

## EXHIBIT D

**CROSS-DEFAULT AND CROSS-COLLATERAL AGREEMENT**

**AGREEMENT** dated as of April 11, 2001 among **Mid-South Press Corporation** and **Retail Printing Corporation** (collectively, the "Obligors") and **People's Capital and Leasing Corp. ("PCLC")**.

**FACTUAL RECITALS**

A. The Obligors are closely affiliated to each other having, among other things, substantial intercompany transactions, common management and/or common customers.

B. One or more of the Obligors has requested financing from PCLC and PCLC requires this Agreement as a condition to entering such financing in order to cross-default and cross-collateralize all present and future transactions between PCLC and the Obligors.

C. As used herein, (a) "**Obligor Agreements**" shall refer to all loan agreements, notes, security agreements, leases, guarantees or other obligations or liabilities of the Obligors to PCLC now or hereafter in existence, whether joint or several and whether such documents were originally delivered to PCLC or were assigned to PCLC by a third party and (b) "**Collateral**" shall mean all of the machinery, equipment and other property described in the Obligor Agreements and all of the Obligors' right, title and interest in and to any surplus money to which such Obligor may be entitled on the sale of such property.

**NOW THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. The Obligors agree jointly and severally that any default by an Obligor under any Obligor Agreement shall constitute a default under all other Obligor Agreements.

2. As additional security for all of the Obligors' liabilities and obligations to PCLC under all of the Obligor Agreements, each Obligor hereby grants to PCLC a security interest in the Collateral described in all of the respective Obligor Agreements with such Obligor. This security interest shall be subject and subordinate to any security interest obtained by PCLC in the Collateral pursuant to the applicable Obligor Agreement describing such Collateral. In the event of a default by an Obligor under an Obligor Agreement and the liquidation of the Collateral described under such Obligor Agreement, the proceeds of the liquidation of such Collateral shall first be applied to the indebtedness owing pursuant to the applicable Obligor Agreement describing such Collateral and only the surplus shall be available to be applied to any indebtedness owing under any other Obligor Agreement. The benefit of the additional security provisions contained herein shall apply to the benefit of PCLC or any assignee of PCLC only to the extent of the Collateral described in the Obligor Agreements actually held by PCLC or such assignee respectively. If an Obligor Agreement is paid in full, then the security interest of PCLC or its assignee in the Collateral described in such Obligor Agreement shall continue to secure all other Obligor Agreements held by PCLC or its assignee (as the case may be) unless released in writing by PCLC or its assignee.

3. At PCLC's request, each Obligor agrees to execute separate cross-default and cross-collateral agreements, security agreements or riders and additional UCC Financing Statements with respect to any Obligor Agreements.

4. The provisions of this Agreement shall run to the benefit of PCLC's successors and assigns and their further assigns. The parties acknowledge the accuracy of the Factual Recitals set forth above. The Obligors each acknowledge the receipt of good and adequate consideration for the provisions hereof.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first set forth above.

**PEOPLE'S CAPITAL AND LEASING CORP.**

BY: Loretta DiSanto  
Loretta DiSanto

TITLE: Director of Documentation

**MID-SOUTH PRESS CORPORATION**

BY: Daryl M. Small

TITLE: Vice-President

**RETAIL PRINTING CORPORATION**

BY: Daryl M. Small

TITLE: Securis V.P.

**LOAN AND SECURITY AGREEMENT**  
**(EQUIPMENT)**

Loan No.: 623-001  
Loan Date: April 11, 2001

Loan and Security Agreement entered into as of the eleventh day of April, 2001 (the "Agreement") by and between PEOPLE'S CAPITAL AND LEASING CORP. a Connecticut corporation with its principal offices at 207-231 Bank St., 3<sup>rd</sup> Floor, Waterbury, Connecticut 06702 ("Lender") and Mid-South Press Corporation a Tennessee corporation with its principal office at 2947 Brick Church Pike, Nashville, TN 37207 ("Borrower").

WHEREAS, Borrower desires to obtain a secured loan from Lender to finance its acquisition of equipment (and/or to refinance existing equipment); and

WHEREAS, Lender is agreeable to making a secured loan to Borrower on the terms and conditions contained in this Loan and Security Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the parties' mutual agreements below set forth, Borrower and Lender agree as follows:

**1. THE LOAN AND LOAN REPAYMENT.** As requested by Borrower, Lender agrees to lend to Borrower the sum of Four Million, Three Hundred Fifty Seven Thousand, Nine Hundred Ten Dollars and 06/100 Dollars (\$ 4,357,910.06) ("Loan"). Borrower agrees to repay the Loan, plus interest at the rate of 7.20% per annum in successive installments (which installment payments are inclusive of interest) as set forth in the following Schedule:

**SCHEDULE**

<b>ADVANCE PAYMENT</b>	<b>NUMBER OF INSTALLMENTS (Exclusive of Advance Payment) AND PAYMENT PERIOD</b>	<b>PERIODIC INSTALLMENT PAYMENT AMOUNT PER PERIOD</b>
N/A	Sixty (60)	\$ 86,703.65

Commencement Date: May 25, 2001  
Equipment Location: 2947 Brick Church Pike, Nashville, TN 37207  
Equipment Description: See Schedule A attached hereto and made a part hereof  
Special Provisions (if any): The financed amount may be subject to change upon final payoff figures

The Advance Payment, if any, shall be due and payable upon execution of this Agreement. The first periodic installment payment (after excluding the Advance Payment, if any) shall be due on the first (1st) day of the month following the advance of the Loan proceeds by Lender and Borrower authorizes Lender to insert such date above as the Commencement Date. The remaining periodic installment payments shall be due and payable on the same day of each successive month (or quarter, if quarterly payments are provided for above). However, the parties may select another Commencement date by noting the same in the above Special Provisions section or by a separate writing signed by Lender and Borrower in which case the first periodic installment payment shall be due on such date. Unless otherwise specifically provided for in this Agreement, the Loan may not be prepaid in whole or in part.

**2. UNCONDITIONAL OBLIGATION TO PAY, LATE PAYMENTS, ETC.** All payments due hereunder shall be paid to Lender or its assigns without notice or demand and without abatement, offset, defense or counterclaim, at Lender's principal office shown above, or such other place as Lender or its assignee may

designate in writing to Borrower. Borrower's obligation to pay the installments and other payments due hereunder shall be absolute and unconditional and shall not be affected by reason of (i) any defect in, lack of fitness for use of, damage to, loss of possession or use of or destruction of, all or any of the Equipment (as defined below) securing borrower's obligations, (ii) the prohibition or other restriction against Borrower's use of said Equipment or (iii) for any other cause, it being the agreement of the parties that the Loan and any other amount payable by Borrower hereunder shall continue to be payable in all events in the manner and at the times provided in this Agreement.

If any periodic installment or other payment is more than five (5) days late, Lender may, at its election, and subject to prior exercise of its right of acceleration, accept the payment in arrears and Borrower shall pay as liquidated damages: (i) a late charge on, and in addition to such periodic installment or other payment, equal to five percent (5%) of such defaulted payment plus (ii) interest on such defaulted payment from fifteen (15) days after the due date until paid at the lower of fifteen percent (15%) per annum or the maximum rate permitted by law. Any amount received by Lender determined to be in excess of the highest rate of interest permitted by applicable law shall be refunded to Borrower. A returned check fee or a non-sufficient funds charge ("NSF") of \$ 25.00 will be charged to Lessee for each check that is returned for any reason including non-sufficient funds or uncollected funds.

**3. SECURITY INTEREST.** To secure payment when due (at maturity, by acceleration or otherwise) of the Loan, any interim funding against the Loan and any additional or future advances, renewals, extensions and replacements thereto of Borrower to Lender, whether direct or indirect or absolute or contingent or joint and several, Borrower hereby conveys, assigns, and grants to Lender a continuing security interest in and to the equipment described in the annexed Schedule A including all present and future additions, attachments, replacements, accessions and accessories thereto (the "Equipment"), and all substitutions and proceeds thereof including all proceeds of insurance thereon; all of the above, collectively, the "Collateral".

BORROWER GRANTS LENDER THE AUTHORITY TO FILE THIS AGREEMENT OR A CARBON, PHOTOGRAPHIC OR OTHER REPRODUCTION THEREOF AS A FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE WITH RESPECT TO ALL SECURITY INTERESTS CREATED HEREBY.

**4. FINANCING AGREEMENT.** THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. BORROWER ACKNOWLEDGES THAT THE EQUIPMENT HAS BEEN OR WILL BE SELECTED AND ACQUIRED SOLELY BY BORROWER AND THAT LENDER HAS NOT AND DOES NOT MAKE ANY WARRANTY WITH RESPECT TO ITS CONDITION, MERCHANTABILITY, SUITABILITY, CAPACITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

**5. REPRESENTATIONS AND WARRANTIES.** Borrower warrants, represents and agrees as follows: (i) Borrower is duly organized, validly existing and in good standing; (ii) Borrower has the authority to carry on its business as presently conducted (iii) the Agreement is a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms; (iv) Borrower has full power and authority to execute, deliver and perform its obligations under this Agreement; (v) the execution and delivery of this Agreement has been authorized by all requisite corporate (or partnership or limited liability company) action; (vi) the execution, delivery and performance of this Agreement does not and will not constitute a breach, default or violation of or under Borrower's articles of incorporation or organization, by-laws, partnership or limited liability company agreement or any other agreement, law, order, judgment or injunction to which it is a party or may be bound; (vii) the Equipment is (or, on the Commencement Date, will be) lawfully owned by Borrower, free and clear

of all liens, encumbrances and security interests and Borrower will warrant and defend title thereto against all claims; (viii) Borrower has not granted and will not grant to any one other than Lender a security interest in the Equipment and no Financing Statement or other instrument affecting the Equipment nor rights therein, bearing the signature of, or otherwise authorized by, Borrower is on file in any public office; (ix) the Equipment shall at all times remain personal property and be retained in Borrower's possession at its principal address set forth above (or, if so indicated, at the Equipment Location set forth above); (x) the Equipment shall be used solely for business purposes and not for any consumer purposes; (xi) if the Equipment is attached to real estate or if it is or may become subject to a prior interest in favor of a party having any interest in the real estate, Borrower will, on Lender's demand, furnish Lender with a writing by which any and all parties having such prior interest waive or subordinate their rights and priorities to, or in favor of, Lender's security interest provided herein; and (xii) all financial statements and other credit information delivered by Borrower to Lender are true and correct in all respects and there has been no material adverse change in the financial condition of the Borrower since their date.

**6. INSURANCE.** Borrower shall, at its sole cost and expense, procure and maintain, so long as Borrower is indebted to Lender on the Loan or on any other liability (i) insurance insuring the Equipment against all risks of physical loss, theft, damage and destruction with extended coverage in an amount equal to the greater of (a) the amount of the Loan or (b) the full replacement value (new) of the Equipment with loss payable solely to Lender (and its assigns) and (ii) personal injury liability and property damage insurance with respect to the Equipment and the use thereof in such amounts as may be reasonably acceptable to Lender, and naming Lender (and its assigns) as additional insured. All insurers and coverage's must be reasonably satisfactory to Lender. Borrower shall deposit said policy or policies or duplicates thereof or certificates of insurance with Lender and said policies shall provide that the policies may not be canceled or altered without at least thirty (30) days prior notice to Lender and that the coverage shall not be invalidated against Lender because of any violation of any condition or warranty contained in any policy or application therefor by Borrower or by reason of any action or inaction of Borrower. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact to file, settle or adjust and receive payment of claims under any such insurance policy on the Equipment and to endorse Borrower's name on any checks, drafts or other instruments of payment on such claims.

**7. USE, REPAIRS, LOSS AND DAMAGE.** Borrower agrees to maintain the Equipment in good condition and repair and in accordance with the manufacturer's instructions, manuals and warranties (if any), and the requirements of any applicable insurance and any governmental authority having jurisdiction, provided, however, that Borrower shall not make any changes or alterations in or to the Equipment except as necessary for compliance with this section. Borrower shall pay for all fuel, service, inspection, overhaul, replacements, substitutions, materials and labor necessary or desirable for the proper use, repair, operation and maintenance of the Equipment. All risks of loss, theft, damage or destruction of the Equipment shall be borne by Borrower and Borrower shall promptly notify Lender in writing of any such loss, theft, damage or destruction. In the event of any damage to the Equipment (unless the same is damaged beyond repair) Borrower shall, at its expense, place the same in good repair, condition and working order. If the Equipment is determined by Lender to be lost, stolen or damaged beyond repair, or should the Equipment be confiscated, seized or the use and title thereof requisitioned to someone other than Borrower, Borrower shall immediately pay to Lender, in addition to unpaid periodic installment payments on the Loan, other unpaid sums due hereunder and late charges then past due, an amount equal to the then remaining periodic installment payments due on the Loan discounted to present value at the

rate of six (6%) percent per annum, less the net amount of the recovery, if any, actually received by Lender from insurance on the Equipment.

**8. TAXES AND OTHER CHARGES.** Borrower agrees to pay promptly when due all registration, title, license and other fees, assessments and sales, use, gross receipts, ad valorem, property and any and all other taxes imposed by any State, Federal, local or foreign government upon this Agreement or upon the ownership, shipment, delivery, use or operation of the Equipment or any Collateral or upon or measured by any payments due hereunder (other than taxes on or measured solely by the net income of Lender) and any fines, penalties and interest thereon.

**9. BORROWER'S ADDITIONAL COVENANTS.** Borrower hereby agrees and covenants as follows: (i) except for the security interest granted hereby, Borrower shall keep the Equipment free and clear of any security interest, lien or encumbrance and shall not sell, lease, assign (by operation of law or otherwise), exchange or otherwise dispose of any of the Equipment, (ii) at the request of the Lender, Borrower shall execute one or more Financing Statements and continuation statements pursuant to the Uniform Commercial code to establish and maintain Lender's security interest in the Collateral, in form satisfactory to Lender, and will pay any filing fees and/or costs with respect thereto and for lien searches; (iii) Borrower authorizes Lender to file one or more Financing Statements covering the Collateral without Borrower's signature thereto and appoints Lender as its attorney-in-fact to execute Financing Statements on Borrower's behalf when required by the filing jurisdiction; (iv) if any part of the Collateral is subject to certificate of title law, Borrower will cause Lender's security interest to be noted on such certificate of title and promptly deliver such certificate to Lender; (v) Borrower will immediately notify Lender of any change of its name, chief executive office, places of business or the adoption or change of any trade name or fictitious names and will execute any additional Financing Statements as Lender may request to perfect and maintain its security interest, but such notice shall not be deemed an authorization to move the Collateral without the prior written consent of Lender; (vi) Borrower will allow Lender and its representatives free access to the Collateral at all times during normal business hours, for purposes of inspection and repair and, following an Event of Default, Lender shall have the right to demonstrate and show the Collateral to others and (vii) Borrower will furnish to Lender (and will cause any guarantor of Borrower's obligations hereunder to furnish to Lender) (a) its internally prepared quarterly Financial Statements within sixty (60) days after the end of its first three quarters in each fiscal year, (b) its audited Financial Statement prepared by an independent certified public accountant within one hundred twenty (120) days after the close of its fiscal year which shall be prepared in accordance with generally accepted accounting principles and (c) all other financial information and reports that Lender may from time to time reasonably request, including income tax returns of Borrower and any guarantor of Borrower's obligations hereunder and (viii) Borrower will comply with all applicable federal, state and local laws, rules, ordinances, regulations and orders applicable to it and Borrower will execute and deliver to Lender such further documents and take such further action as Lender may require in order to more effectively carry out the intent and purpose of this Agreement.

**10. BORROWER'S FAILURE TO PAY TAXES, INSURANCE, ETC.** Should Borrower fail to make any payment or do any act as herein provided (including, but not limited to, payment of taxes or for insurance), Lender shall have the right, but not the obligation, and without releasing Borrower from any obligation hereunder, to make or do the same, and to pay any sum due in connection therewith or to contest or compromise any encumbrance, charge or lien and in exercising any such rights, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor.

**11. CROSS COLLATERALIZATION.** Without in any way limiting the provisions of Section 3, as additional collateral security for the Borrowers' obligations hereunder, Borrower grants to Lender a further security interest in all machinery, equipment, goods and other collateral covered by any other Loan and Security Agreement, note and security agreement, other agreement or lease (collectively the "other agreements") between Borrower and Lender whether such other agreements are now in existence or hereafter come into existence and Borrower assigns to Lender as security for its obligations hereunder, all of its rights, title and interest in and to any surplus money to which Borrower may be entitled upon the sale of the machinery, equipment, goods and other collateral covered by such other agreements. Anything above to the contrary notwithstanding, the benefit of the foregoing cross collateralization shall apply for the benefit of Lender and its assignee holding this Agreement only to the extent that Lender or such assignee is also the holder of such other agreements or one or more of them.

**12. INDEMNITY.** Borrower assumes liability for and agrees to indemnify, defend, protect, save and keep harmless Lender from and against costs, expenses and disbursements, including court costs and legal expenses, of whatever kind and nature, imposed on, incurred by or asserted against Lender (whether or not also indemnified against by any other person) in any way relating to or arising out of this Agreement or the manufacture, financing, ownership, delivery, possession, use, operation, condition or disposition of the Equipment by Borrower, including, without limitation, any claim alleging latent and other defects, whether or not discoverable by Lender or Borrower, and any other claim arising out of strict liability in tort, whether or not in either instance relating to an event occurring while Borrower remains obligated under this Agreement, and any claim for patent, trademark or copyright infringement. Each party agrees to give the other notice of any claim or liability hereby indemnified against promptly following learning thereof. The fact that a claim for which Lender is entitled to indemnity under this Section is asserted after the termination of this Agreement shall not release Borrower from its indemnity obligations and this covenant of indemnity shall survive the termination of this Agreement.

**13. DEFAULT.** The occurrence of any one of the following shall constitute an Event of Default hereunder: (i) Borrower fails to pay any periodic installment payment or other amount due hereunder on or before the fifth (5th) day following the date when the same becomes due and payable; (ii) Borrower removes, sells, transfers, encumbers, or parts with possession of the Equipment or any items thereof or attempts to do any of the foregoing; (iii) Borrower fails to maintain in force the required insurance on the Equipment in compliance herewith or fails to provide loss payable protection to Lender in form satisfactory to Lender; (iv) any representation or warranty made by Borrower herein or in any other agreement between the parties or in any statement given to Lender by Borrower or any guarantor of Borrower's obligations hereunder (a "Guarantor") shall be materially untrue; (v) Borrower shall fail to observe or perform any of the obligations required to be observed or performed by Borrower hereunder, or Borrower or any Guarantor shall fail to observe or perform any other obligation or indebtedness of Borrower or such Guarantor to Lender otherwise owing or due by Borrower or such Guarantor to Lender in any other agreement now or hereafter executed between the parties hereto, and such failure shall continue uncured for twenty (20) days after written notice thereof to Borrower or such Guarantor; (vi) Borrower or any Guarantor shall (a) fail to pay any indebtedness for borrowed money (other than the Loan) of the Borrower or such Guarantor, or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), or (b) fail to perform or observe any term, covenant, or condition on its part to be performed or observed under any agreement or instrument relating to such indebtedness, or if any such indebtedness shall be declared to be due or payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof; (vii) if Borrower leases the premises where the Equipment is located, a breach of such lease by Borrower and the commencement of an action by the

landlord to evict Borrower or to repossess the premises; (viii) if Borrower sells, leases or disposes of any of its assets except in the ordinary course of its business and except for the disposition of any obsolete or retired property not useful to Borrower; (ix) Borrower ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a trustee, custodian, receiver or liquidator of it or of all or any substantial part of its assets or properties, or if it shall take any action looking to its dissolution or liquidation, or an order for relief is entered under the Bankruptcy Code against Borrower; (x) within sixty (60) days after the commencement of any proceedings against Borrower seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceedings shall not have been dismissed, or if within sixty (60) days after the appointment without Borrower's acquiescence of any trustee, custodian, receiver or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall not be vacated; (xi) Borrower sells all or substantially all of its assets or consolidates with or merges into any other entity or Borrower's stockholders or partners or members sell all or substantially all of their stock, partnership or membership interests; (xii) the entry of any judgment, order, award or decree against Borrower or a Guarantor which has not been discharged or execution thereof not stayed within sixty (60) days after entry and which is not fully covered by applicable insurance, and a determination by Lender in good faith but in its sole discretion, that the same could have a material adverse effect on the Borrower or the Guarantor or the Lender's rights with respect to the Collateral or the prospect for full and punctual payment of the payments due hereunder; (xiii) the death of a Guarantor or the dissolution or filing of a petition in bankruptcy by or against a Guarantor; or (xiv) Lender shall determine that there has been a material adverse change in the financial condition or business operations of the Borrower since the date of the execution of this agreement or that the Borrower's ability to perform its obligations hereunder has been materially impaired.

**14. REMEDIES.** Upon the occurrence of any Event of Default, Lender shall have the right to recover from Borrower, as liquidated damages for loss of a bargain and not as a penalty, a sum equal to the aggregate of the following: (a) all unpaid periodic installment payments and other sums due under this Agreement to the date of default plus late charges, if any, (b) the present value (using a 6% per year discount rate ) of all remaining periodic installment payments due under this Agreement and (c) interest at the rate of two percent (2%) per month on the total of (a) plus (b) from the date of default. In addition, Lender shall have the right to recover from Borrower any expenses paid or incurred by Lender in connection with the enforcement of its rights under this Agreement and the repossession, holding, repair, preparing for sale and subsequent sale, lease or other disposition of the Collateral including attorneys fees as hereafter provided and legal expenses (collectively "Repossession Expenses"). **BORROWER AND LENDER WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON THIS AGREEMENT.**

The Lender shall have all the rights and remedies of a Secured Party under the Uniform Commercial Code and all other rights and remedies available to creditors at law or in equity. Lender is hereby authorized and empowered, with the aid and assistance of any person or persons, to enter any premises where the Collateral or any part thereof is, or may be, placed, and to assemble and/or remove same and/or to render it unusable and sell and dispose of such Collateral at one or more public or private sales upon at least seven (7) days' written notice to Borrower of such sale. The proceeds of each such sale or other disposition of the Collateral shall be applied



first, to the Repossession Expenses, second to the liquidated damages specified above and any other indebtedness secured hereby, in such order as Lender may elect, and third, any surplus to Borrower, subject to any duty of Lender imposed by law to the holder(s) of any subordinate interests in the Collateral known to Lender, provided, however, Borrower shall remain liable for any deficiency and shall pay Lender any such deficiency on demand. IF LENDER EMPLOYS COUNSEL FOR THE PURPOSE OF COLLECTING ANY MONIES DUE HEREUNDER (WHETHER OR NOT LENDER HAS RETAKEN THE COLLATERAL OR ANY PART THEREOF) OR FOR THE PURPOSE OF RECOVERING THE COLLATERAL, OR FOR THE PURPOSE OF PROTECTING LENDER'S INTEREST BECAUSE OF ANY DEFAULT BY BORROWER, BORROWER AGREES TO PAY REASONABLE ATTORNEY'S FEES, COSTS AND EXPENSES INCLUSIVE OF THOSE INCURRED IN BANKRUPTCY PROCEEDINGS INCLUDING RELIEF FROM STAY MOTIONS, CASH COLLATERAL MOTIONS AND DISPUTES CONCERNING ANY DISCLOSURE STATEMENT AND/OR BANKRUPTCY PLAN. The Lender may require Borrower to assemble the Collateral and make it available to Lender at a place to be designated by Lender which is reasonably convenient to both parties. All rights and remedies hereunder are cumulative and not exclusive and a waiver by Lender of any breach by Borrower of the terms, covenants, and conditions hereof shall not constitute a waiver of future breaches or defaults; and no failure or delay on the part of Lender in exercising any of its options, powers, rights or remedies, or partial or single exercise thereof, shall constitute a waiver thereof.

If any court of competent jurisdiction determines that any provision of this Section 14 is invalid or unenforceable in any jurisdiction, in whole or in part, such determination, as to such jurisdiction, shall not prohibit Lender from enforcing its rights and establishing its damages sustained as the result of any breach of this Agreement in accordance with the laws of such jurisdiction.

**15. ASSIGNMENT.** Lender may assign or otherwise transfer this Agreement and any and all of Lender's right, title and interest hereunder and in the Collateral including the right to receive all amounts payable hereunder or grant participations therein without Borrower's consent. In the event of such assignment, the right of the assignee to receive all amounts payable hereunder as well as any other right of the assignee shall not be subject to any defense, set-off or counterclaim which Borrower may have against Lender although any claim Borrower may have against Lender shall be preserved and may be separately pursued against Lender. Upon Lender giving notice to Borrower of any such assignment, Borrower shall promptly acknowledge its obligations hereunder to such assignee, and shall comply with the written directions or demands of such assignee and shall make all payments due hereunder as such assignee may direct in writing. Following any such assignment the term "Lender" shall be deemed to include or refer to Lender's assignees, but, unless such assignees shall have expressly agreed in writing, no such assignee shall be deemed to assume any obligation or duty imposed upon Lender hereunder and Borrower shall look only to Lender for performance thereof. As used in this Section 15, "assign" shall be deemed to include a pledge, sale of, or grant of a mortgage on, or a security interest in, any of the Collateral or this Agreement by Lender and the term "assignee" shall be deemed to refer to the recipient of such pledge, sale, mortgage or security interest. This Agreement and Borrower's rights and obligations herein shall not be transferable or assignable by Borrower without the Lender's express prior written consent and any such purported assignment by Borrower without such consent shall be null and void.

**16. PREJUDGMENT REMEDY WAIVER.** THE BORROWER ACKNOWLEDGES AND AGREES THAT THE TRANSACTION OF WHICH THIS AGREEMENT IS A PART IS A COMMERCIAL TRANSACTION AND NOT A CONSUMER TRANSACTION AND WAIVES ANY RIGHT TO A NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT STATUTES, AS AMENDED, OR ANY OTHER STATUTE OR

STATUTES IN CONNECTICUT OR OTHER JURISDICTIONS AFFECTING PREJUDGMENT REMEDIES. THE BORROWER AUTHORIZES THE LENDER'S COUNSEL TO ISSUE A WRIT FOR A PREJUDGMENT REMEDY WITHOUT COURT ORDER, PROVIDED THE COMPLAINT SHALL SET FORTH A COPY OF THIS WAIVER AND WAIVES ANY CLAIM IN TORT, CONTRACT OR OTHERWISE AGAINST LENDER'S COUNSEL WHICH MAY ARISE OUT OF SUCH ISSUANCE OF THE WRIT FOR A PREJUDGMENT REMEDY WITHOUT COURT ORDER. THE BORROWER ACKNOWLEDGES AND STIPULATES THAT THE WAIVERS AND AUTHORIZATIONS GRANTED HEREIN ARE MADE KNOWINGLY AND FREELY AFTER FULL CONSULTATION WITH COUNSEL. SPECIFICALLY, THE BORROWER RECOGNIZES AND UNDERSTANDS THAT THE EXERCISE OF LENDER'S RIGHTS DESCRIBED ABOVE MAY RESULT IN THE ATTACHMENT OF OR LEVY AGAINST BORROWER'S PROPERTY, AND SUCH WRIT FOR A PREJUDGMENT REMEDY WILL NOT HAVE THE PRIOR WRITTEN APPROVAL OR SCRUTINY OF A COURT OF LAW OR OTHER OFFICIAL OFFICER NOR WILL BORROWER HAVE THE RIGHT TO ANY NOTICE OR PRIOR HEARING WHERE BORROWER MIGHT CONTEST SUCH A PROCEDURE. THE INTENT OF BORROWER IS TO GRANT LENDER FOR GOOD AND VALUABLE CONSIDERATION THE RIGHT TO OBTAIN SUCH PREJUDGMENT REMEDY AND TO ASSURE THAT ANY SUCH PREJUDGMENT REMEDY IS VALID AND CONSTITUTIONAL.

**17. GENERAL PROVISIONS.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT. BORROWER HEREBY IRREVOCABLY CONSENTS TO THE JURISDICTION OF THE COURTS OF THE STATE OF CONNECTICUT AND THE FEDERAL DISTRICT COURT FOR THE DISTRICT OF CONNECTICUT IN CONNECTION WITH ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. BORROWER WAIVES ANY OBJECTIONS BASED UPON VENUE OR "FORUM NON CONVENIENS" IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING. BORROWER CONSENTS THAT PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE SERVED UPON IT BY REGISTERED MAIL DIRECTED TO BORROWER AT ITS ADDRESS SET FORTH AT THE HEAD OF THIS AGREEMENT OR IN ANY MANNER PERMITTED BY APPLICABLE LAW OR RULES OF COURT. BORROWER HEREBY IRREVOCABLY APPOINTS THE SECRETARY OF STATE OF CONNECTICUT AS ITS AGENT TO RECEIVE SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING. This Agreement may not be changed, modified or discharged on behalf of Lender, in whole or part, and no right of Lender may be waived except by a writing signed by a duly authorized officer of Lender. The Lender is authorized and empowered to date this Agreement and the Schedule(s) thereto and to fill in blank spaces in accordance with the terms of the transaction, including, but not limited to inserting serial numbers and equipment descriptions in Schedule A and the assignment of an account number. Notices hereunder shall be in writing and shall be deemed given when personally delivered or when sent by facsimile to a party's facsimile number or three days after having been mailed to the other party at the address specified above or such new address as to which a party may advise the other. Forbearance or indulgence by Lender in any regard shall not constitute a waiver of the covenant or condition to be performed by Borrower to which the same may apply. Borrower hereby waives demand, presentment, dishonor, protest, notice of protest, notice of dishonor, notice of nonpayment and any and all notices of like nature. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same agreement. The section captions are for convenience and are not a part of the Agreement. This Agreement shall be binding upon and inure to the

benefit of the heirs, executors, administrators, successors and permitted assigns of the parties. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. THIS AGREEMENT AND ANY OTHER WRITTEN AGREEMENTS EXECUTED SIMULTANEOUSLY HEREWITH SUPERSEDE ANY PRIOR PROPOSAL LETTERS, COMMITMENT LETTERS OR NEGOTIATIONS AND THERE ARE NO ORAL COVENANTS OR AGREEMENTS. This Agreement shall not be binding on Lender until accepted and executed on behalf of Lender at its Waterbury Connecticut office.

THIS AGREEMENT HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS. TO THE EXTENT THAT THIS AGREEMENT CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS AGREEMENT MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART HEREOF OTHER THAN THE "ORIGINAL EXECUTED COUNTERPART", WHICH SHALL BE THE ONLY COUNTERPART THAT IS STAMPED OR OTHERWISE MARKED TO INDICATE THAT IT IS THE ORIGINAL.

Accepted at Lender's Office at 207-231 Bank St., 3 <sup>rd</sup> Floor, Waterbury, CT 06702	The undersigned signatory affirms that he/she has read the terms and conditions printed above, that he/she is a duly authorized officer, partner, member, manager or proprietor of the Borrower, and has authority to execute this Loan and Security Agreement on its behalf.
<b>LENDER:</b> <b>PEOPLE'S CAPITAL AND LEASING CORP.</b>	<b>BORROWER:</b> <b>MID-SOUTH PRESS CORPORATION</b>
<b>AUTHORIZED OFFICER:</b>  BY: <u><i>Loretta DiSanto</i></u> Loretta DiSanto  TITLE: <u>Director of Documentation</u>	<b>AUTHORIZED OFFICER, PARTNER, MEMBER, MANAGER, OR PROPRIETOR:</b>  BY: <u><i>Daryl M. Small</i></u>  TITLE: <u>Senior V.P.</u>  FEDERAL IDENTIFICATION NUMBER: <u>62-0883392</u>

LOAN AND SECURITY AGREEMENT  
SCHEDULE A

The following description of property supplements, and is part of, the Loan and Security Agreement No. 623-001 dated April 11, 2001 between the undersigned Borrower and People's Capital and Leasing Corp. and may be attached to said Loan and Security Agreement and any related UCC Financing Statements, Acceptance or Delivery Certificate or other document describing the property.

**Equipment Location: 2947 Brick Church Pike, Nashville, TN 37207**

One (1) C-700 1 Press System with 4 Units, 1 Folder and auxillaries S/N C70-6099  
One (1) TRI CHILL PACKAGE containing chiller, pumps, electrical control panel, receiving tank sets with a remote condenser S/N 99504  
One (1) COANDA PLUS 391 Drying System for the Goss C7001 Web Offsite Press - S/N 110465  
One (1) DCL 66" Web Splicer with DSA 181 66" Web Infeed and IDI Tack and Trolley - S/N 110481

COMPLETE WITH ANY AND ALL ATTACHMENTS, ACCESSIONS, ADDITIONS, REPLACEMENTS, IMPROVEMENTS, MODIFICATIONS AND SUBSTITUTIONS THERETO AND THEREFOR AND ALL PROCEEDS INCLUDING INSURANCE PROCEEDS THERETO AND THEREFROM.

PEOPLE'S CAPITAL AND LEASING CORP.

By: Loretta DiSanto  
Loretta DiSanto

TITLE: Director of Documentation

MID-SOUTH PRESS CORPORATION

By: Daryl M. Arnold

TITLE: Senior V.P.

**ADDENDUM TO LOAN AND SECURITY AGREEMENT NUMBERED 623-001 DATED  
APRIL 11, 2001 ("AGREEMENT") BETWEEN PEOPLE'S CAPITAL AND LEASING CORP.  
("LENDER") AND MID-SOUTH PRESS CORPORATION ("BORROWER")**

The following changes are hereby made to the Agreement (by section in order of appearance):

**2. UNCONDITIONAL OBLIGATION TO PAY, LATE PAYMENTS, ETC., second unnumbered paragraph** – delete "five (5)" in the first line of said paragraph and replace with "ten (10)".

**5. REPRESENTATIONS AND WARRANTIES** – In Subsection (vii), delete "free and clear of all liens, encumbrances and security interests" and replace with "free and clear of all liens, encumbrances and security interests except for the subordinate security interest of Fleet National Bank (and its successors and assigns)".

In Subsection (viii), after "public office" and before the semicolon, insert "except for the subordinate security interest of Fleet National Bank (and its successors and assigns)".

**9. BORROWER'S ADDITIONAL COVENANTS** – In subsection (i), after "except for the security interest granted hereby", insert "and the subordinate security interest of Fleet National Bank (and its successors and assigns)".

**12. INDEMNITY** – In Line 4, after the parenthesis after "person", insert "except to the extent caused by Lender's illegal action, willful misconduct or negligence,".

**13. DEFAULT, subsection (i)** – delete "fifth (5th)" and replace with "tenth (10<sup>th</sup>)".

**Subsection (vi)** – In subdivision (a), after "when due" and before the parenthesis before "whether", insert ",after any applicable grace, notice or cure periods". In subdivision (b), after the comma after "indebtedness" and before "or", insert ",after any applicable grace, notice or cure periods,".

**Subsection (xi)** – delete subsection (xi) and replace with the following:  
“(xi) Borrower sells all or substantially all of its assets or consolidates with or merges into any other entity or Borrower's stockholders or partners or members sell all or substantially all of their stock, partnership or membership interests without Lender's consent, which consent will not be unreasonably withheld and will not be withheld if the resulting credit of Borrower (or its successor in the event of a sale of assets or if Borrower is not the survivor of the merger or consolidation) is equal to or better than the credit of Borrower prior to the sale, merger or consolidation and provided Borrower is not then in default, Lender is given sufficient financial information and time (at least 30 days notice) to determine the foregoing and Lender receives all required documentation, including but not limited to an assignment and assumption agreement if applicable, verification of first lien on the Collateral, UCC-Financing Statements and/or Amendments and evidence of continued insurance;”

**15. ASSIGNMENT:** In the last sentence of said Section, after "void" and immediately prior to the period of said sentence, insert “, which consent will not be unreasonably withheld (as more particularly described in Section 13 (xi) hereof)”.

**16. PREJUDGEMENT REMEDY WAIVER:** Delete Section 16 in its entirety.

17. **GENERAL PROVISIONS**, starting in Line 11, delete: "BORROWER HEREBY IRREVOCABLY APPOINTS THE SECRETARY OF STATE OF CONNECTICUT AS ITS AGENT TO RECEIVE SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING."

In Line 24, after "of like nature" and before the period, insert "except for any notices specifically provided for herein".

Intending to be legally bound hereby, the above changes are hereby accepted and agreed to by signing below. All other terms and conditions of the above referenced Loan and Security Agreement shall remain unamended and in full force and effect.

Dated: April 11, 2001

**PEOPLE'S CAPITAL AND LEASING CORP.**

By: Loretta DiSanto  
Loretta DiSanto

TITLE: Director of Documentation

**MID-SOUTH PRESS CORPORATION**

By: Daryl M. Small

TITLE: Vice-President

CERTIFICATE OF SECRETARY

The undersigned does hereby certify that he/she is Secretary of Mid-South Press Corporation (hereafter called the "Corporation") and the following is a true, complete and correct copy of resolutions duly adopted by the Board of Directors of the Corporation by unanimous <sup>written</sup> consent, and that such resolutions are in full force and effect:

"RESOLVED, that the Corporation enter into a Loan and Security Agreement No. 623-001 (the "Agreement") dated April 11, 2001 with PEOPLE'S CAPITAL AND LEASING CORP. (hereafter called "PCLC"), substantially in the form presented to this meeting, providing for the Loan by the Corporation from PCLC of the amount reflected in the Agreement to be secured by the property described in the Agreement (the "Collateral"); and it is further.

RESOLVED, that the officers of the Corporation and each of them singly, hereby are authorized (a) to execute and deliver said Agreement in the name and on behalf of the Corporation, either in the form presented to this meeting or with such changes therein as the officer executing the same may approve, his approval and authority to be conclusively evidenced by his execution thereof, such execution to be valid and binding on the Corporation with or without the corporate seal of the Corporation, (b) to carry out the obligations and enforce the rights of the Corporation under said Agreement, (c) to execute and deliver in the name and on behalf of the Corporation such other documents as may be requested or required by PCLC in connection with said Agreement including (without limiting the generality of the foregoing) security agreements and financing statements evidencing security interests of PCLC and its assignees in and to the Equipment and/or notes and additional agreements with respect to any interim financing in connection with the acquisition of the Equipment and/or additional collateral, agreements with assignees of PCLC as to the payment of installments to such assignees and an Acceptance or Delivery Certificate in respect of the Equipment as contemplated by said Agreement, and (d) to take all other action deemed by them necessary or advisable in connection with the foregoing; and it is further

RESOLVED, that the officers of the Corporation, and each of them singly, hereby are authorized from time to time on behalf of the Corporation to enter into additional Loan and Security Agreements or otherwise finance the acquisition of additional equipment from PCLC upon such terms and conditions as the officers, or any one of them, shall determine, and in that connection to execute and deliver in the name and on behalf of the Corporation amendments or additional Loan and Security Agreements or leases, together with all accompanying documents as are set forth in the preceding resolutions; and it is further

RESOLVED, that all acts authorized in the foregoing resolutions, but performed prior to the adoption of these resolutions, are hereby ratified and affirmed."

The undersigned further certifies that the persons whose names, titles and signatures appear below are the duly elected (or appointed), qualified and acting officers of the Corporation and hold on the date of this Certificate the offices set forth opposite their respective names, and the signatures appearing opposite their respective names are the genuine signatures of such persons:

NAME OF OFFICER	TITLE OF OFFICER	SIGNATURE OF OFFICER
<u>Douglas M. Small</u>	<u>Secretary V.P.</u>	<u>Douglas M. Small</u>
<u>Melvin D. Small</u>	<u>President / Treasurer</u>	<u>Melvin D. Small</u>
_____	_____	_____

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this 11th day of April, 2001.

(Corporate Seal)

*Douglas M. Small*  
Secretary

(In the case where the Secretary is authorized to sign Loans and Security Agreements, etc. by this resolution, and does or will execute the same, the below Additional Certificate must be signed by a second officer of the Corporation.)