

AMENDED AND RESTATED
LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT ("Agreement") is made this 1st day of October, 2009, by and between **CONCORD STEAM CORPORATION**, a New Hampshire corporation, with a place of business at 105½ Pleasant Street and a mailing address of P.O. Box 2520, Concord, New Hampshire 03302-2520 (sometimes hereinafter referred to as the "Borrower"), and **TD BANK, N.A.**, as successor by merger to Banknorth, N.A., a national banking association, having an office and mailing address at 300 Franklin Street, Manchester, New Hampshire 03101 (together with its successors and assigns sometimes hereinafter referred to as the "Bank").

WITNESSETH:

WHEREAS, the Bank has established a revolving credit facility in favor of Borrower having a maximum principal amount of One Million Two Hundred Thousand and No/100ths Dollars (\$1,200,000.00) (the "Revolving Credit Loan"), pursuant to a certain Loan Agreement dated September 29, 2003 (the "Revolving Credit Loan Agreement") and evidenced by a Revolving Credit Note dated September 29, 2003, as amended in 2004, 2005, 2006, 2007 and 2008 (collectively, the "Revolving Credit Note"); and

WHEREAS, the Revolving Credit Loan has an outstanding principal balance of One Million Fifty-Eight Thousand Nine Hundred Fifteen and 66/100ths Dollars (\$1,058,915.66) and is scheduled to terminate on September 30, 2009 unless renewed;

WHEREAS, Borrower has requested the Bank to renew the Revolving Credit Loan;

WHEREAS, the Bank has established a term loan in favor of Borrower in the principal amount of Nine Hundred Ninety-Five Thousand Five Hundred Eighty and 23/100ths Dollars (\$995,580.23) (the "Term Loan") pursuant to a certain Loan Agreement dated October 5, 2006, as amended (collectively, the "Term Loan Agreement") and evidenced by a Term Note dated October 5, 2006, as amended by Note Modification Agreement (Allonge) dated November 8, 2006 (collectively, the "Term Note");

WHEREAS, the Term Loan has an outstanding principal balance of Seven Hundred Sixty-One Thousand Three and 67/100ths Dollars (\$761,003.67) and is scheduled to mature on October 4, 2009;

WHEREAS, Borrower has requested the Bank to extend the maturity date of the Term Loan;

WHEREAS, the Bank is willing to renew the Revolving Credit Loan and extend the Term Loan upon amended and restated terms and conditions as hereinafter set forth;

WHEREAS, Borrower desires to borrow from the Bank the sum of Five Hundred Fifty Thousand and No/100ths Dollars (\$550,000.00) (the "Time Loan" and together with the Revolving Credit Loan and the Term Loan, collectively the "Loans") upon the terms and conditions hereinafter set forth herein; and

WHEREAS, Borrower has provided and will continue to provide to the Bank, as security for all such borrowings, a first security interest in the Collateral (as defined herein) to be further described in an Amended and Restated Security Agreement, in form and substance satisfactory to the Bank; and

WHEREAS, the Bank is willing to amend and restate the Revolving Credit Loan and the Term Loan and to advance the funds with respect to the Time Loan only if (a) Borrower is able to grant or cause to be granted a valid first security interest in the Collateral, and (b) Borrower and the Guarantors are willing to fulfill all of their obligations hereunder;

WHEREAS, the purpose of this Agreement is (a) to amend, restate and consolidate the Revolving Credit Loan Agreement and the Term Loan Agreement, (b) to set forth the terms and conditions applicable to the Time Loan, (c) to provide for the continuation of the Obligors' obligations to the Bank under this Agreement with the same collateral and priority as previously granted, and (d) to make certain coordinating amendments to the other loan documentation in connection with the foregoing;

NOW, THEREFORE, in consideration of the mutual promises and obligations of the parties contained herein, the Bank and Borrower hereby covenant and agree as follows:

1. Certain Definitions and Index to Definitions; Accounting Terms.

1.1. Definitions. Unless otherwise defined herein, the following terms shall have the following respective meanings except as the context shall otherwise require:

"Account Borrower" shall mean the obligor on any Account Receivable.

"Account Receivable" shall mean an account arising in the ordinary course of Borrower's business from the performance of service or sale of goods.

"Advance" -- See Paragraph 4.3.

"Affiliate" shall mean any Person: (a) who directly or indirectly controls, or is controlled by, or is under common control with, Borrower or a Subsidiary; (b) who directly or indirectly beneficially owns or holds five percent (5%) or more of any class of voting stock of Borrower or any Subsidiary; or (c) five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by Borrower or a Subsidiary. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" shall mean this Loan Agreement, as amended, supplemented or modified from time to time.

"Allowable Amount" shall mean the lesser of (a) the Borrowing Base or (b) the Maximum Commitment.

"Borrower's Loan Accounts" shall mean the accounts of Borrower in which transactions relating to the Loans shall be recorded, and shall include a Revolving Credit Loan Account, a Term Loan Account and a Time Loan Account.

"Borrowing Base" shall have the meaning set forth in Paragraph 4.3.a.

"Business Assets" shall mean all personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles), all as defined in the Uniform Commercial Code.

"Business Day" shall mean a day (other than a Saturday, Sunday, or holiday) on which Lender is open and conducting its customary banking transactions in the State of New Hampshire.

"Capital Lease" shall mean all leases which have been or should be capitalized on the books of the lessee in accordance with GAAP.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations and published interpretations thereof.

"Collateral" shall mean all property which is subject to or is to be subject to the Lien granted by the Security Instruments, including, but not limited to, the Business Assets.

"Commonly Controlled Entity" shall mean an entity, whether or not incorporated, which is under common control with Borrower within the meaning of Section 414(b) or 414(c) of the Code.

"Credit Accommodation" shall refer to any extension of credit by the Bank to Borrower hereunder, including the making of any advance pursuant to a revolving credit facility.

"Debt Service Coverage Ratio (DSCR)" shall mean the ratio established by dividing the sum of Borrower's (a) net operating income after taxes, plus (b) interest expense, plus (c) depreciation and amortization expenses, plus/minus (d) non-recurring income/expenses, minus (e) dividend distributions by or on behalf of Borrower, as the foregoing shall appear in the Annual Financial Statements prepared by or on behalf of Borrower; by Borrower's total annual debt service requirements (principal and interest), all of the foregoing to be determined in accordance with GAAP.

"Default Rate" shall mean the interest rate set forth in Paragraph 14.11.

"Deposit Account" shall mean any deposit account as defined in the Uniform Commercial Code.

"Deposit Account Control Agreement" shall mean a valid and enforceable control agreement with respect to a Deposit Account, in substance and form acceptable to the Bank.

"Environmental Indemnification Agreement" shall mean an environmental indemnification agreement in form and substance satisfactory to the Bank, whereby Borrower and each Guarantor unconditionally agree to indemnify the Bank with respect to any environmental liabilities concerning the Premises.

"Environmental Law(s)" shall mean any law pertaining to environmental materials, or relating to the environment and/or health and safety, all as further defined in the Environmental Indemnification Agreement.

"Equipment" shall mean equipment as defined in the Uniform Commercial Code.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereof.

"Events of Default" shall mean any of the events specified in Section 12.

"Fee Payment Date" shall be July 1, 2010 and annually thereafter upon notice that the Revolving Credit Loan has been renewed by the Bank.

"Fixed Rate" shall mean an annual rate of interest equal to five and one-quarter percent (5.25%).

"Floating Rate" shall mean an annual rate of interest equal to the Index, as it exists from time to time, plus two percent (2.00%); provided, however at no time shall the Floating Rate be less than five percent (5.00%). The Floating Rate will change each time the Index changes. Any change in the Floating Rate resulting from a change in the Index shall be effective as of the opening of business on the day on which such change in the Index becomes effective.

"GAAP" shall mean generally accepted accounting principles and practices in the United States.

"Guarantor(s)" shall mean Peter G. Bloomfield and Mark E. Saltsman.

"Guaranty" shall mean a guaranty in form and substance satisfactory to the Bank, wherein each Guarantor unconditionally guarantees the repayment of the Obligations of Borrower to the Bank in accordance with the terms of said Guaranty.

"Indebtedness" of any Person shall mean all items of indebtedness which, in accordance with GAAP, would be deemed a liability of such Person as of the date as of which indebtedness is to be determined and shall also include all indebtedness and liabilities of others assumed or guaranteed by such Person or in respect of which such Person is secondarily or contingently liable (other than by endorsement of instruments in the course of collection) whether by reason of any agreement to acquire such indebtedness, to supply or advance sums, or otherwise.

"Index" shall mean the Prime Rate.

"Lending Office" shall refer to the Bank's office located at 143 North Main Street, Concord, New Hampshire 03301.

"Lien" shall mean 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 Uniform Commercial Code or comparable law of any jurisdiction to evidence any of the foregoing).

"Loan" or "Loans" shall mean the total amount of funds available to Borrower pursuant to this Agreement.

"Loan Documents" shall include this Agreement, any riders, supplements and amendments thereto, the notes, mortgages, security agreements, hypothecation agreements, assignments, pledges, subordination agreements or guaranties delivered in connection with this Agreement and/or the Obligations, together with such other documents, agreements, and other instruments executed and delivered to the Bank in accordance with or ancillary to the foregoing and all other documents or instruments heretofore, now or hereafter executed, pursuant to this Agreement, or any of the aforesaid Loan Documents.

"Maturity Date" shall mean (a) with respect to the Term Loan, twenty-four (24) months from the date of the Term Note, as amended and restated, or the date on which the Bank elects to accelerate the Term Loan upon the occurrence of an Event of Default, (b) with respect to the Time Loan, December 31, 2009, or the date on which the Bank elects to accelerate the Time Loan upon the occurrence of an Event of Default, and (c) with respect to Revolving Credit Loan, shall mean June 30, 2010, , or the date on which the Bank elects to accelerate the Revolving Credit Loan upon the occurrence of an Event of Default.

"Maximum Commitment" shall be One Million Two Hundred Thousand Dollars (\$1,200,000.00).

"Multi-Employer Plan" shall mean a Plan described in Section 4001(a)(3) of ERISA.

"Notes" shall include any and all promissory notes executed and delivered by Borrower in connection with this Agreement, including, without limitation, the Revolving Credit Note, the Term Note and the Time Note.

"Obligations" shall mean and include all loans, advances, debts, liabilities, obligations, or any other financial accommodations, owed by Borrower to the Bank, of every kind and description (whether or not evidenced by any note or other instrument and whether or not for the payment of money, but specifically including the Notes), direct or indirect, absolute or contingent, due or to become due, now existing or arising hereafter, including, without limitation, all interest, fees, charges, expenses, attorneys' fees, and accountants' fees chargeable to Borrower or incurred by the Bank in connection with its dealings with Borrower.

"Obligors" shall mean Borrower and the Guarantors.

"Outstanding Balance" shall mean the aggregate amount of the Revolving Credit Loan, as shown on the books of the Bank, maintained in the form of a ledger card, computer records or otherwise in accordance with the Bank's customary practice and appropriate accounting procedures wherein there shall be recorded (*i*) the principal

amount of any and all advances and expenditures to or on behalf of Borrower whenever made, interest thereon, and any and all other expenses, charges and other items properly chargeable to Borrower pursuant to this Agreement, (ii) all payments made with respect to the Obligations evidenced by Borrower's Revolving Credit Loan Account, (iii) all proceeds of Collateral which are finally paid to the Bank in cash or solvent credit, and (iv) other appropriate debits and credits, all as outstanding at any one time with respect to the Revolving Credit Loan.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean any individual, partnership, corporation, limited liability company, business trust, joint stock company trust, unincorporated association, joint venture, government, governmental agency or any other entity of whatever nature and whether acting in an individual, fiduciary or other capacity.

"Plan" shall mean any pension plan which is covered by Title IV of ERISA and in respect of which Borrower or a Commonly Controlled Entity is an "employer" as defined in Section 3(5) of ERISA.

"Premises" shall mean the real property located at 105½ Pleasant Street, Concord, New Hampshire that is leased by Borrower from the State of New Hampshire.

"Prime Rate" shall mean the base rate on corporate loans published in the Wall Street Journal as the "Prime Rate". If the "Prime Rate" cannot be ascertained, does not exist or is not published by the said Journal, the Bank may select a reasonable substitute.

"Prohibited Transaction" shall mean any transaction set forth in Section 406 of ERISA or Section 4975 of the Code, or the regulations promulgated thereunder.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as amended or supplemented from time to time.

"Reportable Event" shall mean any of the events set forth in Section 4043 of ERISA.

"Revolving Credit Loan" shall have the meaning set forth in the recitals, as amended and restated pursuant to Section 4 of this Agreement.

"Revolving Credit Note" shall have the meaning set forth in the recitals, as amended and restated pursuant to Paragraph 4.2 of this Agreement.

"Security Agreement" shall mean a valid and enforceable Security Agreement, in

substance and form acceptable to the Bank.

"Security Instruments" shall include any mortgages, security agreements, financing statements, assignments, pledges, hypothecation agreements, subordination agreements or guaranties delivered in connection with this Agreement and/or the Obligations.

"State" shall mean the State of New Hampshire.

"Subsidiary" shall mean, as to Borrower, a corporation of which shares of stock having ordinary voting power (other than stock having such power only by reason of the occurrence of a contingency) to elect a majority of the board of directors or other managers of such corporation are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by Borrower.

"Term Loan" shall have the meaning set forth in the recitals, as amended and restated pursuant to Section 2 of this Agreement.

"Term Note" shall have the meaning set forth in the recitals, as amended and restated pursuant to Paragraph 2.4 of this Agreement.

"Time Loan" shall mean the Time Loan credit facility described in Section 3 of this Agreement.

"Time Note" shall mean the promissory note executed and delivered by Borrower to the Bank pursuant to Paragraph 3.4 of this Agreement.

"Uniform Commercial Code" shall mean the Uniform Commercial Code now or hereafter in effect in the State.

"Unmatured Default" shall mean an event that, with the passage of time or giving of notice, or both, would be an Event of Default.

1.2. Accounting Terms. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP, applied on a basis consistent with that of the preceding year or containing disclosures of the effect on financial position or results of operations of any change in the application of accounting principles during the year.

1.3. Uniform Commercial Code All terms defined in the Uniform Commercial Code of the State and used herein shall have the same definitions herein as

specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term shall have the meaning specified in Article 9.

2. The Term Loan.

2.1. Principal Amount. The Bank agrees to amend and restate the Term Loan, which has an outstanding principal amount of Seven Hundred Sixty-One Thousand Three and 67/100ths Dollars (\$761,003.67), upon the terms and conditions set forth below.

2.2. Interest Rate. The outstanding balance of the Term Loan from time to time outstanding shall bear interest at the Fixed Rate.

2.3. Term/Loan Payments. The Term Loan shall have a term which shall commence on the date of the Term Note and shall expire on the Maturity Date applicable to the Term Note and shall be repaid, in part, in twenty-three (23) consecutive combined monthly installments of principal and interest in an amount which would amortize the principal balance thereof over a eighty-four (84)-month amortization period with interest at the Fixed Rate. A balloon payment of principal, interest and any other amounts remaining unpaid shall be due and payable on the Maturity Date applicable to the Term Loan. Notwithstanding the foregoing, any Obligation with respect to the Term Loan not paid when due (whether pursuant to an Event of Default or otherwise, and before as well as after judgment) shall accrue interest daily at a rate equal to the Default Rate.

2.4. Term Note. In consideration of extending the maturity date of the Term Loan by the Bank, Borrower agrees to fulfill all of its Obligations under this Agreement and any other document related hereto, and to execute and deliver to the Bank an Amended and Restated Term Note in the principal amount of Seven Hundred Sixty-One Thousand Three and 67/100ths Dollars (\$761,003.67) payable to the Bank and containing the terms and conditions set forth herein and such other terms and conditions determined by and acceptable to the Bank, in its sole discretion and judgment.

2.5. Method of Payment. All payments hereunder and under the Term Note shall be made by Borrower to the Bank at the Lending Office, or at such other place as the Bank may designate in writing, not later than 5:00 p.m. Eastern Standard Time on the date when due in lawful money of the United States in immediately available funds. Whenever any payment to be made under this Agreement or under the Term Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall, in such case, be included in the computation of the payment of interest.

2.6. Prepayments. Borrower shall have the right to prepay the Term Note, in whole or in part, with accrued interest to the date of such prepayment on the amount prepaid, without premium or penalty; provided, however, that no partial payment shall affect Borrower's obligation to make the regular monthly installments required thereunder until the Maturity Date applicable thereto. Any prepayment shall be applied (i) first against any reduction of any late or other charges then due and payable but unpaid; (ii) second against any reduction of interest then accrued but unpaid; and (iii) third against any reduction of the then-unpaid principal balance of the Term Note in the inverse order of maturity.

2.7. Use of Proceeds. The proceeds of the Term Loan have been used by Borrower to (a) refinance prior Indebtedness to the Bank, (b) complete leasehold improvements with respect to the Premises, and (c) fund closing costs related to the Term Loan. Borrower has not and will not, directly or indirectly, use any part of such proceeds for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to any Person for the purpose of purchasing or carrying any such margin stock, or for any purpose which violates, or is inconsistent with, Regulation X of such Board of Governors.

3. The Time Loan.

3.1. Principal Amount. The Bank agrees, in accordance with and subject to the terms and conditions of this Agreement, to lend to Borrower, in accordance with Time Note, the principal amount of Five Hundred Fifty Thousand and No/100ths Dollars (\$550,000.00).

3.2. Interest Rate. The outstanding balance of the Time Loan from time to time outstanding shall bear interest at the Floating Rate.

3.3. Term/Loan Payments. The Time Loan shall have a term that shall commence on the date of the Time Note and shall expire on the Maturity Date applicable to the Time Loan. A balloon payment of principal, interest and any other amounts remaining shall be due and payable on the Maturity Date applicable to the Time Loan. Notwithstanding the foregoing, any Obligation not paid when due (whether pursuant to an Event of Default or otherwise, and before as well as after judgment) shall accrue interest daily at a rate equal to the Default Rate.

3.4. Time Note. In consideration of the Time Loan by the Bank, Borrower agrees to fulfill all of its obligations and conditions under this Agreement and any other document related hereto, and to execute and deliver to the Bank a promissory note in the principal amount of Five Hundred Fifty Thousand and No/100ths Dollars (\$550,000.00) payable to the Bank and containing the terms and conditions set forth herein and such other terms and conditions determined by and acceptable to the

Bank, in its sole discretion and judgment.

3.5. Method of Payment. All payments hereunder and under the Time Note shall be made by Borrower to the Bank at the Lending Office, or at such other place as the Bank may designate in writing, not later than 5:00 p.m. Eastern Standard Time on the date when due in lawful money of the United States in immediately available funds. Whenever any payment to be made under this Agreement or under the Time Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall, in such case, be included in the computation of the payment of interest.

3.6. Prepayments. Borrower shall have the right to prepay the Time Note, in whole or in part, with accrued interest to the date of such prepayment on the amount prepaid, without premium or penalty; provided, however, that no partial payment shall affect Borrower's obligation to make the regular monthly installments required thereunder until the Maturity Date applicable thereto. Any prepayment shall be applied (i) first against any reduction of any late or other charges then due and payable but unpaid; (ii) second against any reduction of interest then accrued but unpaid; and (iii) third against any reduction of the then-unpaid principal balance of the Term Note in the inverse order of maturity.

3.7. Use of Proceeds. The proceeds of the Time Loan shall be used solely by Borrower for (a) the installation of a new steam line and (b) fund closing costs related to the Loan. Borrower will not, directly or indirectly, use any part of such proceeds for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to any Person for the purpose of purchasing or carrying any such margin stock, or for any purpose which violates, or is inconsistent with, Regulation X of such Board of Governors.

4. The Revolving Credit Loan.

4.1. Principal Amount. The Bank agrees, in accordance with and subject to the terms and conditions of this Agreement, to amend and restate the Revolving Credit Loan for Borrower whereby the Bank will make loan advances to Borrower in an amount not greater than One Million Two Hundred Thousand Dollars (\$1,200,000.00).

4.2. Revolving Credit Note. In consideration of renewing the Term Revolving Credit Loan by the Bank, Borrower agrees to fulfill all of its obligations and conditions under this Agreement and any other document related thereto, and to execute and deliver to the Bank an Amended and Restated Revolving Credit Note having a maximum principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000.00) payable to the Bank and containing the terms and conditions set forth

herein and such other terms and conditions determined by and acceptable to the Bank, in its sole discretion and judgment.

4.3. Advances.

a. Borrowing Base. Subject to the terms and conditions of this Agreement, from the date on which this Agreement becomes effective until the Maturity Date applicable to the Revolving Credit Loan, the Bank, upon the request of Borrower, as set forth below, shall from time to time advance to Borrower, an amount up to One Million Two Hundred Thousand Dollars (\$1,200,000.00) outstanding at any one time. The aggregate amount available under this Paragraph shall sometimes hereinafter be referred to as the "Borrowing Base".

b. Notice and Manner of Borrowing. Borrower shall give the Bank at least one (1) Business Days' notice of any request for advances under this Agreement, specifying the date and amount thereof, and shall provide the Bank with such information as the Bank requests, in a format acceptable to the Bank, as is necessary to calculate the Borrowing Base. Alternatively, in the event that the Borrower is enrolled in the Bank's "Cash Management Line of Credit Sweep" program, loan advances and pay downs shall be made in accordance with the terms and conditions of the "Line of Credit Sweep Agreement" applicable to that program. All advances by the Bank may be made by direct deposit or credit to Borrower's Revolving Credit Loan Account, any other general deposit account of Borrower maintained or to be maintained with the Bank, or otherwise, as so authorized.

c. Authorization for Advances. The Bank is authorized to make advances under this Agreement: (i) upon verbal authority, followed by written confirmation, received from anyone purporting to be an officer, employee or representative of Borrower or (ii) at the sole discretion of the Bank, and notwithstanding any other provision in this Agreement, if necessary to meet any Obligations, including but not limited to any interest not paid when due.

d. Maximum Commitment. Despite the foregoing and notwithstanding the nature or amount of the Collateral, the Outstanding Balance shall not exceed at any one time the Maximum Commitment.

e. Monthly Statements Regarding Outstanding Balance. The Bank shall render to Borrower a statement of account with respect to the Outstanding Balance on a monthly basis. Such statement shall indicate Borrower's then current Outstanding Balance and any interest amounts due and payable from Borrower to the Bank. The statement shall be considered correct and be considered accepted by Borrower, and shall conclusively bind Borrower, unless it notifies the Bank to the contrary within ten (10) days after the date of mailing.

4.4. Use of Proceeds. The proceeds of the Revolving Credit Loan hereunder shall be used solely by Borrower for its working capital needs in connection with its business operations. Borrower will not, directly or indirectly, use any part of such proceeds for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to any Person for the purpose of purchasing or carrying any such margin stock, or for any purpose which violates, or is inconsistent with, Regulation X of such Board of Governors.

5. Revolving Credit Loan Payments by Borrower.

5.1. Method of Payment. All payments hereunder and under the Revolving Credit Note shall be made by Borrower to the Bank at the Lending Office, or at such other place as the Bank may designate in writing, not later than 5:00 p.m. Eastern Standard Time on the date when due in lawful money of the United States in immediately available funds. Whenever any payment to be made under this Agreement or under the Revolving Credit Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of interest.

5.2. Payments.

a. Prepayments. Borrower shall have the right to make payment at any time in reduction of the Outstanding Balance, in whole or in part, without premium or penalty; provided, however, any such payment shall be applied first to past-due interest and other charges due from Borrower to the Bank, irrespective of any contrary instructions of Borrower. Any amount so prepaid shall become available for future advances subject to the terms and conditions of this Agreement.

b. Reduction of Outstanding Balance. Borrower shall promptly make payment in immediately available funds, from time to time, without demand or notice, in reduction of the Outstanding Balance, in the amount by which the Outstanding Balance exceeds the Allowable Amount.

c. Annual Cleanup. Borrower agrees that on at least one occasion during each calendar year that the Bank advances funds to Borrower under the Revolving Credit Loan pursuant to this Agreement, Borrower shall pay the entire Outstanding Balance in full and thereafter shall maintain Borrower's Revolving Credit Loan Account at a zero balance and shall not draw or request to draw on the Revolving Credit Loan pursuant to this Agreement for a period of thirty (30) consecutive days.

d. Termination of Revolving Credit Loan. The entire Outstanding Balance shall be due and payable without demand or notice on the

Maturity Date applicable to the Revolving Credit Loan.

5.3. Interest.

a. Rate. From the date hereof until termination of this Agreement, the Outstanding Balance shall accrue interest daily at a rate equal to the Floating Rate applicable to the Revolving Credit Loan; provided, however, that any Obligation not paid when due (whether pursuant to an Event of Default or otherwise, and before as well as after judgment) shall accrue interest daily at a rate equal to the Default Rate.

b. Computation of Interest. Interest shall be due on the first day of each month following the accrual thereof and shall be computed on the basis of the actual days elapsed over a year of 360 days.

6. Security for Loan. Borrower agrees to provide, or cause to be provided, to the Bank as security for the repayment of the Notes and the fulfillment of Borrower's Obligations thereunder and hereunder the following security and/or Security Instruments:

6.1. Amended and Restated Security Agreement and Financing Statements. A valid and enforceable Amended and Restated Security Agreement, confirming the Bank's first security interest in the Collateral described therein, together with good and sufficient financing statements to evidence, in all applicable recording offices, a valid and enforceable first security interest in the said Collateral, all in accordance with the Uniform Commercial Code.

6.2. Personal Guaranties. A valid and enforceable Guaranty executed and delivered by each Guarantor.

6.3. Amended and Restated Pledge Agreements. An Amended and Restated Pledge Agreement executed and delivered by each Guarantor with respect to his shareholder interest in Borrower.

6.4. Environmental Indemnification Agreement. A valid and enforceable Environmental Indemnification Agreement executed and delivered by the Obligor.

6.5. Accounts. As further security for the repayment of the Notes and the fulfillment of all of the Obligations of Borrower under this Agreement and any documents related hereto, Borrower shall establish and maintain all of its operating and Deposit Accounts with the Bank until all Obligations are satisfied in full. Borrower hereby authorizes the Bank to charge such accounts directly for payments of principal, interest and fees due under the Loan Documents. Borrower shall also compensate the Bank for certain services to be provided to Borrower by the Bank through the payment

of the Bank's standard service charges, such services to include monthly checking account activity, cash management services and electric funds transfer

7. Conditions Precedent. The obligations of the Bank to lend and advance funds pursuant to this Agreement are expressly conditioned upon the prior satisfaction of the following conditions:

7.1. Delivery of Instruments and Documentation. Prior to the first advance of funds hereunder, Borrower shall have executed and/or delivered to the Bank or its counsel, in form and substance acceptable to the Bank, in its reasonable sole discretion or judgment:

a. Organizational Documents:

i. A Certificate of Existence from the Office of the New Hampshire Secretary of State with respect to Borrower;

ii. A certified copy of the Articles of Incorporation, Bylaws, and other writings by and among the shareholders of Borrower pertaining to the governance or operation of Borrower;

iii. A certified copy of all corporate actions by Borrower including a resolution of its Board of Directors, authorizing the execution, delivery and performance of this Agreement, the Notes, the Security Instruments and other documents to be delivered pursuant to this Agreement; and

iv. An incumbency certificate (dated as of the date of this Agreement) of the Secretary of Borrower certifying the names and true signatures of the officers of Borrower authorized to sign this Agreement, the Notes, the Security Instruments, and the other documents to be delivered pursuant to this Agreement.

b. Financial/Collateral Documents:

i. The most recent financial statements for Borrower and each Guarantor;

ii. Certificate(s) that all local, state and federal taxes due and owing as of the date of this Agreement have been paid; and

iii. Evidence of the insurance required by Paragraph 9.13, below.

c. Loan Documents: Borrower and/or each Guarantor shall have executed and delivered the following loan documents to the Bank:

- i. The Amended and Restated Term Note;
- ii. The Amended and Restated Revolving Credit Note;
- iii. The Time Note;
- iv. The Amended and Restated Security Agreement and financing statements relative thereto;
- v. The Guaranties;
- vi. The Amended and Restated Pledge Agreements; and
- vii. The Environmental Indemnification Agreement.

d. **Fees:**

i. With respect to the Term Loan, Borrower shall pay a renewal fee at closing equal to twenty-five basis points (0.25%) of the outstanding principal balance of the Term Note (i.e., \$1,902.50);

ii. With respect to the Revolving Credit Loan, Borrower shall pay a renewal fee at closing equal to twenty-five basis points (0.25%) of the maximum principal balance of the Revolving Credit Note (i.e., \$3,000.00);

iii. With respect to the Time Loan, Borrower shall pay an origination fee at closing equal to twenty-five basis points (0.25%) of the original principal balance of the Time Note (i.e., \$1,375.00)

iv. Closing Costs and Fees in accordance with Paragraph 14.5, below.

e. **Miscellaneous:** Such other documents, instruments, approvals, opinions or assurances as the Bank and/or its counsel may request prior to or at the Closing, or during the term of the Loans, and which the Bank and/or its counsel deem necessary, in their sole discretion and judgment, to protect the interests of the Bank in the making of the Loans.

7.2. Approval of the Bank Counsel. All legal matters incident to this Agreement and the transactions contemplated hereby, including, without limitation, the priority of the lien of the security interests under the Security Instruments, and the form and substance of each such instrument or documents required to be furnished by Borrower, shall be satisfactory to counsel for the Bank in their sole discretion or

judgment.

7.3. Other Conditions Precedent. As conditions precedent to the Bank's obligation to make any Credit Accommodation available to Borrower, including the first Credit Accommodation, on the date such Credit Accommodation is requested:

a. Borrower shall have complied with, and shall then be in compliance with, all the terms, covenants and conditions of this Agreement that are binding upon it;

b. With respect to the Revolving Credit Loan, the Outstanding Balance after giving effect to such advance shall not exceed the Maximum Commitment;

c. The representations and warranties contained in Section 8 of this Agreement or in any of the Loan Documents shall be true and correct; and

d. There shall exist no Event of Default, and no event which, with the giving of notice or the passage of time, or both, would constitute such an Event of Default.

By making a request for a Credit Accommodation, Borrower represents and warrants the accuracy of the matters set forth in this Paragraph 7.3 on and as of the date of such request.

8. Representations and Warranties. Borrower hereby represents and warrants to the Bank that:

8.1. Legal Existence. Borrower is duly organized, validly existing and in good standing under the applicable laws of the State as a business corporation and is qualified and authorized to do business in and is in good standing in all jurisdictions in which its ownership of property or conduct of business legally requires such authorization, and has full power, authority and legal right to own its properties and assets and to conduct all business in which it engages or proposes to engage.

8.2. Legal Name. 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.

8.3. Governing Documents. All articles or certificates of incorporation, by-laws, shareholder agreements, or other documents under which Borrower has been formed or existing and all amendments thereto (collectively the "Governing

Documents") of Borrower have been duly filed and are in proper order. All capital stock issued by Borrower and outstanding was and is properly issued and all books and records of Borrower, including, without limitation, its minute books, by-laws and books of account, are accurate and up to date and will be so maintained.

8.4. Power and Authority. The execution, delivery, and performance by Borrower of this Agreement, the Notes, the Security Instruments, and other related Loan Documents executed and delivered by Borrower have been duly authorized by all necessary actions required under the terms and provisions of its Governing Documents, the laws of the state(s) where the Collateral is located, the state under the laws of which Borrower is organized, any political subdivision thereof, agency, department, commission, board, bureau or instrumentality thereof (collectively a "Governmental Authority"), and do not and will not:

- a. require any consent or approval of the stockholders of Borrower, or any other Person holding a legal or beneficial interest in Borrower;
- b. require the approval or consent of any Governmental Authority having jurisdiction over Borrower or its property;
- c. contravene the Governing Documents of Borrower;
- d. cause Borrower or any Guarantor to be in default under any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award or any such indenture, agreement, lease, or instrument;
- e. result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease, or instrument to which Borrower or any Guarantor is a party or by which they or their properties may be bound or affected; or
- f. result in, or require, the creation or imposition of any Lien upon or with respect to any of the properties now owned or hereafter acquired by Borrower or any Guarantor, except as set forth in the Loan Documents.

8.5. Legally Enforceable Agreement. This Agreement is, and the Notes, the Security Instruments and the other Loan Documents when delivered hereunder will be, legal, valid and binding obligations of Borrower and each Guarantor in accordance with their respective terms, enforceable against Borrower and each Guarantor in accordance with their respective terms.

8.6. Financial and Other Information. All financial statements and other statements or information heretofore or hereafter given by or on behalf of Borrower and each Guarantor to the Bank in respect hereof are or will be true and correct as of

the date thereof, subject to any reservations stated therein, and fairly present the financial condition of Borrower, each Guarantor, and all Affiliates for the fiscal period stated therein.

8.7. Subsidiaries. Borrower does not have any Subsidiaries.

8.8. No False Statements, etc. No statement of fact made by or on behalf of Borrower in this Agreement, or in any certificate or schedule furnished to the Bank pursuant thereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading. There is no fact presently known to Borrower which has not been disclosed to the Bank which materially affects adversely, nor as far as Borrower can foresee, will materially affect adversely the property, business, operations or condition (financial or otherwise) of Borrower and/or the Collateral.

8.9. Solvency. The present fair saleable value of Borrower's assets is greater than the amount required to pay its total liabilities, the amount of Borrower's capital is adequate in view of the type of business in which it is engaged and Borrower is able to pay its debts as they mature. Any borrowings made by Borrower under this Agreement do not and will not render Borrower insolvent; Borrower is not contemplating either filing a petition under any state or federal bankruptcy or insolvency laws or liquidating all or a major portion of its property, and Borrower has no knowledge of any person or entity contemplating filing any such petition against it, including the properties and assets reflected in its financial statements referred to herein.

8.10. Not a Successor. Borrower has not, within the six (6) year period immediately preceding the date of this Agreement, changed its name, been the surviving corporation of a merger or consolidation, or acquired all or substantially all of the assets of any person, corporation, partnership or entity.

8.11. Brokerage. There are no claims against Borrower or any Guarantor for brokerage commissions, finder's fees or similar compensation arising out of or due to any act of Borrower or any Guarantor in connection with the transactions contemplated by this Agreement or based on any agreement or arrangement made by or on behalf of Borrower or any Guarantor; and Borrower or each Guarantor will defend, indemnify and hold the Bank harmless against any liability or expenses arising out of any such claim.

8.12. Other Agreements. Neither Borrower nor any Guarantor is a party to any indenture, loan, or credit agreement, or to any lease or other agreement or instrument, or subject to any charter or corporate restriction which could have a material adverse effect on the business, properties, assets, operations, or conditions, financial or otherwise, of Borrower or any Guarantor, or the ability of Borrower or any

Guarantor to carry out its obligations under the Loan Documents to which it is a party. Neither Borrower nor any Guarantor is in default in any respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to its business to which it is a party.

8.13. Title of Collateral. Borrower is, and will continue to be, the sole owner of and has good and marketable title to, or valid leasehold interests in, all Collateral in which Borrower has given or has agreed to give a security interest to the Bank. Further, the Collateral are or will be free and clear of all Liens (other than those which are disclosed on Schedule 8.13 attached hereto). Further, Borrower agrees to defend title on behalf of the Bank against the claims and demands of any and all persons at any time claiming any right, title or interest therein adverse to the Bank. No Person other than the Bank has (or, in the case of after-acquired Collateral, at the time Borrower acquires rights therein, will have) any security or Lien interest in the Collateral, except as provided in Schedule 8.13 or otherwise consented to in advance by the Bank.

8.14. Operation of Business. Borrower and each Guarantor possess all licenses, permits, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, to conduct their respective businesses substantially as now conducted and as presently proposed to be conducted, and neither Borrower nor any Guarantor is in violation of any valid rights of others with respect to any of the foregoing.

8.15. Labor Disputes and Acts of God. Neither the business nor the properties of Borrower or any Guarantor are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy, or other casualty (whether or not covered by insurance) materially and adversely affecting such business properties or the operation of Borrower or any Guarantor.

8.16. Litigation. There is no pending or, to the knowledge of Borrower and any Guarantor, threatened action, suit, proceeding, or investigation against or affecting Borrower or any Guarantor by or before any court, governmental agency or arbitrator, which may, in any one case or in the aggregate, have a material adverse effect on the financial condition, operations, properties, or business of Borrower or any Guarantor or the ability of Borrower or any Guarantor to perform its obligations under the Loan Documents to which it is a party (other than those which are disclosed on Schedule 8.16 attached hereto).

8.17. No Defaults on Outstanding Judgments or Orders. Borrower, and each Guarantor have satisfied all judgments and neither Borrower nor any Guarantor is in default with respect to any judgment, writ, injunction, decree, rule, or regulation of any court, arbitrator, or federal, state, municipal, or other governmental authority, commission, board, bureau, agency or instrumentality, domestic or foreign.

8.18. ERISA. Borrower is in compliance in all material respects with all applicable provisions of ERISA. Neither a Reportable Event nor a Prohibited Transaction has occurred and is continuing with respect to any Plan; no notice of intent to terminate a Plan has been filed, nor has any Plan been terminated; no circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings; neither Borrower nor any Commonly Controlled Entity has completely or partially withdrawn from a Multi-Employer Plan; Borrower and each Commonly Controlled Entity has met their minimum funding requirements under ERISA with respect to all of its Plans and the present value of all vested benefits under each Plan does not exceed the fair market value of all Plan assets allocable to such benefits, as determined on the most recent valuation date of the Plan and in accordance with the provisions of ERISA; and neither Borrower nor any Commonly Controlled Entity has incurred any liability to the PBGC under ERISA.

8.19. Taxes. Borrower *(i)* has filed or caused to be filed all tax returns, reports and declarations required to be filed by any jurisdiction (federal, state and local) to which they are subject, *(ii)* has paid or has made provision for the payment of all taxes, assessments and governmental charges and levies, which have or may have become due pursuant to said returns, including interest and penalties, except such taxes, if any, as are being contested in good faith, and *(iii)* has set up adequate reserves for the payment of any tax which is being contested, so that no Lien will encumber any Collateral in subsequent periods. The charges, accruals, and reserves in respect of income taxes on the books of Borrower are adequate. Borrower knows of no proposed material tax assessment against it and of no extension of time for the assessment of federal, state, or local taxes of Borrower that is in effect or has been requested, except as disclosed in the financial statements furnished to the Bank.

8.20. Debt. Schedule 8.20 contains a complete and correct list of all credit agreements, indentures, purchase agreements, guaranties, Capital Leases, and other investments, agreements, and arrangements presently in effect providing for or relating to extensions of credit in an amount equal to or greater than Twenty-Five Thousand and No/100ths Dollars (\$25,000.00) (including agreements and arrangements for the issuance of letters of credit or for acceptance financing) in respect of which Borrower is in any manner directly or contingently obligated; and the maximum principal or face amounts of the credit in question, which are outstanding and which can be outstanding, are correctly stated, and all Liens of any nature given or agreed to be given as security therefor are correctly described or indicated in such Schedule. Borrower is not in default in any respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to its business to which it is a party pertaining to those matters set forth on Schedule 8.20.

8.21. Compliance with Laws. Borrower is in compliance, in all material respects, with all statutes, regulations, ordinances, directives, and orders of every federal, state, municipal or other governmental authority which has or claims jurisdiction over them, any of its assets, or any person in any capacity under which it would be responsible for the conduct of such person and does not use any of its assets in violation of any insurance policy carried by it. Borrower agrees to provide assurances to the Bank that any such compliance has been made from time to time, upon the request of the Bank and before any disbursements are required pursuant to the terms of this Agreement or any related loan documentation, such assurances to be satisfactory to counsel for the Bank, in their sole discretion or judgment.

9. Affirmative Covenants. Until payment in full and/or performance of the Obligations, Borrower **SHALL:**

9.1. Origination Fees. Pay to the Bank at Closing the Origination Fees set forth in Paragraph 7.1.d of this Agreement.

9.2. Deposit Relationship. Establish and maintain all of its operating and Deposit Accounts with the Bank until all Obligations are satisfied in full.

9.3. Prompt Payment. Promptly pay when due all amounts due and owing to the Bank under this Agreement, the Notes or the other Loan Documents.

9.4. Performance. Comply with all terms and conditions of this Agreement, the Notes and the Loan Documents and pay all debts before the same shall become delinquent.

9.5. Financial Statements, Reports and Certifications.

a. Annual Financial Statements.

i. Provide to the Bank, on an annual basis on or before April 30 of each calendar year reviewed and complete financial statements (statement of stockholder's equity, income statement and balance sheet) in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the previous fiscal year, prepared in conformity with GAAP and the requirements of Section 1.1 of this Agreement, and accompanied by a report thereon, prepared by a certified public accountant selected by Borrower and acceptable to the Bank, which shall in all respects be satisfactory to the Bank. Borrower's accountant shall also provide a consolidated and consolidating financial statement showing the activities of all entities related to Borrower. The Bank shall have the right, from time to time, to discuss the affairs of Borrower directly with Borrower's accountant after providing Borrower an opportunity to be represented at any such discussion.

ii. Cause each Guarantor, on an annual basis on or before May 31 of each calendar year, to provide a personal financial statement on forms acceptable to the Bank.

b. Tax Returns. Furnish annual tax returns prepared in conformity with GAAP, applied on a basis consistent with that of the preceding year, to the Bank and shall cause each Person that is directly obligated on the Notes or which guarantees the Notes to furnish annual tax returns to the Bank, all on or before April 30 of each calendar year, or within one (1) week of the time such Person files such tax return, whichever is earlier.

c. Quarterly Financial Reports. Furnish to the Bank quarterly financial reports (profit and loss statements and balance sheets currently prepared) prepared by Borrower's management which show the general financial condition of Borrower, 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 consistently applied and certified by the chief financial officer of Borrower (subject to year-end adjustments). All such reports shall be furnished to the Bank as soon as available and in any event on or before the fifteenth (15th) day following the end of the quarter to which any such reports pertain.

d. Monthly Aging Reports. Furnish to the Bank Accounts Receivable aging reports prepared by Borrower's Management, as of the last day of each month, describing all of Borrower's Accounts Receivable by Account Borrower, amount and original date due together with a Borrowing Base Certificate in form and substance approved by the Bank. All such reports shall be furnished to the Bank on or before the fifteenth (15th) day following the end of the month to which any such reports pertain.

e. List of Account Borrowers. Upon the request of the Bank, promptly deliver to the Bank a list of the names and addresses of all Account Borrowers.

f. Certificate. Provide with each annual statement of Borrower a certificate executed by the chief financial officer of Borrower certifying that to the best of their knowledge no Unmatured Default or Event of Default has occurred and is continuing, or, if an Unmatured Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which is proposed to be taken with respect thereto.

g. Other Reports. Upon the request of the Bank, promptly deliver to the Bank such other information about the financial condition and operations of Borrower as the Bank may, from time to time, reasonably request.

9.6. Books of Record and Account.

a. Keep proper books of record and account in which full, true and correct entries shall be made of its transactions, including, without limitation, inventory and sales, in accordance with GAAP applied on a consistent basis with those applied in the preparation of the financial statements described herein.

b. Set aside on financial statements from earnings for each fiscal year all such proper reserves, including reserves for depreciation, depletion, obsolescence and amortization of properties during such fiscal year, as shall be required in accordance with GAAP principles applied on a consistent basis.

9.7. Inspection of Financial Data. Upon reasonable advance notice, give any representative of the Bank access to Borrower's place or places of business during normal business hours at intervals to be determined by the Bank, without hindrance or delay, and permit the Bank to inspect any of the Collateral and to inspect, audit, check, examine and copy and make extracts from any and all books, records, journals, orders, receipts, correspondence, and documents which relate to Borrower's affairs and the overall financial conditions of Borrower and Borrower shall provide the Bank with copies of such records. The Bank agrees to keep any privileged information confidential.

9.8. Evidence of Ownership. Deliver to the Bank at any time or times, upon the request of the Bank, all invoices, bills of sale, or other documents, satisfactory to the Bank, in its sole discretion, to evidence Borrower's ownership of any and all Collateral.

9.9. Appraisals. Permit the Bank to appraise the Collateral and all of Borrower's assets at reasonable times and upon reasonable notice and at reasonable frequency at the expense of Borrower.

9.10. Maintenance of Properties. Maintain, keep, and preserve all of its properties (tangible and intangible) necessary to or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted.

9.11. Collateral. At the request of the Bank, upon the occurrence of an Event of Default, (i) pay or deliver all proceeds of Collateral (including without limitation any cash dividends paid with respect to the Collateral and, if any Collateral is sold, any sale proceeds received with respect to the Collateral) to the Bank immediately upon receipt in the identical form received without coming with other property, (ii) transfer possession or permit the Bank to take possession of all Collateral (including any stock certificates or other evidence of the Collateral and any stock certificates evidencing stock dividends paid with respect to the Collateral) not heretofore delivered to the Bank; and (iii) assign to the Bank immediately, and / or allow the Bank to take possession immediately of all instruments and documents, which are part of the

Collateral, or as to those hereafter acquired, immediately following acquisition, and (iv) notify the Bank of any material adverse change in the condition of any of the Collateral, or in any fact or circumstance warranted or represented by Company herein, or furnished to the Bank, or if any Event of Default occurs.

9.12. Defend Collateral. Defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein and, in the event the Bank's lien on, or security interest in, the Collateral, or any part thereof, would be impaired by an adverse decision, allow the Bank to contest or defend such claim or demand in the Company's name the Company agrees to pay, upon demand, the Bank's reasonable costs, charges and expenses, including, without limitation, attorney's fees, in connection therewith.

9.13. Insurance Requirements.

a. Required Insurance. Have and maintain or cause to be maintained during the term of this Agreement and any modifications, amendments, extensions, replacements or renewals thereof, insurance in full force and effect and will deposit evidence of insurance with the Bank for the following:

i. Public liability insurance in such amount and with such coverage as is required by the Bank, including, if requested by the Bank, liability insurance on vehicles owned or operated by Borrower;

ii. Worker's compensation insurance as required by statute;

iii. Hazard insurance, containing such terms in such forms, for such periods and written by such companies in the same manner as set forth in the Security Agreement;

iv. Business interruption insurance; and

v. Such other hazard insurance as the Bank may reasonably request including, but not limited to, flood insurance, boiler insurance, and business interruption insurance.

b. Required Provisions. All such insurance:

i. Shall be issued in such amounts and by such companies satisfactory to the Bank and authorized to do business in the State;

ii. Shall show Borrower and the Bank as insureds, as their interests may appear, or, where appropriate, showing the Bank as an additional

named loss-payee and/or named insured; and

iii. Shall contain provisions providing for not less than twenty (20) days prior written notice to the Bank of any intended cancellation.

c. Evidence of Payment. All premiums for insurance policies required hereunder shall be fully paid when due by Borrower. The Bank may, at its option, require Borrower to pay such sums to the Bank on a monthly basis as would permit the Bank to pay such premiums in full when due out of such funds.

9.14. Compliance with Laws. Comply with all regulations, condominium documentation, covenants, rules, ordinances, statutes, codes, permits, orders and decrees applicable to Borrower or to the Premises, including, without limitation, the use, occupancy or condition thereof or any part thereof. Borrower shall have the right to contest by appropriate legal proceedings, but without cost or expense to the Bank, the validity of any laws, ordinances, order, rules and regulations affecting any of the Premises if compliance therewith may legally be held in abeyance without the sufferance of any Lien or liability against the Premises, and Borrower may postpone compliance therewith until the final determination of any such proceedings, provided they shall be prosecuted with due diligence and dispatch, and if any Lien is incurred, Borrower may, nevertheless, make the contest and delay compliance, provided the Bank is furnished with security, reasonably satisfactory to it, against any loss or injury by reason of such noncompliance or delay..

9.15. Environmental Compliance. Be and remain in compliance with all representations, warranties, covenants, terms, conditions and requirements of the Environmental Indemnification Agreement.

9.16. Taxes.

a. Make due and timely payment or deposit of all real and personal property taxes, assessments, charges, and all franchise, income, unemployment, old age benefits, withholding, sales, and other taxes assessed against it, or payable by it, except such taxes, if any, as are being contested in good faith and as to which Borrower has set up adequate reserves for the payment of any such tax so that no Lien will encumber any Collateral. At the option of the Bank, Borrower will furnish to the Bank, from time to time, within five (5) days after the accrual in accordance with applicable law of Borrower's obligation to make deposits for F.I.C.A. and withholding taxes and/or sales taxes, proof satisfactory to the Bank that such deposits have been made as required.

b. If Borrower fails to make such a payment or deposit or furnish the required proof, the Bank may, in its sole and absolute discretion and without notice to Borrower, (i) make payment of the same or part thereof, or (ii) set up such

reserves in Borrower's Account as the Bank deems necessary to satisfy the liability therefor, or both. The Bank may conclusively rely on the usual statements of the amount owing or other official statements issued by the appropriate governmental agency. Nothing herein shall obligate the Bank to make any such deposit or payment or set up such reserve, and the making of one or more such deposits or payments, or the setting up of such reserves, shall not constitute (i) an agreement by the Bank to make similar payments in the future, or (ii) a waiver by the Bank of a default under the Loan Documents. The Bank need not inquire as to, or contest the validity of, any expense, tax, security interest, encumbrance or lien, and the receipt of the usual official notice requiring the payment thereof shall be conclusive evidence that the same was validly due and owing.

9.17. ERISA Reports. Furnish to the Bank (i) as soon as possible, and in any event within thirty (30) days after Borrower knows or has reason to know of any Reportable Event with respect to any Plan maintained by Borrower or a Commonly Controlled Entity, a statement of the chief financial officer of Borrower setting forth details as to such Reportable Event and the actions which Borrower proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the PBGC, if a copy of such notice is available to Borrower, and (ii) prompt written notice of any decision by Borrower or any member of the Commonly Controlled Entity to terminate or withdraw from any Plan, and (iii) promptly after receipt thereof, a copy of any notice of intent to terminate any Plan or to appoint a trustee to administer any Plan which Borrower or any member of the Commonly Controlled Entity may receive from the PBGC or the Internal Revenue Service with respect to any Plan.

9.18. Other Debt. Promptly pay and discharge any and all Indebtedness when due, and lawful claims which, if unpaid, might become a Lien upon the property of Borrower, except such Indebtedness and claims as may in good faith be contested or disputed or for which arrangements for deferred payment have been made, provided appropriate reserves are maintained to the satisfaction of the Bank for the eventual payment thereof, in the event it is found that such Indebtedness is an Indebtedness payable by Borrower, and when such dispute or contest is settled and determined, will promptly pay or cause to be paid the full amount then due.

9.19. Location of Business/Collateral. Provide the Bank with written notice immediately upon forming an intention to change the location of its chief place of business or any of the Collateral.

9.20. Maintenance of Existence, etc. (i) Preserve and maintain its legal existence in the State, and all rights, privileges and franchises necessary or desirable in the normal conduct of its business, including, without limitation, the payment of all fees and other charges required in connection therewith, (ii) qualify and remain qualified to conduct business in any other jurisdiction in which such qualification is required, (iii) conduct its business in an orderly, efficient and regular manner, and (iv) comply with all

applicable laws and regulations and the terms of any indenture, contract or other instrument to which it may be a party or under which it or its properties may be bound.

9.21. Leases. Notify the Bank in writing of any modification or change in the terms of any lease pertaining to the Premises, within thirty (30) days thereof.

9.22. Subordination of Sums Payable. Subordinate all of Borrower's obligations for borrowed money, if any, to any Guarantor, or any shareholder, officer or director of Borrower, to Borrower's payment and performance of its Obligations to the Bank, and upon the Bank's request shall promptly execute Subordination Agreement(s) in form and substance acceptable to the Bank.

9.23. Notice of Default. Upon becoming aware of (i) the existence of any condition or event which constitutes a default under Section 12 hereof or (ii) the existence of any condition or event which, with notice or the passage of time, will constitute a default under Section 12 hereof, promptly provide the Bank with written notice specifying the nature and period of existence thereof and what action Borrower is taking or proposes to take with respect thereto.

9.24. Notice of Litigation. Promptly give notice to the Bank in writing of (i) any proceedings against Borrower involving amounts in excess of Twenty-five Thousand Dollars (\$25,000.00) not fully covered by insurance, (ii) any substantial claim or dispute which may exist between Borrower and any Person, which, if adversely determined, would have a material adverse effect on the financial condition, business, business prospects of Borrower or any Collateral of Borrower, (iii) any labor controversy resulting in or threatening to result in a strike against Borrower, or (iv) any proposal by any public authority to acquire a material portion of the assets or business of Borrower. Borrower shall specify the nature of the litigation, the name of Borrower's attorney, and to the extent possible what action Borrower is taking or proposes to take with respect thereto.

9.25. Notice of Governmental Action. Upon becoming aware of any governmental investigation or proceeding that has been instituted or is pending or threatened against Borrower, including, without limitation, matters relating to the federal or state tax returns of Borrower, compliance with OSHA, compliance with 42 USC § 12101 et seq. (Americans with Disabilities Act of 1990), compliance with Environmental Laws, building construction and use restrictions, zoning and requirements with respect to licenses, permits and arrangements necessary for the lawful use and operation of the Premises, or proceedings by the Treasury Department, Labor Department or PBGC, promptly provide the Bank with written notice specifying the nature of the governmental action and what action the is taking or proposes to take with respect thereto.

9.26. Notice of Uninsured Loss. Provide the Bank with written notice of

any uninsured loss in excess of Ten Thousand and No/100ths Dollars (\$10,000.00) in each instance.

9.27. Notice to the Bank Upon Perceived Breach. Provide the Bank with written notice, within ten (10) days of Borrower becoming aware thereof, of the occurrence of any action or inaction of the Bank which Borrower believes may (i) be actionable against the Bank or (ii) give rise to a defense to payment hereunder for any reason, including, without limitation, commission of a tort or violation of any contractual duty or duty implied at law. Borrower agrees that unless such notice is given, Borrower shall waive any such claim or defense.

9.28. Notice of Material Adverse Change. Promptly notify the Bank in writing of (i) any material adverse changes in the business prospects or financial condition of Borrower or any Guarantor; and (ii) any accounting rule change that would have a material adverse effect on the business or financial condition of Borrower.

In addition to the foregoing affirmative covenants contained in this Section 9:

9.29. Notice to the Guarantors. Borrower agrees that the Bank shall have the right at any time to give any Guarantor notice of any fact or event relating to this Agreement as the Bank may deem necessary or desirable in the Bank's sole discretion, including, without limitation, Borrower's financial condition. Borrower shall provide to each Guarantor a copy of each notice, statement or report required to be given to the Bank under any of the paragraphs of this Section 9.

9.30. Notice to Accountants. Borrower hereby irrevocably instructs its outside auditors, as such may change from time to time (the "Auditors"), to send to the Bank copies of all financial statements (whether preliminary or final) and reports which are prepared as a result of any audit or other review of the operations, finances or internal controls of Borrower, specifically including any reports dealing with improper accounting practices, defalcations, financial reporting errors or misstatements or fraud. The Bank is irrevocably permitted to advise the Auditors of this clause by delivering a copy of this Agreement to them, and the Auditors are irrevocably authorized and directed, upon receipt thereof (Borrower hereby waiving any claims against the Auditors arising out of their compliance with this direction) to:

a. provide copies of all such reports to the Bank as same are prepared and delivered to Borrower;

b. provide copies of all such reports previously prepared and delivered to Borrower between the date of this Agreement and the date of the Bank's request.

10. Negative Covenants. Until payment in full and/or performance of the Obligations, without the express prior written consent of the Bank, Borrower **SHALL NOT:**

10.1. Nature and Scope of Business. Enter into any type of business other than that in which it is engaged as of the date hereof, or otherwise significantly change the scope or nature of its business.

10.2. Management of Business. Materially change or cause to be materially changed the employment, position, duties and/or responsibilities of any management employee personnel of Borrower, or make any material change in the management of its business.

10.3. Other Indebtedness. Create, incur, assume, suffer to exist or otherwise become or be liable for any Indebtedness (or issue or sell any of its bonds, debentures, notes or similar obligations) except:

- a. Indebtedness under this Agreement or the Notes; and
- b. other Obligations to the Bank;
- c. Indebtedness payable to trade creditors for goods or services which are not aged more than sixty (60) days from the billing date, and current operating liabilities (other than borrowed money) which are not more than sixty (60) days past due, and in each case incurred in the ordinary course of business, as presently conducted, and paid within the specified time, unless contested in good faith and by appropriate proceedings;
- d. Indebtedness subordinated to Borrower's Indebtedness under this Agreement or the Notes on terms satisfactory to the Bank;
- e. Indebtedness maturing within one (1) year from the date created, provided that not more than Twenty-Five Thousand Dollars (\$25,000.00) is outstanding at any time;
- f. Indebtedness listed in Schedule 8.20;

or unless:

g. the proceeds from such Indebtedness are used to prepay, in full, all Obligations under this Agreement.

10.4. Liens. Incur, create, assume or suffer to exist any Lien upon or with respect to any of its properties, now owned or hereafter acquired, except (i) Liens

in favor of the Bank; (ii) Liens for taxes, assessments or other government charges or levies not delinquent or being contested in good faith; (iii) Liens imposed by law, such as carriers', warehousemen's or mechanics' in respect of obligations not overdue or being contested in good faith; (iv) Liens resulting from security deposits made in the ordinary course of business; and Liens resulting from Indebtedness permitted under Sections 10.3.d and 10.3.e and 10.3.f.

10.5. Removal, Sale or Disposition of Assets. Sell, lease, transfer, assign, encumber, remove from Borrower's place of business, abandon, or otherwise dispose of all or, in the sole opinion of the Bank, a substantial portion of now owned or hereafter acquired Collateral, except; (i) inventory disposed of in the ordinary course of business; (ii) the sale or other disposition of assets no longer used or useful in the conduct of its business; (iii) the sale or other disposition of equipment which is immediately replaced by other equipment of equal or reasonably equivalent value; and (iv) the sale, lease, assignment, or other transfer of assets from a Subsidiary to Borrower.

10.6. Sale and Leaseback. Sell, transfer or otherwise dispose of any real or personal property to any Person and thereafter directly or indirectly lease back the same or similar property.

10.7. Dividends, Redemptions, Distributions. Declare or pay any dividends; or purchase, redeem, retire, or otherwise acquire for value any of its capital stock now or hereafter outstanding; or make any distribution of assets to its stockholders as such whether in cash, assets, or obligations of Borrower; or allocate or otherwise set apart any sum for the payment of any dividend or distribution on, or for the purchase, redemption, or retirement of any shares of its capital stock; or make any other distribution by reduction of capital or otherwise in respect of any shares of its capital stock; or permit any of its Subsidiaries to purchase or otherwise acquire for value any stock of Borrower or another Subsidiary, except that Borrower (i) may declare and deliver dividends and make distributions payable solely in common stock of Borrower, (ii) may purchase or otherwise acquire shares of its capital stock by exchange for or out of the proceeds received from a substantially concurrent issue of new shares of its capital stock, and (iii) may continue to make discretionary payments of management fees and year-end dividends to Peter G. Bloomfield and Mark E. Saltsman in accordance with historical practice provided that at the time such fees and dividends are paid: (a) Borrower shall then be in compliance with all of the terms, covenants, and conditions of this Agreement that are binding upon it, and (b) there shall exist no Event of Default.

10.8. Borrowing Base. Permit the Outstanding Balance at any time to exceed the Maximum Commitment.

10.9. Investments, Advances and Acquisitions. (i) Make any investments in or advances to, directly or indirectly, any Person, whether by way of loan, gift,

bonus, stock purchase, capital contribution or otherwise; or (ii) invest in or purchase any stock or securities of any individual, firm, or corporation.

10.10. Guaranties, Endorsement and Contingent Liabilities. Guarantee, endorse, assume, or otherwise become directly or contingently responsible or liable (including, without limitation, an agreement to purchase any obligation, stock, assets, goods, or services, or to supply or advance any funds, assets, goods, or services, or an agreement to maintain or cause such Person to maintain a minimum working capital or net worth, or otherwise to assure the creditors of any Person against loss) for the obligations of any other Person, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions required in the ordinary course of business, and except for guaranties of Obligations owed to the Bank.

10.11. Consolidations, Mergers etc. Wind up, liquidate or dissolve itself, reorganize, merge or consolidate with or into, or convey, sell, assign, transfer, lease, or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person, or acquire all or substantially all of the assets or the business of any Person.

10.12. Capital Expenditures. Make any expenditures or commitments for fixed or capital assets if, after giving effect thereto, the amount thereof would exceed Fifty Thousand and No/100ths Dollars (\$50,000.00) or in the aggregate amount of all such expenditures made by Borrower would exceed Fifty Thousand and No/100ths Dollars (\$50,000.00) during any fiscal year of Borrower.

10.13. Lease Obligations. Incur, assume, guarantee, or have outstanding, directly or indirectly, any indebtedness under a lease (including rent and other periodic payments in respect of any Capital Lease) payable in any fiscal year in the aggregate exceeding the sum of One Hundred Twenty-Five Thousand and No/100ths Dollars (\$125,000.00).

10.14. Conversion; Capital Structure; Acquisition of Stock, Corporate Changes. Alter, change, amend or convert Borrower's corporate name, form or state of organization or capital structure or purchase, obligate itself to purchase, redeem or otherwise acquire for value any of its outstanding capital stock.

10.15. Transactions with Affiliates. Enter into any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate, except in the ordinary course of and pursuant to the reasonable requirements of Borrower's business and upon fair and reasonable terms no less favorable to Borrower than would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

11. Financial Covenants.

11.1. Annual Debt Service Coverage Ratio. Borrower shall maintain a minimum DSCR of not less than 1.20 to 1.00 measured on an annual basis, and based upon Borrower's fiscal year-end financial statements.

12. Events of Default. The occurrence of any one or more of the following events shall constitute a default by Borrower under this Agreement:

12.1. False Statements. If any statement, representation or warranty made by Borrower in this Agreement or in connection herewith or any financial statement, report, schedule, or certificate furnished by Borrower or any of its officers or accountants or other representative to the Bank during the term of this Agreement shall be determined by the Bank to have been false, incorrect or misleading in any material respect as of the date thereof;

12.2. Failure to Pay Notes. The failure by Borrower to pay on demand (or when due, if not payable on demand) the principal or interest called for under any of the Notes, subject to any notice and grace periods stated therein;

12.3. Failure to Perform Other Loan Obligations. The failure by Borrower to promptly, punctually and faithfully perform or observe any of the provisions, terms, conditions, warranties or covenants of this Agreement, the Notes, or any other Loan Documents given as security for or otherwise in connection with this Agreement, and such default shall have remained unremedied for a period of fifteen (15) calendar days after the Bank shall have given Borrower written notice specifying such default and demanding the same be remedied;

12.4. Failure to Pay Other Obligations to the Bank. The failure by Borrower to pay upon demand (or when due, if not payable on demand) or perform any other Obligations due the Bank, whether created prior to, concurrent with, or subsequent to the Obligations arising out of this Agreement, subject to any notice and grace periods stated therein;

12.5. Default to Third-Party Creditors. The occurrence of any event such that any material Indebtedness of Borrower to any lender other than the Bank could be accelerated, notwithstanding that such acceleration has not taken place;

12.6. Failure to Pay Debts Generally. If Borrower is generally not paying its debts as they become due;

12.7. Loss of Priority. The occurrence of any event which would cause a lien creditor, as that term is defined in Section 9-301 of the Uniform Commercial Code, to take priority over advances made by the Bank not otherwise permitted hereunder;

12.8. Tax Lien. 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, which is not dismissed within thirty (30) days of the filing date thereof;

12.9. Court Order. The entry of any court order which enjoins, restrains or in any way prevents Borrower from conducting all or any part of its business affairs in the ordinary course of business;

12.10. Change in Management or Ownership. Any change in the identity, authority or responsibilities of any Person having management or policy authority with respect to Borrower and/or any direct or indirect change in the ownership of the capital stock, partnership interests, or membership interests of Borrower from that existing at the execution of this Agreement;

12.11. Repossession of Collateral. Any act by, or against, or relating to Borrower or its assets pursuant to which any creditor of Borrower seeks to reclaim or repossess or reclaims or repossesses all or a portion of Borrower's assets;

12.12. Assignment for Benefit of Creditors; Voluntary Bankruptcy. If Borrower makes an assignment for the benefit of creditors, or institutes any proceeding seeking relief on its behalf as Borrower or to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of it or its debts under any law of the United States, or any state, relating to bankruptcy, insolvency or reorganization or relief of Borrowers, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, or consents by answer or otherwise to the institution of any such proceeding against it;

12.13. Involuntary Bankruptcy. If any proceeding is instituted against Borrower seeking to have an order for relief entered against it as Borrower or to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of it or its debts under any law of the United States, or any state, relating to bankruptcy, insolvency or reorganization or relief of Borrowers, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, which either (i) results, without the consent or acquiescence of Borrower in any such entry of an order for relief, adjudication of bankruptcy or insolvency or issuance or entry of any other order having a similar effect, or (ii) is not dismissed within sixty (60) days of the date any such order or adjudication is entered;

12.14. Appointment of Trustee, Receiver or Other Custodian. If a trustee, receiver or other custodian is appointed, without the consent or acquiescence of

Borrower for any substantial part of the properties of Borrower, which appointment is not vacated within sixty (60) days of the date of appointment;

12.15. Trustee Process. The service of any process upon the Bank seeking to attach by trustee process any funds of Borrower on deposit with the Bank, which such action is not dismissed within sixty (60) days following the date of such service of process.

12.16. Judgment. In any given calendar year, if one or more final judgments, decrees or orders for the payment of money not fully covered by insurance in excess of Twenty-five Thousand Dollars (\$25,000.00) in the aggregate is entered against Borrower and if, within thirty (30) days after entry thereof, such judgments, decrees or orders have not been discharged in full or stayed, pending appeal, or if within thirty (30) days after the expiration of any such stay, such judgments, decrees or orders shall have not been discharged in full;

12.17. Sale, Disposition or Encumbrance of Collateral. The sale (except in the ordinary course of business), transfer, encumbrance, conveyance or other disposition of any Collateral encumbered or pledged to secure the Notes or of any interest in such Collateral, however occurring, without the prior written consent of the Bank, except as otherwise permitted under this Agreement;

12.18. Reportable Event. If any Reportable Event, which the Bank determines in good faith constitutes grounds for the termination of any Plan or Plans by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer or liquidate any Plan or Plans occurs and continues thirty (30) days after written notice of such determination by the Bank is given to Borrower, or a decision is made by Borrower or any member of a Commonly Controlled Entity to terminate, file a notice of termination with respect to, or withdraw from, any Plan or Plans, or a trustee is appointed by the appropriate United States District Court to administer any Plan or Plans, or the PBGC institutes proceedings to terminate any Plan or Plans or to appoint a trustee to administer any Plan or Plans;

12.19. Dissolution. If Borrower shall dissolve or liquidate, or be dissolved or liquidated, or cease to legally exist, or merge or consolidate, or be merged or consolidated with or into any other corporation;

12.20. Breach of Environmental Indemnification Agreement. If Bank shall declare a default pursuant to the provisions of the Environmental Indemnification Agreement;

12.21. Adverse Change. The occurrence of any event or circumstance with respect to Borrower such that the 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 the Bank and Borrower is materially impaired or there shall occur any material adverse change with respect to the business or financial condition of Borrower;

12.22. Defective Collateralization. If this Agreement shall, at any time after its execution and delivery and for any reason, cease to be in full force and effect or shall be declared null and void, or the validity or enforceability hereof shall be contested by Borrower;

12.23. Guarantor Default. The occurrence of any of the foregoing Events of Default with respect to any Guarantor, endorser, or surety to the Bank of the Obligations, as if such Guarantor, endorser or surety, were the "Borrower" described therein, including the death of any Guarantor;

12.24. Termination of Guaranty. If any Guarantor shall fail to perform or observe any obligations under any Guaranty, or shall notify the Bank of its intention to rescind, modify, terminate or revoke the Guaranty with respect to future transactions, or the Guaranty shall cease to be in full force and effect for any reason whatsoever; and/or

12.25. Cross-Default. The occurrence of any event of default beyond applicable notice and grace periods as defined in the Notes or any Security Instrument or any event of default with respect to any other indebtedness or liability of Borrower or any Guarantor to the Bank, whether direct or indirect, matured or unmatured, primary or secondary, absolute or contingent, liquidated or unliquidated, sole, joint or several, now or hereafter owing or incurred, howsoever and whensoever created, arising, evidenced or acquired (notwithstanding that Bank may not have exercised its rights upon default under any such other agreement, instrument or paper), or the occurrence of any event which, with the giving of notice or passage of time, or both, would become an event of default under any such instruments.

13. Acceleration; Remedies.

13.1. Upon the occurrence of any such Event of Default as set forth in Section 12, the Bank may, by notice to Borrower, (i) declare its obligation to make Loans to be terminated, whereupon the same shall forthwith terminate, and (ii) declare the Notes, all interest thereon, and all other Obligations payable under this Agreement to be forthwith due and payable, whereupon the Notes, all such interest, and all such Obligations shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Borrower.

13.2. Thereafter, the Bank may proceed to protect and enforce its rights, at law, in equity, or otherwise, including, without limitation, the right to take possession

of the Collateral using such force as may be reasonably necessary, against Borrower, either jointly or severally, and may proceed to liquidate and realize upon any of its Collateral, in accordance with its rights under any Loan Document, the rights of a the Bank under the Uniform Commercial Code or any other applicable law, or agreement between Borrower and the Bank, or agreement between any Guarantor of Borrower's Obligations and the Bank.

13.3. Upon the occurrence and during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, without notice to Borrower (any such notice being expressly waived by Borrower), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of Borrower against any and all of the Obligations of Borrower now or hereafter existing under this Agreement or the Note or any other Loan Document, irrespective of whether or not the Bank shall have made any demand under this Agreement or the Note or such other Loan Document and although such obligations may be unmatured. The Bank agrees promptly to notify Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Bank under this Section 13 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have.

14. Miscellaneous Provisions.

14.1. Entire Agreement; Conflicting Loan Documents. This Agreement and the Loan Documents together are intended by the parties as the final, complete and exclusive statement of the transactions evidenced by this Agreement and the other Loan Documents. All prior or contemporaneous promises, agreements and understandings, whether oral or written, are deemed to be superceded by the Loan Documents, and no party is relying on any promise, agreement or understanding not set forth in the Loan Documents. In the event of any conflict between the terms, covenants, conditions and restrictions contained in the Loan Documents, the term, covenant, condition or restriction which confers the greatest benefit upon the Bank shall control.

14.2. Amendments, Etc. No amendment, modification, termination, or waiver of any provision of any Loan Document to which Borrower is a party, nor consent to any departure by Borrower from any Loan Document to which it is a party, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

14.3. Notices. All notices, requests, demands, and other communications required or permitted under this Agreement and under the other Loan Documents to

which Borrower is a party shall be given in writing and shall be effective for all purposes if (a) hand delivered to the party designated below, or (b) if sent by (i) certified or registered United States mail, postage prepaid; or (ii) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, addressed in either case as follows:

To Borrower: CONCORD STEAM CORPORATION
Attn: Peter G. Bloomfield, President
105½ Pleasant Street
P.O. Box 2520
Concord, NH 03302-2520

To the Bank: TD BANK, N.A.
Attn: Commercial Loan Department
300 Franklin Street
Manchester, NH 03101

or to such other address and person as shall be designated from time to time by any party in a written notice to the other parties in the manner provided for in this Paragraph 14.3.

Any notice or demand mailed as provided in this Paragraph 14.3 shall be deemed given and received on the earlier of:

- a. the date received; or
- b. the date of delivery, refusal or non-delivery as indicated on the return receipt, if sent by mail or private express as provided above.

The provision of this method of notice shall not prevent the use of any other method of delivering actual written notice, including facsimile or electronic transmission.

14.4. No Waiver. No delay or omission on the part of the Bank in exercising any right, power, privilege, or remedy under this Agreement, the Notes, or the other related Loan Documents shall operate as a waiver thereof and waiver on any one or more occasions shall not be construed as a bar to or waiver of any right, power, privilege or remedy on any future occasion. No single or partial exercise of any right, power, privilege or remedy hereunder or thereunder shall preclude other or future exercise thereof or the exercise of any other right or remedy.

14.5. Expenses; Proceeds of Collateral. Borrower shall pay on demand all expenses of the Bank in connection with the preparation, administration, default, collection, waiver or amendment of loan terms, or in connection with Bank's exercise,

preservation or enforcement of any of its rights, remedies or options hereunder, including, without limitation, reasonable fees of outside legal counsel or the allocated costs of in-house legal counsel, accounting, consulting, brokerage or other similar professional fees or expenses and any fees or expenses associated with travel or other costs relating to any appraisals or examinations conducted in connection with the loan or any collateral therefor, and the amount of all such expenses shall, until paid, bear interest at the rate applicable to principal hereunder (including any default rate) and be an obligation secured by any collateral. After deducting all of said expenses and the reasonable expenses of retaking, holding, preparing for sale, selling and the like, the residue of any proceeds of collections of sale of the Collateral shall be applied to the payment of principal of or interest on the Loan in such order or preference as the Bank may determine, and any excess shall be returned to Borrower and Borrower and each Guarantor shall remain liable for any deficiency.

14.6. The Bank's Right of Setoff. Borrower and each Guarantor hereby grants to the Bank, a continuing lien, security interest and right of setoff as security for all liabilities and obligations to the Bank, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of the Bank or any entity under the control of the TD Banknorth Group, Inc. (or its successors and assigns), or in transit to any of them. At any time following an event of default, without demand or notice (any such notice being expressly waived by Borrower and each Guarantor), the Bank may set off the same or any part thereof and apply the same to any liability or obligation of Borrower and any Guarantor even though unmatured and regardless of the adequacy of any other collateral securing the Loans. ANY AND ALL RIGHTS TO REQUIRE THE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES ANY LOAN PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER OR ANY GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

14.7. Assignment by the Bank. The Bank shall have the unrestricted right at any time or from time to time, and without Borrower's or any Guarantor's consent, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), and Borrower and each Guarantor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Agreement and to any other documents, instruments and agreements executed in connection herewith as the Bank shall deem necessary to effect the foregoing. In addition, at the request of the Bank and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if the Bank has retained any of its rights and obligations hereunder following such assignment, to the Bank, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the promissory note held by the Bank prior to such assignment and shall reflect the

amount of the respective commitments and loans held by such Assignee and bank after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by the Bank in connection with such assignment, and the payment by Assignee of the purchase price agreed to by the Bank, and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Bank hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by the Bank pursuant to the assignment documentation between the Bank and such Assignee, and the Bank shall be released from its obligations hereunder and thereunder to a corresponding extent. The Bank may furnish any information concerning Borrower in its possession from time to time to prospective Assignees, provided that the Bank shall require any such prospective Assignees to agree in writing to maintain the confidentiality of such information.

The Bank shall have the unrestricted right at any time and from time to time, and without the consent of or notice to Borrower or any Guarantor, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in the Bank's obligation to lend hereunder and/or any or all of the Loans held by the Bank hereunder. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to Borrower, the Bank shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations hereunder. The Bank may furnish any information concerning Borrower in its possession from time to time to prospective assignees and Participants, provided that the Bank shall require any such prospective assignee or Participant to agree in writing to maintain the confidentiality of such information.

14.8. Remedies Cumulative. All remedies provided under this Agreement, the Notes, the other related Loan Documents, or afforded by law shall be cumulative and available to the Bank until all of Borrower's obligations to the Bank have been paid in full.

14.9. No Duty of the Bank With Respect to the Collateral. The Bank shall have no duty as to the collection or protection of Collateral security furnished to it hereunder or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto, beyond the safe custody thereof.

14.10. Election of the Bank. The Bank may exercise its rights with respect to any Collateral without regard to other collateral, any Guarantor or endorsers or other sources of reimbursement for the Obligations.

14.11. Rate of Interest After Default or Due Date. Notwithstanding

anything in this Agreement to the contrary, any principal sums and any obligations respecting interest remaining unpaid subsequent to the date when they are due and payable or may become or be declared due and payable pursuant to this Agreement shall bear interest at a rate which is six percentage (6%) points per annum greater than that which would otherwise be applicable under the Note evidencing the Obligation in default, or at the rate set forth in New Hampshire RSA Chapter 336:1 (or successor statute), whichever is greater, until paid in full, irrespective of the commencement of suit or the taking of judgment against Borrower.

14.12. Assurance of Execution and Delivery of Additional Instruments. Borrower agrees to execute and deliver, or to cause to be executed and delivered, to the Bank all such further instruments, and to do or cause to be done all such further acts and things, as the Bank may request or as may be necessary or desirable to effect further the purposes of this Agreement and the collection of the Notes and any security therefor.

14.13. Waivers and Assents by Borrower and the Guarantors. With the exception of specific notices provided in the Loan Documents (if any), Borrower and each Guarantor hereby waives, to the fullest extent permitted by law, demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description with respect both to the Loan Documents and Collateral. Borrower and each Guarantor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Bank may deem advisable.

14.14. Survival of Covenants. All covenants, agreements, representations and warranties made herein and in certificates, documents or instruments delivered in connection herewith shall be deemed material and relied on by the Bank, notwithstanding any investigation made by the Bank or in its behalf, and shall survive the execution and delivery of this Agreement and the Notes evidencing borrowings thereunder. All such covenants, agreements, representations and warranties shall be binding upon and inure to the benefit of Borrower's and the Bank's successors and assigns, whether so expressed or not.

14.15. Governing Law; Jurisdiction. This Agreement and the Loan Documents shall be construed and their provisions interpreted under and in accordance with the laws of the State of New Hampshire (excluding the laws applicable to conflicts or choice of law). Borrower and each Guarantor, to the extent they may legally do so, hereby consents to the jurisdiction of the courts of the State of New Hampshire and the United States District Court for the State of New Hampshire, as well as to the

jurisdiction of all courts from which an appeal may be taken from such courts for the purpose of any suit, action or other proceeding arising out of any of their obligations hereunder or with respect to the transactions contemplated hereby, and expressly waive any and all objections they may have to venue in any such courts. BORROWER, EACH GUARANTOR AND THE BANK MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF BANK RELATING TO THE ADMINISTRATION OF THE LOANS OR ENFORCEMENT OF THE LOAN DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, BORROWER AND EACH GUARANTOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, ENHANCED COMPENSATORY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH BORROWER AND EACH GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE BANK WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE BANK TO ACCEPT THIS AGREEMENT AND MAKE THE LOANS.

14.16. Severability. If any term, condition, or provision of this Agreement, the Notes or any other related Loan Documents or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable according to law, then the remaining terms, conditions, and provisions thereof, or the application of any such invalid or unenforceable term, condition or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, and provision of this Agreement, the Notes or any other related Loan Document shall be valid and enforced to the fullest extent permitted by law.

14.17. Pledge. The Bank may at any time pledge all or any portion of its rights under the Loan Documents including any portion of the promissory note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or enforcement thereof shall release the Bank from its obligations under any of the Loan Documents.

14.18. Usury. All agreements between Borrower, any Guarantor and the Bank are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Bank for the use or the

forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then the Note shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and the Bank in the execution, delivery and acceptance of the Note to contract in strict compliance with the laws of the State of New Hampshire from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time of performance of such provision shall be due, shall involve transcending the limit of such validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limits of such validity, and if under or from any circumstances whatsoever the Bank should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower and the Bank.

14.19. Successors and Assigns. This Agreement, the Notes, and the other related Loan Documents shall inure to the benefit of and shall be binding upon the Bank and Borrower, and their respective heirs, legal representatives, successors and assigns; provided, however, the rights of Borrower hereunder and thereunder are not assignable or transferable without the prior written consent of the Bank.

14.20. Time of the Essence. With respect to the Obligations of Borrower and any individual or entity guaranteeing such Obligations, time is of the essence.

14.21. Headings. The descriptive headings of the sections of this Agreement have been inserted for convenience and reference only and shall not control or affect the meaning or construction of any of the contents hereof.

14.22. Gender and Number. All words denoting gender or number shall be construed to include any other gender or number as the context and facts require.

14.23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together, shall be deemed to constitute a single instrument.

14.24. Sealed Instrument. This Agreement shall take effect as an instrument under seal when signed by Borrower and each Guarantor.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers or representatives as of the date first above written.

BORROWER:

CONCORD STEAM CORPORATION

J E Buter By: Peter G. Bloomfield
Witness Peter G. Bloomfield,
Its President
Hereunto Duly Authorized

BANK:

TD BANK, N.A.

J E Buter By: Thomas Potter, VP
Witness Thomas Potter,
Its Vice President
Hereunto Duly Authorized

JOINDER OF GUARANTORS

The undersigned, each being named as a Guarantor in the foregoing Loan Agreement, hereby joins therein and agrees to be legally and equitably bound by all of the terms, covenants, warranties, representations, conditions and other provisions thereof, as of the 1st day of October, 2009.

J E Buter By: Peter G. Bloomfield
Witness Peter G. Bloomfield, Individually

J E Buter By: Mark E. Saltsman
Witness Mark E. Saltsman, Individually

Schedule 8.13—Title of Collateral

Schedule 8.16 - Litigation

