in reasonable detail and in accordance with generally accepted accounting principles, applied on a consistent basis, and prepared on a comparative basis to the previous fiscal year, all upon audit (or review or prepare by, as applicable) by independent certified public accountants satisfactory to Bank, and certified as accurate and completed to the best of his/her knowledge and belief by an officer of Borrower.

Section 10.20 Borrower will maintain all of its bank accounts, including without limitation, its operating and depository accounts, at Bank.

Section 10.21 Borrower hereby grants to Bank for a term to commence on the date of this Agreement and continuing thereafter until all debts and Obligations of any kind or character owing from Borrower to Bank are fully paid and discharged, the right to use all premises or places of business which Borrower presently has or may hereafter have and where any of the Collateral may be located, at a total rental for the entire period of \$1.00. Bank agrees not to

exercise the rights granted in this paragraph unless and until Bank determines to exercise its rights against the Collateral. In connection with the Bank's exercise of the Bank's rights after the occurrence of an Event of Default, the Bank may enter upon, occupy and use any premises owned or occupied by the Borrower, and may exclude the Borrower from such premises or portion thereof as may have been so entered upon, occupied, or used by the Bank. The Bank shall not be required to remove any of the Collateral from any such premises upon the Bank's taking possession thereof, and may render any Collateral unusable to the Borrower. In no event shall the Bank be liable to the Borrower beyond the rental specified above for use or occupancy by the Bank of any premises pursuant to this Agreement.

Section 10.22 Any and all deposits (whether demand or time deposits) or other sums at any time credited by or due from Bank to Borrower shall at all times constitute additional security for the Obligations and may be setoff against any Obligations at any time following the occurrence of an Event of Default or an event which with notice or the lapse of time, or both, would constitute an Event of Default whether or not they are then due or other security held by Bank is considered by Bank to be adequate. Any and all instruments, documents, policies and certificates of insurance, securities, goods, accounts, choses in action, general intangibles, chattel papers, cash, property and the proceeds thereof (whether or not the same are Collateral or proceeds thereof hereunder) owned by Borrower or in which Borrower has an interest, which now or hereafter are at any time in possession or control of Bank or in transit by mail or carrier to or from Bank or in the possession of any third party acting in Bank's behalf, without regard to whether Bank received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether Bank had conditionally released the same, shall constitute additional security for the Obligations and may be applied at any time following the occurrence of an Event of Default or an event which with notice or the lapse of time, or both, would constitute an Event of Default, to any Obligations which are then owing, whether due or not due. Bank shall be entitled to presume, in the absence of clear and specific written notice to the contrary hereinafter provided by Borrower to Bank, that any and all deposits maintained by Borrower with Bank are general accounts as to which no Person other than Borrower has any legal or equitable interest whatsoever.

Section 10.23 Borrower shall pay to Bank on demand any and all reasonable counsel fees and other expenses incurred by Bank in connection with the preparation, interpretation, enforcement, administration or amendment of this Agreement, or of any documents relating thereto, and any and all expenses, including, but not limited to, a collection charge on all Accounts collected, all attorneys' fees and expenses, and all other expenses of like or unlike nature which may be expended by Bank to obtain or enforce payment of any Account either as against the account debtor, Borrower, or any guarantor or surety of Borrower or in the prosecution or defense of any action or concerning any matter growing out of or connected with the subject matter of this Agreement, the Obligations or the Collateral or any of Bank's rights or interests therein or thereto, including, without limiting the generality of the foregoing, any counsel fees or expenses incurred in any bankruptcy or insolvency proceedings and all costs and expenses incurred or paid by Bank in connection with the administration, supervision, protection or realization on any security held by Bank for the debt secured hereby, whether such security

was granted by Borrower or by any other Person primarily or secondarily liable (with or without recourse) with respect to such debt, and all costs and expenses incurred by Bank in connection with the defense, settlement or satisfaction of any action, claim or demand asserted against Bank in connection with the debt secured hereby, all of which amounts shall be considered advances to protect Bank's security, and shall be secured hereby. At its option, and without limiting any other rights or remedies, Bank may at any time pay or discharge any taxes, liens, security interests or other encumbrances at any time levied against or placed on any of the Collateral, and may procure and pay any premiums on any insurance required to be carried by Borrower, and provide for the maintenance and preservation of any of the Collateral, and otherwise take any action reasonably deemed necessary to Bank to protect its security, and all amounts expended by Bank in connection with any of the foregoing matters, including reasonable attorneys' fees, shall be considered Obligations of Borrower and shall be secured hereby.

Section 10.24 Borrower does hereby make, constitute and appoint any officer or agent of Bank as Borrower's true and lawful attorney-in-fact, with power to endorse the name of Borrower or any of Borrower's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of Bank in full or part payment of any amounts owing to Bank; to sign and endorse the name of Borrower or any of Borrower's officers or agents upon any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with Accounts, and any instrument or documents relating thereto or to Borrower's rights therein; to give written notice to such office and officials of the United States Post Office to effect such change or changes of address so that all mail addressed to Borrower may be delivered directly to Bank; granting upon Borrower's said attorney full power to do any and all things necessary to be done in and about the premises as fully and effectually as Borrower might or could do, and hereby ratifying all that said attorney shall lawfully do or cause to be done by virtue hereof. Neither Bank nor the attorney shall be liable for any acts or omissions nor for any error of judgment or mistake, except for their gross negligence or willful misconduct. This power of attorney shall be irrevocable for the term of this Agreement and all transactions hereunder and thereafter as long as Borrower may be indebted to Bank. With the exception of endorsing items which come into the possession of Bank, Bank agrees not to exercise the foregoing power of attorney prior to the occurrence of an Event of Default which is continuing.

11. BORROWER'S NEGATIVE COVENANTS. Borrower will not at any time:

Section 11.01 Issue evidence of Debt or suffer to exist Debt in addition to the Obligations, except (a) Debt or liabilities of Borrower other than for money borrowed, incurred or arising in the ordinary course of business, or (b) Debt related to Permitted Liens;

Section 11.02 If Borrower is a "pass-through" tax entity for United States federal income tax purposes, make distributions to its Owners during any fiscal year of Borrower in an aggregate amount greater than the amount necessary to pay federal and state income taxes upon Borrower's undistributed income for such year;

Section 11.03 Sell, assign, exchange or otherwise dispose of any of the Collateral, other than Inventory consisting of (a) scrap, waste, defective goods and the like; (b) obsolete goods; (c) finished goods sold in the ordinary course of business or any interest therein to any Person; and (d) Equipment which is no longer required or deemed necessary for the conduct of Borrower's business, so long as Borrower receives therefor a sum substantially equal to such Equipment's fair value;

Section 11.04 Create, permit to be created or suffer to exist any Lien upon any of the Collateral or any other property of Borrower, now owned or hereafter acquired, except: (a) landlords', carriers', warehousemen's, mechanics' and other similar liens arising by operation of law in the ordinary course of Borrower's business; (b) arising out of pledge or deposits under worker's compensation, unemployment insurance, old age pension, social security, retirement benefits or other similar legislation; (c) purchase money Liens arising in the ordinary course of business (so long as the Debt secured thereby does not exceed the lesser of the cost or fair market value of the property subject thereto, and such Lien extends to no other property); (d) Liens for unpaid taxes that are either (i) not yet due and payable, or (ii) the subject of Permitted Protests; (e) Liens which are the subject of Permitted Protests; (f) those Liens and encumbrances set forth on Schedule "B" or Schedule "C" annexed hereto; and (g) in favor of Bank (hereinafter, collectively, "**Permitted Liens**");

Section 11.05 Except as required by Borrower's ESOP, pay or make any distribution on account of (except, if Borrower is a "pass-through" tax entity consistent with Section 11.02 above) any class of Borrower's ownership interest in cash or in property (other than additional ownership interest), or redeem, purchase or otherwise acquire, directly or indirectly, any of the ownership interests;

Section 11.06 Make any loans or advances to any Person, including without limitation Borrower's directors, officers and employees, except advances to officers or employees with respect to expenses incurred by them in the ordinary course of their duties which are properly reimbursable by Borrower;

Section 11.07 Assume, guaranty, endorse or otherwise become directly or contingently liable in respect of (including without limitation by way of agreement, contingent or otherwise, to purchase, provide funds to or otherwise invest in a debtor or otherwise to assure a creditor against loss), any Debt (except guarantees by endorsement of instruments for deposit or collection in the ordinary course of business and guarantees in favor of Bank) of any Person.

Section 11.08 (a) Use any Loan proceeds to purchase or carry any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) or (b) invest in or purchase any stock or securities of any Person except (i) readily marketable direct obligations of, or obligations guaranteed by, the United States of America or any agency thereof, or (ii) time deposits with or certificates of deposit issued by the Bank;

Section 11.09 Enter into any lease or other transaction with any Owner, officer of Borrower or Affiliate on terms any less favorable than those which might be obtained at the time from Persons who (or entities which) are not such a Owner, officer of Borrower or Affiliate;

Section 11.10 Sell, transfer or otherwise dispose of any stock or other ownership interest of any subsidiary of Borrower; or

Section 11.11 (a) Merge or consolidate with or into any Person, (b) enter into any joint venture or partnership with any Person; (c) convey, lease or sell all or any material portion of its property or assets or business to any other Person, except for the sale of Inventory in the ordinary course of its business; or (d) convey, lease or sell any of its assets to any Person for less than the fair market value thereof.

12. DEFAULT.

Section 12.01 Nothing contained in this section, or elsewhere in this Agreement, shall affect the demand nature of such of the Obligations as are by their terms, demand obligations, including, without limitation, Revolving Loans under this Agreement. The occurrence of an Event of Default shall not be a prerequisite for the Bank's making demand or requiring payment of such Obligations.

Upon the occurrence of any one or more of the following events (herein, "**Events of Default**"), any and all Obligations of Borrower to Bank shall become immediately due and payable, at the option of Bank and without notice or demand. The occurrence of any such Event of Default shall also constitute, without notice or demand, a default under all other agreements between Bank and Borrower and instruments and papers given Bank by Borrower, whether such agreements, instruments, or papers now exist or hereafter arise, namely:

(a) The failure by Borrower to pay upon demand any amount due under this Agreement.

(b) The failure by Borrower to pay upon demand (or when due, if not payable on demand) any other Obligations.

(c) The failure by Borrower to promptly, punctually and faithfully perform, or observe any term, covenant or agreement on its part to be performed or observed pursuant to any of the provisions of this Agreement.

(d) The determination by Bank that any representation or warranty heretofore, now or hereafter made by Borrower to Bank, in any documents, instrument, agreement, or paper was not true or accurate in any material respect when given.

(e) The occurrence of any event which would cause a lien creditor, as that term is defined in Section 9!102 of the UCC, to take priority over advances made by Bank.

(f) A filing against or relating to Borrower of (i) a federal tax lien in favor of the United States of America or any political subdivision of the United States of America, or (ii) a state tax lien in favor of any state of the United States of America or any political subdivision of any such state.

(g) Any act by, against, or relating to Borrower, or its property or assets, which act constitutes the application for, consent to, or sufferance of the appointment of a receiver, trustee or other person, pursuant to court action or otherwise, over all, or any part of Borrower's property; the filing of any complaint, application, or petition by or against Borrower initiating any matter in which Borrower is or may be granted any relief from the debts of Borrower pursuant to the Bankruptcy Code or any other insolvency statute or procedure.

(h) The occurrence of any event or circumstance with respect to Borrower such that Bank shall believe in good faith that the prospect of payment of all or any part of the Obligations or the performance by Borrower under this Agreement or any other agreement between Bank and Borrower is impaired or there shall occur any material adverse change in the business or financial condition of Borrower.

(i) The service of any process upon Bank seeking to attach by trustee process any funds of Borrower on deposit with Bank.

(j) Any Change of Management and/or any Change in Ownership.

(k) The death, termination of existence, dissolution, or liquidation of Borrower or the ceasing to carry on actively any substantial part of Borrower's current business.

(l) Any guarantor or Person signing a guaranty or support agreement in favor of Bank shall repudiate, purport to revoke or fail to perform his obligations under such guaranty or support agreement in favor of Bank.

13. RIGHTS AND REMEDIES UPON DEFAULT; SET-OFF; EXPENSES; POWER OF ATTORNEY.

Upon the occurrence of an Event of Default or demand by the Bank, the Bank shall have the following rights and remedies.

Section 13.01 Bank may declare any obligation Bank may have hereunder to be cancelled, declare all Obligations of Borrower to be due and payable and proceed to enforce payment of the Obligations and to exercise any and all of the rights and remedies afforded to Bank by the UCC or under the terms of this Agreement or otherwise. In addition, upon the occurrence of an Event of Default, if Bank proceeds to enforce payment of the Obligations, Borrower shall be obligated to deliver to Bank cash collateral in an amount equal to the aggregate amounts then undrawn on all outstanding Letters of Credit or acceptances issued or

guaranteed by Bank for the account of Borrower, and Bank may proceed to enforce payment of the same and to exercise all rights and remedies afforded to Bank by the UCC or under the terms of this Agreement or otherwise. Upon the occurrence of, and during the continuance of, an Event of Default, the Borrower, as additional compensation to the Bank for its increased credit risk, promises to pay interest on all Obligations (including, without limitation, principal, whether or not past due, past due interest and any other amounts past due under this Agreement) at a per annum rate of four (4%) percent greater than the rate of interest then specified in Section 2 of this Agreement.

Section 13.02 Any sale or other disposition of the Collateral may be at public or private sale upon such terms and in such manner as the Bank deems advisable, having due regard to compliance with any statute or regulation which might affect, limit or apply to the Bank's disposition of the Collateral. The Bank may conduct any such sale or other disposition of the Collateral upon the Borrower's premises. Unless the Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market (in which event the Bank shall provide the Borrower with such notice as may be practicable under the circumstances), the Bank shall give the Borrower at least the greater of the minimum notice required by law or seven (7) days prior written notice of the date, time and place of any proposed public sale, and of the date after which any private sale or other disposition of the Collateral may be made. The Bank may purchase the Collateral, or any portion of it at any such sale.

If the Bank sells any of the Collateral on credit, the Borrower will be credited only with payments actually made by the purchaser of such Collateral and received by the Bank. If the purchaser fails to pay for the Collateral, the Bank may re-sell the Collateral and the Borrower shall be credited with the proceeds of the sale.

Section 13.03 The Bank may require the Borrower to assemble the Collateral and make it available to the Bank at the Borrower's sole risk and expense at a place or places which are reasonably convenient to both the Bank and the Borrower.

Section 13.04 Bank may at any time, after the occurrence of an Event of Default or an event which, with notice or the passage of time or both, would constitute an Event of Default, notify account debtors that Collateral has been assigned to Bank and that payments shall be made directly to or as directed by Bank. Upon request of Bank at any time, Borrower will so notify such account debtors and will indicate on all billings to such account debtors that their Accounts must be paid directly to or as directed by Bank. Bank shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral or proceeds thereof in its own name or in the name of Borrower.

Section 13.05 Borrower does hereby make, constitute and appoint any officer or agent of Bank as Borrower's true and lawful attorney-in-fact, with power to endorse the name of Borrower or any of Borrower's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of Bank in full or part payment of any amounts owing to Bank; to sign and endorse the name of Borrower or any of Borrower's officers

or agents upon any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with Accounts, and any instrument or documents relating thereto or to Borrower's rights therein; to give written notice to such office and officials of the United States Post Office to effect such change or changes of address so that all mail addressed to Borrower may be delivered directly to Bank to adjust, make claim under and otherwise deal with insurance required pursuant hereto; granting upon Borrower's said attorney full power to do any and all things necessary to be done in and about the premises as fully and effectually as Borrower might or could do, and hereby ratifying all that said attorney shall lawfully do or cause to be done by virtue hereof. Neither Bank nor the attorney shall be liable for any acts or omissions nor for any error of judgment or mistake, except for their gross negligence or willful misconduct. This power of attorney shall be irrevocable for the term of this Agreement and all transactions hereunder and thereafter as long as Borrower may be indebted to Bank. Bank agrees not to exercise the foregoing power of attorney until the occurrence of an Event of Default which is continuing.

14. STANDARDS FOR EXERCISING REMEDIES.

To the extent that applicable law imposes duties on Bank to exercise remedies in a commercially reasonable manner, Borrower acknowledges and agrees that it is not commercially unreasonable for Bank (a) to fail to incur expenses reasonably deemed significant by Bank to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other Persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as Borrower, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of the Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties specifically to disclaim any warranties of title or the like, (k) to purchase insurance or credit enhancements to insure Bank against risks of loss, collection or disposition of Collateral or to provide to Bank a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Bank, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Bank in the collection or disposition of any of the Collateral. Borrower acknowledges that the purpose of this section is to provide non-exhaustive indications of what actions or omissions by Bank would not be commercially unreasonable in Bank's exercise of remedies against the Collateral and that

other actions or omissions by Bank shall not be deemed commercially unreasonable solely on account of not being indicated in this section. Without limitation upon the foregoing, nothing contained in this section shall be construed to grant any rights to Borrower or to impose any duties on Bank that would not have been granted or imposed by this Agreement or by applicable law in the absence of this section.

15. WAIVER OF JURY TRIAL.

BORROWER AND BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE OR HEREAFTER HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. Borrower hereby certifies that neither Bank nor any of its representatives, agents or counsel has represented, expressly or otherwise, that Bank would not, in the event of any such suit, action or proceeding, seek to enforce this waiver of right to trial by jury. Borrower acknowledges that it has read the provisions of this Agreement and in particular, this section; has consulted legal counsel; understands the right it is granting in this Agreement and is waiving in this section in particular; and makes the above waiver knowingly, voluntarily and intentionally.

16. CONSENT TO JURISDICTION.

Borrower and Bank agree that any action or proceeding to enforce or arising out of this Agreement may be commenced in any court of the Commonwealth of Massachusetts sitting in the county of Suffolk, the County of Middlesex, or in the District Court of the United States for the District of Massachusetts, and Borrower waives personal service of process and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and confer personal jurisdiction if served by registered or certified mail to Borrower, or as otherwise provided by the laws of the Commonwealth of Massachusetts or the United States of America.

17. TERMINATION

Unless renewed in writing, this Agreement shall terminate on August 29, 2003 (the "**Termination Date**"), and all Obligations shall then be due and payable in full without presentation, demand or further notice of any kind, whether or not all or any part of the Obligations is otherwise due and payable pursuant to the agreement or instrument evidencing the same. This Agreement may be terminated at any time by either party giving written notice of termination to the other party; provided, however, that unless and until all Loans made by the Bank to the Borrower hereunder and all other Obligations or commitments of the Bank under which an Obligation could arise, outstanding as of the time of giving or receipt as the case may be, of such notice by the Bank have been paid in full, such termination shall in no way affect the security interest or other rights and powers herein granted to the Bank, and until such payment in full the security interest of the Bank in all Inventory, Accounts and other Collateral of the Borrower, whether existing as of the time of such termination or thereafter arising, and all rights

and powers herein granted to the Bank in respect thereof shall remain in full force and effect. Until all of the Obligations of Borrower to Bank have been fully paid and satisfied and all commitments of the Bank under which an Obligation could arise have expired, Borrower shall continue to assign Accounts to Bank, turn over all collections to the Bank in kind and otherwise fully comply with the terms and conditions of this Agreement as herein provided. Prior to such payment in full of all of the Obligations of Borrower to Bank, this Agreement shall be a continuing agreement in every respect.

18. MISCELLANEOUS.

Section 18.01 No delay or omission on the part of Bank in exercising any rights shall operate as a waiver of such right or any other right. Waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All Bank's rights and remedies, whether evidenced hereby or by any other agreement, instrument or paper, shall be cumulative and may be exercised singularly or concurrently.

Section 18.02 Bank is authorized to make Loans under the terms of this Agreement upon the request, either written or oral, in the name of Borrower or any authorized Person whose name appears at the end of this Agreement or of any of the following named person, or persons, from time to time, holding the following offices of Borrower: President, Treasurer and such other officers and authorized signatories as may from time to time be set forth in separate banking and borrowing resolutions.

Section 18.03 This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties hereto; provided, however, that Borrower may not assign this Agreement or any rights or duties hereunder without Bank's prior written consent and any prohibited assignment shall be absolutely void. No consent to an assignment by Bank shall release Borrower from its Obligations. Bank may assign this Agreement and its rights and duties hereunder and no consent or approval by Borrower is required in connection with any such assignment. Bank reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in Bank's rights and benefits hereunder. In connection with any assignment or participation, Bank may disclose all documents and information which Bank now or hereafter may have relating to Borrower or Borrower's business. To the extent that Bank assigns its rights and obligations hereunder to another party, Bank thereafter shall be released from such assigned obligations to Borrower and such assignment shall effect a novation between Borrower and such other party.

Section 18.04 Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other loan document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or telecopier to Borrower or to Bank, as the case may be, at its address set forth below:

If to Bank: Middlesex Savings Bank
235 West Central Street
Natick, MA 01760
Attn: Charles Paszkewicz, Collections Officer
Telephone: (508) 652.3587
Telecopier: (508) 652.4536

If to Borrower: Publicom, Inc.
60 Aberdeen Avenue
Cambridge, MA 02138
Attn: Meredith Rutter, President
Telephone: 617.714.0300 x 299
Telecopier: 617.714.0268

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other. All notices or demand sent in accordance with this section shall be deemed received on the earlier of the date of actual receipt or three (3) days after the deposit thereof in the mail.

Section 18.05 Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Bank or Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

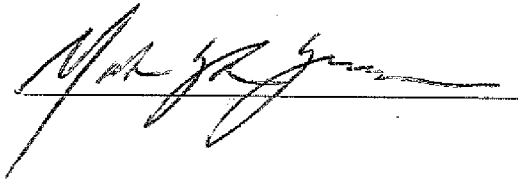
Section 18.06 Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

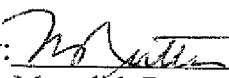
Section 18.07 This Agreement, together with the other documents and instruments executed concurrently herewith represent the entire and final understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by evidence of any prior, contemporaneous or subsequent other agreement, oral or written, before the date hereof.

Section 18.08 This Agreement can only be amended by a writing signed by both Bank and Borrower.

Section 18.09 The laws of Massachusetts shall govern the construction of this Agreement and the rights and duties of the parties hereto. This Agreement shall take effect as a sealed instrument.


Witnessed by: PUBLICOM, INC.



By:  4-14-03
Meredith Rutter, President

Address: 60 Aberdeen Avenue
Cambridge, MA 02138

MIDDLESEX SAVINGS BANK

By: 
collections officer

Address: 6 Main Street
Natick, MA 01760-0004

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SCHEDULES

The following Schedules to the within Loan and Security Agreement (All Assets) are respectively described in the section indicated. Those Schedules in which no information has been inserted shall be deemed to read "None".

SCHEDULE "A"

Borrower's Places of Business and Organizational Identification Number (§8.02)

Address

Property Located At Such Address

Organizational Identification Number: _____ None

SCHEDULE "B"

Other Encumbrances and Liens (§8.06(a))

<u>Secured Party or Mortgagee</u>	<u>Description of Collateral</u>	<u>Payment Terms and Dates of Maturity</u>
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SCHEDULE "C"

Leases (§8.06(b))

<u>Lessor Payable</u>	<u>Description of Property</u>	<u>Date of Lease and Term</u>	<u>Rental</u>
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EXHIBIT 2

MIDDLESEX SAVINGS BANK

REVOLVING LINE OF CREDIT NOTE

\$765,000.00

March , 2003

Nat

For value received, the undersigned, Publicom, Inc., a Massachusetts corporation (the "**Borrower**"), hereby promises to pay ON DEMAND, and if demand is not sooner made, then as provided in the Loan Agreement (defined below), to the order of Middlesex Savings Bank, a Massachusetts bank (the "**Bank**"), at its main office in Natick, Massachusetts, or at any other place designated at any time by the holder hereof, in lawful money of the United States of America and in immediately available funds, the principal sum of Seven Hundred and Sixty-five Thousand (\$765,000.00) Dollars or, if less, the aggregate unpaid principal amount of all loans made by Bank to Borrower under the Loan Agreement, together with interest on the principal amount hereunder remaining unpaid from time to time, computed on the basis of the actual number of days elapsed and a 360-day year, from the date hereof until this Note is fully paid at the rate from time to time in effect under the Loan and Security Agreement (All Assets) of even date herewith (the "**Loan Agreement**") by and between Bank and Borrower. The principal hereof and interest accruing thereon shall be due and payable as provided in the Loan Agreement.

This Note may be prepaid at any time without premium or penalty.

This Note is issued pursuant, and is subject, to the Loan Agreement, which provides, among other things, for acceleration hereof. This Note is the "Revolving Line of Credit Note" referred to in the Loan Agreement.

This Note is secured, among other things, pursuant to the Loan Agreement, and may now or hereafter be secured by one or more other security agreements, mortgages, deeds of trust, assignments or other instruments or agreements.

Borrower hereby agrees to pay all costs of collection, including attorneys' fees and legal expenses in the event this Note is not paid when due, whether or not legal proceedings are commenced.

Presentment or other demand for payment, notice of dishonor and protest are expressly waived.

All rights and obligations hereunder shall be governed by the laws of the Commonwealth of Massachusetts and this Note shall be deemed to be under seal.

PUBLICOM, INC.

By: _____
Witness

Meredith Rutter, President