



**COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT  
IN RESPECT OF CONTRACTS, LICENSES, PERMITS,  
APPROVALS, AGREEMENTS AND WARRANTIES**

1. Parties. Feoffees of the Grammar School in the Town of Ipswich with an address of c/o Alexander B.C. Mulholland, Jr., Chairman, 44 Ploverhill Road, P.O. Box 587, Ipswich, MA 01938 (collectively and separately, the "Assignor") hereby assigns, transfers, sets over and, if applicable, delivers, to IPSWICH CO-OPERATIVE BANK, a Massachusetts cooperative bank having a mailing address of 2 Depot Square, P.O. Box 32, Ipswich, MA 01938-0032 ("Lender"), and hereby grants to Lender a continuing security interest in the "Assigned Contracts" (as defined herein) to secure the "Obligations" (as defined herein).

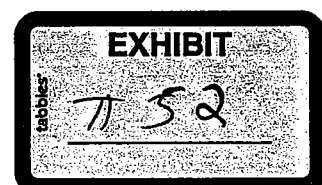
2. Assigned Contract. The term "Assigned Contracts" shall mean all of the contracts (including without limitation all construction contracts and architects contracts), licenses, permits, approvals, agreements and warranties, and all of the Assignor's right, title and interest therein, whether now owned or hereafter acquired, and all proceeds thereof, described in Exhibit "A" which is annexed hereto and made a part hereof, together with all other contracts, licenses, permits, approvals, agreements and warranties now or hereafter acquired and in any manner related to either the "Land" located at Little Neck, Ipswich, Essex County, Massachusetts (more particularly described in Exhibit "B" hereto) and the "Improvements" on or to be constructed thereon (such Land and Improvements together called the "Property") or the Project.

3. Obligations. The term "Obligations" shall mean all obligations of the Assignor (herein sometimes also called "Borrower") to Lender, whether now existing or hereafter arising, direct or indirect, under each of the following instruments, documents and agreements, each of even date herewith: (i) the "Loan Agreement"; (ii) "\$6,483,000.00 Note"; (iii) the "Conditional Assignment of Leases and Rents"; (iv) this "Collateral Assignment"; and (v) each other "Loan Document".

4. Loan Agreement; Defined Terms. This Collateral Assignment and Security Agreement is given pursuant to the terms of the "Loan Agreement" of even date between Assignor as "Borrower" and the Lender. Capitalized terms not otherwise specifically defined herein shall have the same meaning herein as in the Loan Agreement.

5. Covenants, Warranties and Representations. Assignor covenants with, and warrants and represents to, Lender that:

- (a) Assignor is and shall be the owner of the Assigned Contracts free and clear of all pledges, liens, security interests and other encumbrances of every nature whatsoever except in favor of Lender;
- (b) Assignor has the full right, power and authority to assign, and to grant the security interest in, the Assigned Contracts as herein provided;



- (c) The execution, delivery and performance of this Collateral Assignment by Assignor will not result in the violation of any Collateral Document, indenture, material contract, instrument, agreement, judgment, decree, order, statute, rule or regulation to which the Assignor is subject or by which it or any of its property is bound;
- (d) Assignor shall not make any other assignment of, or permit any lien or encumbrance to exist with respect to, the Assigned Contracts except in favor of Lender, and Assignor shall not transfer, assign, sell or exchange its interest in the Assigned Contracts;
- (e) A true and complete executed counterpart or certified copy of each Assigned Contract which now exists and which is evidenced by a written agreement or document has been delivered to Lender;
- (f) Each Assigned Contract in existence is in full force and effect, is valid and enforceable in accordance with its terms, has not been modified, and no default exists thereunder on the part of any party thereto. Each Assigned Contract which comes into existence after the date hereof shall be valid and enforceable in accordance with its terms;
- (g) No Assigned Contract shall be amended, modified or changed in any material respect, or canceled or terminated, without the Lender's prior written consent in each instance; and
- (h) Assignor shall pay and perform all of its obligations under or with respect to each Assigned Contract and not permit any default by it to exist with respect thereto. Assignor shall exercise all efforts necessary to enforce or secure performance by any other party to any Assigned Contract.

6. Rights of Assignor Prior to Default. So long as there is no Event of Default, the Assignor shall have and may exercise all rights as the owner or holder of the Assigned Contracts which are lawful and are not inconsistent with the provisions of the Loan Documents. Immediately upon the occurrence of any Event of Default, the right described in the preceding sentence shall cease and terminate, and in such event the Lender is hereby expressly and irrevocably authorized, but not required, to exercise every right, option, power or authority inuring to the Assignor under any one or more of the Assigned Contracts as fully as the Assignor could itself.

7. Irrevocable Direction. The Assignor hereby irrevocably directs the grantor or licensor of, or the contracting party to, any such Assigned Contract, whether identified in Schedule "A" or

otherwise, to the extent permitted by such Assigned Contract and under any recognition or other, agreement executed by such grantor, licensor or contracting party, upon demand and after notice from the Lender of the Assignor's default under any of the obligations or to recognize and accept the Lender as the holder of such Assigned Contract for any and all purposes as fully as it would recognize and accept Assignor and the performance of Assignor thereunder.

8. UCC Rights and Remedies. Further, and without limitation of the foregoing remedies, upon an Event of Default the Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in Massachusetts, with respect to the Assigned Contracts, in addition to the rights and remedies otherwise provided for by law or in equity or in any other Loan Document. The Lender shall give the Assignor ten (10) days' prior written notice of the time and place of any public sale of any such Assigned Contract or the time after which any private sale or any other intended disposition is to be made. After deducting all expenses incurred in connection with the enforcement of its rights hereunder, the Lender shall cause the proceeds of the Assigned Contracts to be applied to the Obligations in such order as the Lender may determine and the Assignor shall remain liable for any deficiency.

9. Indemnification. The Assignor hereby agrees to indemnify and hold the Lender harmless against and from all liability loss, damage and expense, including reasonable attorney's fees, which it may or shall incur by reason of this Agreement, or by reason of any commercially reasonable action taken in good faith by the Lender hereunder, and against and from any and all claims and demands whatsoever which may be asserted against the Lender by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants and conditions contained in the Assigned Contracts. Should the Lender incur any such liability, loss, damage or expense, the amount thereof, together with interest thereon at the default rate of interest under the Note, shall be payable by the Assignor to the Lender immediately upon demand, or at the option of the Lender, the Lender may reimburse itself therefor out of any receipts, rents, income or profits of the Property collected by the Lender before the application of such receipts, rents, income or profits to any other Obligations.

10. Lender Not Obligated. Nothing contained herein shall operate to obligate, or be construed to obligate, the Lender to perform any of the terms, covenants or conditions contained in the Assigned Contracts or otherwise to impose any obligation upon the Assignee with respect to the Assigned Contracts prior to written notice by the Lender to the Assignor of Lender's election to assume the Assignor's obligations under one or more of the Assigned Contracts. Prior to said election this Agreement shall not operate to place upon the Lender any responsibility for the operation, control, care, management or repair of the Property or for the payment, performance or observance of any obligation, requirement or condition under any such Assigned Contract or under any agreement in respect to any such Assigned Contract, and the execution of this Agreement by the Assignor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property as well as the payment,

performance or observance of any obligation, requirement or condition under the Assigned Contracts is and shall be that of the Assignor, prior to such election.

11. Further Assurances; UCC Filings. The Assignor agrees to execute and deliver to the Lender, at any time or times during which this Agreement shall be in effect, such further instruments as the Lender may deem necessary to make effective this Agreement, the security interest created hereby and the covenants of the Assignor herein contained. To evidence such security interest, at the request of the Lender, the Assignor shall, in a form satisfactory to the Lender, join with the Lender in executing one or more financing statements, and any continuation thereof, pursuant to the provisions of the Uniform Commercial Code as enacted in Massachusetts, and shall pay the cost for filing thereof.

12. No Waiver; Cumulative Rights. Failure of the Lender to avail itself of any of the terms, covenants, and conditions of this Agreement for any period of time or at any time or times, shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of the Lender under this instrument are cumulative and are not in lieu of but are in addition to any other rights and remedies which the Lender shall have under or by virtue of the Obligations and the Loan Documents. The rights and remedies of the Lender hereunder may be exercised from time to time and as often as such exercise is deemed expedient by the Lender.

13. Lender; Right to Assign. The Assignor agrees that upon any sale or transfer by the Lender of the Loan Documents and the indebtedness evidenced thereby, or upon any person acquiring the Property or any interest therein, the Lender may deliver to the purchaser or transferee the Assigned Contracts and may assign to such purchaser or transferee the rights of Lender hereunder, who shall thereupon become vested with all powers and rights given to the Lender in respect thereto (and subject to the Lender's obligations hereunder), and Lender shall be forever relieved and fully discharged from any liability or responsibility thereafter accruing in connection therewith. In no event shall the Lender be liable with respect to, or on account of, the Assigned Contracts, except for the safekeeping of any instruments delivered to Lender pursuant hereto, and the Lender shall specifically have no obligation to enforce any rights against the applicable contractor.

14. Termination and Reassignment. Upon full payment and performance of the obligations and liabilities set forth or contained in the Obligations and the Loan Documents this Agreement shall become and be void and of no effect and, in that event, upon the request of the Assignor, the Lender covenants to execute and deliver to the Assignor instruments effective to evidence the termination of this Agreement and the reassignment to the Assignor of the Assigned Contracts and the rights, title, interest, power and authority assigned herein, provided, however, that any affidavit, certificate or other written statement of any officer of the Lender, stating that any part of said indebtedness remains unpaid, shall be and constitute conclusive evidence of the then validity, effectiveness and continuing force of this Agreement and any person, firm, or

corporation receiving any such affidavit, certificate or statement may, and is hereby authorized to rely thereon.

15. Copies of Default Notices. Assignor agrees to provide Lender with copies of any and all notices received by Assignor which allege, either directly or indirectly, that Assignor is in default of or deficient in the performance of the terms of any obligation of Assignor under any Assigned Contract.

16. No Cancellation. Assignor covenants and agrees that without the prior written consent of the Lender, Assignor will not permit or agree to any cancellation, abridgement, or modification of any of the terms, covenants and conditions of any Assigned Contract.

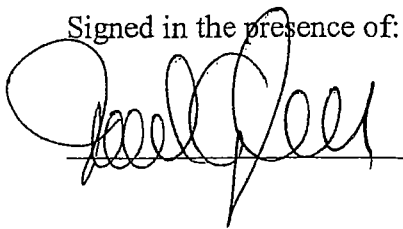
17. Notices. Any notices given pursuant to this Agreement shall be sufficient if given by hand or by certified mail, return receipt requested, at the addresses set forth on Page One hereof.

18. Successors and Assigns. All of the agreements, obligations, undertakings, representations and warranties herein made by the Assignor shall inure to the benefit of the Lender and Lender's successors and assigns and shall bind the Assignor and its successors and assigns.

19. Captions and Headings. Captions and headings in this Agreement are intended solely for the convenience of the parties and shall not be considered in the determination of the meaning of any provision hereof.

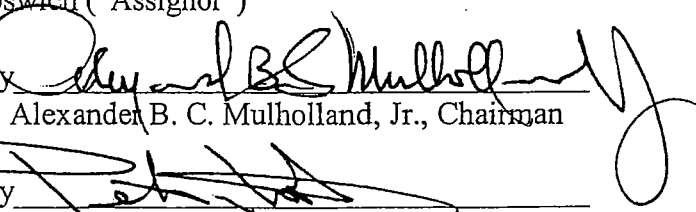
Executed as a sealed instrument as of the 7<sup>th</sup> day of June, 2005.

Signed in the presence of:

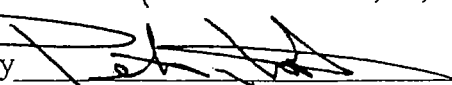


Feoffees of the Grammar School in the Town of Ipswich ("Assignor")

By

  
Alexander B. C. Mulholland, Jr., Chairman

By

  
Peter A. Foote, Treasurer

Ipswich Co-Operative Bank ("Lender")

By:

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Lawrence R. Hunter, Vice President

EXHIBIT "A"

Contracts, Licenses and Permits,  
Approvals, Agreements and Warranties

**EXHIBIT "B"**

**Legal Description of Land**

A parcel of land, commonly known as Little Neck, at the end of Little Neck Road, Ipswich, Essex County, Massachusetts, being approximately 35 acres. The parcel is shown as Lots 1 through 173, inclusive, and the ways known as Bay Road, Hilltop Road, Middle Road, River Road, Cliff Road, Plum Sound Road, Kings Way, Baycrest Road and Cove Road on Ipswich Board of Assessors Map 24C.

Subject to the restriction set forth in the Last Will of William Paine that the land "is to be and remaine to the benefit of the said schoole of Ipswich for ever as I have formerly intended and therefore for the sayd land not be sould nor wasted".

Subject to an Easement to the Inhabitants of the Town of Ipswich, dated February 22, 1995, recorded in the Essex South District Registry of Deeds, Book 12954, Page 10.

Subject to Order of Conditions issued by the Ipswich Conservation Commission, dated January 13, 2005, recorded in said Registry, Book 23914, Page 381; and dated March 30, 2005, recorded in said Registry, Book 24148, Page 181.

For title, see deed of the Town of Ipswich to William Paine (records of the Town of Ipswich, page 158), and the Last Will of William Paine, who died in 1660 (Suffolk Registry of Probate, 1:346).