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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **August 31, 2007**

**EXACT SCIENCES CORPORATION**  
(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-32179**  
(Commission  
File Number)

**02-0478229**  
(IRS Employer  
Identification No.)

**100 Campus Drive, Marlborough, Massachusetts**  
(Address of Principal Executive Offices)

**01752**  
(Zip Code)

Registrant's telephone number, including area code: **(508) 683-1200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On August 31, 2007, EXACT Sciences Corporation (the “Company”) entered into a Third Amendment (the “Amendment”) to that certain license agreement between the Company and Laboratory Corporation of America Holdings (“LabCorp”) dated June 26, 2002, as amended. The Amendment, among other things, added a milestone obligation of LabCorp to pay the Company an aggregate of \$2.5 million based upon policy-level reimbursement approval from key payors including Medicare, inclusion of stool-based DNA screening in clinical practice guidelines and the achievement of certain increases in sales levels of PreGen-Plus over a defined measuring period. In addition, the Amendment provides that LabCorp will assume sole responsibility, at its expense, for all commercial activities including marketing, sales, and reimbursement related to LabCorp’s stool-based DNA testing service. In accordance with the foregoing, LabCorp also agreed to offer at-will employment to certain personnel of the Company. Upon employment by LabCorp, these personnel will be subject to all of LabCorp’s usual and customary terms, conditions and policies of employment.

The foregoing description of the Amendment is not complete and is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) On August 31, 2007, the Company entered into a separation agreement and release with Don M. Hardison, the Company’s former president and chief executive officer, setting forth the terms of Mr. Hardison’s resignation from the Company. The separation agreement and release provides, among other things, (i) the acceleration of unvested options to purchase shares of the Company’s common stock held by Mr. Hardison as if Mr. Hardison’s employment with the Company had continued through August 31, 2009; (ii) the extension of Mr. Hardison’s right to exercise vested options to purchase shares of the Company’s common stock until August 31, 2009; and (iii) a general release by Mr. Hardison. Mr. Hardison’s non-disclosure and developments agreement with the Company will survive Mr. Hardison’s termination of employment with the Company. Except with respect to Mr. Hardison’s employment relationship with LabCorp, Mr. Hardison’s non-competition agreement with the Company will survive Mr. Hardison’s termination of employment with the Company.

The foregoing description of the separation agreement and release is not complete and is qualified in its entirety by reference to the separation agreement and release, which is filed as Exhibit 10.2 hereto and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

- 10.1\*\* Third Amendment to Agreement between EXACT Sciences Corporation and Laboratory Corporation of America Holdings, dated as of August 31, 2007
- 10.2† Separation Agreement and Release between EXACT Sciences Corporation and Don M. Hardison, dated as of August 31, 2007

\*\* Confidential treatment has been requested for portions of this exhibit.

† Indicates a management contract or any compensatory plan, contract or arrangement.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXACT Sciences Corporation

September 7, 2007

By: /s/ Charles R. Carelli, Jr.

Charles R. Carelli, Jr.  
Senior Vice President, Chief Financial Officer,  
Treasurer and Secretary

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
10.1**	Third Amendment to Agreement between EXACT Sciences Corporation and Laboratory Corporation of America Holdings, dated as of August 31, 2007
10.2†	Separation Agreement and Release between EXACT Sciences Corporation and Don M. Hardison, dated as of August 31, 2007

\*\* *Confidential treatment has been requested for portions of this exhibit.*

† *Indicates a management contract or any compensatory plan, contract or arrangement.*

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**THIRD AMENDMENT TO AGREEMENT BETWEEN  
EXACT SCIENCES CORPORATION  
AND  
LABORATORY CORPORATION OF AMERICA HOLDINGS**

This Third Amendment (this "Amendment") is made and effective as of August 31, 2007, by and between LABORATORY CORPORATION OF AMERICA HOLDINGS ("LabCorp") and EXACT SCIENCES CORPORATION ("EXACT").

WHEREAS, LabCorp and EXACT entered into an Agreement dated June 26, 2002, which was amended pursuant to a First Amendment dated January 19, 2004 and further amended pursuant to a Second Amendment dated June 27, 2007 (as amended, the "Agreement"); and

WHEREAS, the parties desire to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree to the following amendments to the Agreement, to be effective as of the date of execution of this Amendment:

1. Milestones.

a. A new Milestone 4 (and the associated Milestone License Fee) is hereby added to Schedule 4 of the Agreement as follows:

LabCorp shall pay EXACT \$2.5 million in milestone payments following the date of the occurrence of the later of the following (such later date being hereinafter referred to as the "Milestone 4 Trigger Date"): (i) approval of reimbursement for stool-based DNA screening including, without limitation, coverage for both PV1 and PV2, from the Centers for Medicare and Medicaid Services pursuant to a National Coverage Determination at a reimbursement rate of at least [\*\*\*\*\*]; and (ii) acceptance of stool-based DNA screening in the publicly reported guidelines of the American Cancer Society or the American Gastroenterological Association for screening for colorectal cancer. The foregoing payment shall not be due until sixty (60) days following the end of the [\*\*\*\*\*] period following the Milestone 4 Trigger Date in which the number of Assays performed by LabCorp using EXACT's Technology increases by at least [\*\*\*\*\*] over the number of such Assays performed by LabCorp during the [\*\*\*\*\*] immediately prior to the Milestone 4 Trigger Date.

**Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Exchange Act; [\*] denotes omissions.**

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2. Launch of PV2 Test. Section 3.6 of the Agreement shall be deleted and replaced with the following:

On or before [\*\*\*\*\*], EXACT shall provide LabCorp with access to the data associated with [\*\*\*\*\*], and (iii) the overall sensitivity and specificity as a standalone dataset (the “PV2 Sample Data”), to attest the clinical sensitivity and specificity of PV2 claims stated in the following article: Steven H. Itzkowitz et al., *Improved Fecal DNA Test for Colorectal Cancer Screening*, 5 CLINICAL GASTROENTEROLOGY AND HEPATOLOGY 111 (2007). All such data provided to LabCorp pursuant to this provision shall be considered Confidential Information of EXACT. EXACT agrees that it will not unreasonably withhold approval for the PV2 Sample Data to be used by LabCorp to promote or describe PV2 in support of a PV2 commercial launch. Notwithstanding the foregoing, PV2 Sample Data that fails to meet the sensitivity/specificity targets described in Section 11.9 of this Agreement shall be treated as Confidential Information of EXACT.

3. Expenses. Section 7.3 of the Agreement shall be deleted in its entirety and replaced with the following:

LabCorp will be solely responsible, at its expense, for all of LabCorp’s commercial activities including marketing, sales, and reimbursement, related to LabCorp’s stool-based DNA testing service.

For the purpose of clarification, Sections 6.6 and 6.7 of the Agreement remain in full force and effect.

4. Rights of Termination.

a. Section 11.7 of the Agreement shall be deleted in its entirety and replaced with the following:

11.7 This Agreement may be terminated by LabCorp upon written notice in the event stool-based colorectal cancer screening has not been accepted as a Standard of Care on or before [\*\*\*\*\*].

b. Section 11.8 of the Agreement shall be deleted in its entirety and replaced with the following:

11.8 This Agreement may be terminated by LabCorp upon written notice in the event PV2 is not commercially launched (meaning made generally available to LabCorp’s

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customers) on or before [\*\*\*\*\*] , provided the reason for delay in commercial launch can be attributed in whole or in part to EXACT. Without limiting the foregoing, the parties acknowledge that either of the following shall give rise to LabCorp's right to terminate the Agreement pursuant to this Section 11.8: (i) any failure of EXACT to provide all of the PV2 Sample Data described in Section 3.6 on or before [\*\*\*\*\*] , or (ii) any failure of EXACT to fulfill its obligations with respect to [\*\*\*\*\*] on or before any of the deadlines to be mutually agreed upon by the parties in writing.

5. Personnel.

a. A new Section 7.6 is hereby added to the Agreement as follows:

7.6 Personnel .

7.6.1 LabCorp agrees to offer at-will employment, subject to LabCorp's standard employment eligibility requirements, to the personnel of EXACT as set forth on Schedule 7, at annual salaries no less than those listed therein and inclusive of LabCorp's standard employee benefits; provided, however, that these personnel will be subject to all of LabCorp's usual and customary terms, conditions and policies of employment. LabCorp agrees that for a period beginning on August 31, 2007 and continuing for one year from the date of termination of this Agreement none of the employees or agents of LabCorp (or any of its subsidiaries or any person acting on its or their behalf) who have had interaction with EXACT in connection with this Agreement will directly or indirectly solicit for employment or employ at LabCorp or its subsidiaries any person, other than the personnel set forth on Schedule 7, who as of August 31, 2007 is employed by EXACT without obtaining EXACT's prior written consent. The parties agree that the restrictions set forth in this Paragraph shall not apply to (i) any solicitation directed to the public in general print, mail, radio, television, internet or website advertisements or solicitations available to the public in general (or any employment resulting from an EXACT employee's response to such solicitation to the public in general), (ii) any person whose employment with EXACT was terminated by EXACT prior to the solicitation by LabCorp, or (iii) or any contact or employment which LabCorp can demonstrate through written records was initiated by such employee. In addition to the foregoing, this restriction (and the foregoing exceptions) on solicitation, hiring and retention, shall expressly apply to [\*\*\*\*\*] as of the effective date of the Third Amendment to this Agreement, except that (1) LabCorp may engage [\*\*\*\*\*] as contemplated by Section 6.6 of this Agreement [\*\*\*\*\*] ,

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and (2) in the event [\*\*\*\*\*] seeks to be hired by LabCorp and LabCorp wishes to hire [\*\*\*\*\*] under any of the exceptions in clauses (i) through (iii) of the prior sentence, LabCorp agrees to notify EXACT prior to hiring [\*\*\*\*\*]. Any permission granted by EXACT for LabCorp to hire any such employees or consultant, shall be expressly limited in scope to the permission granted and shall not be deemed a waiver by EXACT of this provision.

7.6.2 Effective with the employment by LabCorp of the personnel of EXACT as set forth on Schedule 7, EXACT will release all EXACT personnel set forth on Schedule 7 from all non-competition and non-solicitation agreements. For the avoidance of doubt, any former EXACT employees who accept employment with LabCorp owe their complete duty of loyalty to LabCorp and not to EXACT.

b. Schedule 7 attached to this Amendment is hereby deemed added to the Agreement.

6. Except as expressly modified herein, the Agreement and all of its terms and conditions shall continue in full force and effect.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Amendment as of the date first above written.

**Laboratory Corporation of America Holdings:**

**EXACT Sciences Corporation:**

By: /s/ Bradford T. Smith

Bradford T. Smith

Printed Name

Title: Executive Vice President

By: /s/ Charles R. Carelli, Jr.

Charles R. Carelli Jr.

Printed Name

Title: Chief Financial Officer

**Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Exchange Act; [\*] denotes omissions.**

Personnel

<u>Name</u>	<u>Annual Salary</u>
Don Hardison	
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Exchange Act; [\*] denotes omissions.



August 31, 2007

**VIA HAND DELIVERY**

Don M. Hardison  
99 Bridge Street  
New Castle, NH 03854

**Re: Separation Agreement and Release**

Dear Don:

You have advised the Board of Directors of EXACT Sciences Corporation (hereinafter the "Company") of your intention to resign from your position as Chief Executive Officer of the Company effective August 31, 2007. The purpose of this agreement (the "Agreement") is to set forth the terms of our understanding related to your resignation.

**1. Resignation Date :**

(a) Your voluntary resignation from the Company's employment is effective as of midnight August 31, 2007 (the "Resignation Date"). You further confirm that you have resigned from any and all other positions that you hold with the Company as an officer, director or otherwise effective on the Resignation Date. You also confirm that you have resigned from any and all positions that you hold with any affiliate of the Company, including, without limitation, any employee benefit plan, effective on the Resignation Date.

(b) As of the Resignation Date, your salary will cease, and any entitlement you have or might have under a Company provided benefit plan, program or practice will terminate, except as required by federal or state law.

(c) The Company will pay you for all accrued but unused vacation time as of the Resignation Date, less taxes and withholding.

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**2. Treatment of Stock Options :**

You acknowledge and agree that columns one through three of the following chart accurately identify the general terms of the agreements between you and the Company for options to purchase shares of the Company's common stock pursuant to the terms of the Company's 2000 Stock Option and Incentive Plan (the "Plan"), that you have entered into during the course of your employment relationship with the Company, all of which shall collectively be referred to as the "Options Agreements":

(1) Date of Option	(2) # of Unexercised Shares	(3) Exercise Price	(4) Shares Vested as of 8/31/07	(5) Shares to be Vested as of 8/31/09	(6) Accelerated Shares
5/1/00	305,560	\$ 2.05	305,560	305,560	
1/31/01	10,000	\$ 14.00	10,000	10,000	
6/6/2001	5,000	\$ 10.74	5,000	5,000	
2/11/02	135,000	\$ 7.93	135,000	135,000	
2/12/03	100,000	\$ 6.78	100,000	100,000	
2/11/04	90,000	\$ 7.72	90,000	90,000	
2/17/05	90,000	\$ 4.22	56,249	90,000	33,751
2/16/06	165,000	\$ 2.61	82,500	165,000	82,500
2/15/07	150,000	\$ 2.77	25,000	125,000	100,000
<b>Totals</b>	<u>1,050,560</u>		<u>809,309</u>	<u>1,025,560</u>	<u>216,251</u>

Notwithstanding any contrary provisions that may be contained in either the Plan or the respective Options Agreements, you and the Company agree as follows:

(a) as of the Resignation Date, you will be considered to have vested in that number of shares in which you would have vested had your employment with the Company continued through August 31, 2009, as set forth in column 5 on the above chart;

(b) you may exercise any stock options in which you are vested as of the Resignation Date (as set forth in column 5 above) until August 31, 2009, provided that, at no time between the Resignation Date and August 31, 2009 may you sell or otherwise dispose of any shares issued upon exercise of the foregoing stock options whose vesting schedule has been accelerated

as a result of Section 2(a) of this Agreement (the “Accelerated Shares”), as identified in column 6 of the chart above; and

(c) you acknowledge and agree that, as a result of the foregoing modifications, any and all stock options set forth above that are intended to qualify as incentive stock options under Section 422A of the Internal Revenue Code of 1986 shall be treated for federal income tax purposes as non-qualified stock options rather than incentive stock options.

**3. Tax Treatment :**

The Company shall undertake to make deductions, withholdings and tax reports with respect to benefits under this Agreement to the extent that it reasonably and in good faith determines that it is required to make such deductions, withholdings and tax reports.

**4. Release :**

In consideration for, among other terms, the benefits described in Sections 2(a) and 2(b), to which you acknowledge you would otherwise not be entitled, you voluntarily release and forever discharge the Company, its affiliated and related entities, its and their respective predecessors, successors and assigns, its and their respective employee benefit plans and fiduciaries of such plans, and the current and former officers, directors, shareholders, employees, attorneys, accountants and agents of each of the foregoing in their official and personal capacities (collectively referred to as the “Releasees”) generally from all claims, demands, debts, damages and liabilities of every name and nature, known or unknown (“Claims”) that, as of the date when you sign this Agreement, you have, ever had, now claim to have or ever claimed to have had against any or all of the Releasees. This release includes, without limitation, all Claims:

- relating to your employment by and resignation of employment with the Company;
- of wrongful discharge;
- of breach of contract (including, but in no way limited to that certain employment agreement between you and the Company made as of June 27, 2006 (the “Employment Agreement”));
- of retaliation or discrimination under federal, state or local law (including, without limitation, Claims of age discrimination or retaliation under the Age Discrimination in Employment Act, Claims of disability discrimination or retaliation under the Americans with Disabilities Act, and Claims of discrimination or retaliation under Title VII of the Civil Rights Act of 1964);
- under any other federal or state statute;
- of defamation or other torts;
- of violation of public policy;
- for wages, bonuses, incentive compensation, stock, stock options, vacation pay or any other compensation or benefits; and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney’s fees;

*provided*, however, that this release shall not affect your vested rights under the Company's Section 401(k) plan, the Options Agreements (as modified herein) or your rights under this Agreement.

You agree that you shall not seek or accept damages of any nature, other equitable or legal remedies for your own benefit, attorney's fees, or costs from any of the Releasees with respect to any Claim released by this Agreement. As a material inducement to the Company to enter into this Agreement, you represent that you have not assigned to any third party and you have not filed with any agency or court any Claim released by this Agreement.

**5. Accord and Satisfaction :**

The payments and benefits set forth above in Sections 1 and 2 shall be complete and unconditional payment, settlement, accord and/or satisfaction with respect to all obligations and liabilities of the Company to you, including, without limitation, all claims for back wages, salary, vacation pay, draws, incentive pay, bonuses, stock and stock options, commissions, severance pay, any and all other forms of compensation or benefits, attorney's fees, or other costs or sums.

**6. Waiver of Rights and Claims Under the Age Discrimination and Employment Act of 1967:**

Since you are 40 years of age or older, you are being informed with respect to your rights under the Age Discrimination in Employment Act of 1967 (ADEA, 29 U.S.C. Section 621 *et. seq.* ) and you agree that:

(a) in consideration for the amounts and benefits described in Sections 2(a) and 2(b) of this Agreement, which you are not otherwise entitled to receive, you specifically and voluntarily waive any rights and/or claims under the ADEA you might have against the Company to the extent such rights and/or claims arose prior to or on the date this Agreement was executed;

(b) you understand that rights or claims under the ADEA which may arise after the date this Agreement is executed are not waived by you;

(c) you are advised to consider the terms of this Agreement carefully and consult with or seek advice from an attorney of your choice prior to executing this Agreement;

(d) you acknowledge that you were informed and understand that you have twenty-one (21) days within which to consider this Agreement;

(e) you have carefully read and fully understand all of the provisions of this Agreement, and you knowingly and voluntarily agree to all of the terms set forth in this Agreement;

(f) in entering into this Agreement you are not relying on any representation, promise or inducement made by the Company or its attorneys with the exception of those promises described in this document; and

(g) the 21-day review period will not be affected or extended by any revisions which might be made to this Agreement.

**7. Company Files, Documents and Other Property:**

On the Resignation Date, you will return to the Company all Company property and materials, including but not limited to, personal computers, laptops, fax machines, scanners, copiers, cellular phones, Company credit cards and telephone charge cards, manuals, building keys and passes, courtesy parking passes, diskettes, intangible information stored on diskettes, software programs and data compiled with the use of those programs, software passwords or codes, tangible copies of trade secrets and confidential information, sales forecasts, names and addresses of Company customers and potential customers, customer lists, customer contacts, sales information, sales forecasts, memoranda, sales brochures, business or marketing plans, reports, projections, and any and all other information or property previously or currently held or used by you that is or was related to your employment with the Company ("Company Property"). You agree that in the event that you discover any other Company Property in your possession after the Resignation Date, you will immediately return such materials to the Company.

**8. Continuing Obligations Under Your Confidential Information, Noncompetition and Cooperation Agreements :**

You acknowledge and agree that, on or about May 5, 2006, you and the Company entered in a Noncompetition Agreement (the "Noncompetition Agreement") and an Employee Non-Disclosure and Developments Agreement (the "Nondisclosure Agreement"). You understand and agree that, notwithstanding your resignation of your employment, your obligations under the Noncompetition Agreement and Non-Disclosure Agreement shall continue in full force and effect in accordance with the express terms of those agreements.

**9. Future Conduct :**

(a) Nondisparagement : You agree not to make disparaging, critical or otherwise detrimental comments to any person or entity concerning the Company, its officers, directors or employees; the products, services or programs provided or to be provided by the Company; the business affairs or the financial condition of the Company; or the circumstances surrounding your employment and/or resignation of employment from the Company.

(b) Confidentiality of this Agreement : You shall maintain confidentiality concerning the terms of this Agreement. Except as required pursuant to legal process, you will not discuss the same with anyone except your immediate family and accountants or attorneys when such disclosure is necessary for the accountants or attorneys to render professional services. Prior to any such disclosure that you may make, you shall secure from your immediate family, attorney or accountant their agreement to maintain the confidentiality of such matters. Nothing herein shall prohibit or bar you from providing truthful testimony in any legal proceeding or in communicating with any governmental agency or representative or from making any truthful disclosure required, authorized or permitted under law; provided however, that in providing such testimony or making such disclosures or communications, you will use your best efforts to ensure that this Section is complied with to the maximum extent possible.

**10. Information Concerning Actual, Potential or Alleged Financial Irregularities**

You represent that you are not aware of any actual, potential or alleged financial irregularities concerning the Company.

**11. Future Cooperation**

You agree to cooperate reasonably with the Company (including its outside counsel) in connection with the contemplation, prosecution and defense of all phases of existing, past and future litigation about which the Company believes you may have knowledge or information. You further agree to make yourself available at mutually convenient times during and outside of regular business hours as reasonably deemed necessary by the Company's counsel. The Company shall not utilize this Section 10 to require you to make yourself available to an extent that would unreasonably interfere with full-time employment responsibilities that you may have. You agree to appear without the necessity of a subpoena to testify truthfully in any legal proceedings in which the Company calls you as a witness. The Company shall also reimburse you for any pre-approved reasonable business travel expenses that you incur on the Company's behalf as a result of your litigation cooperation services, after receipt of appropriate documentation consistent with the Company's business expense reimbursement policy. You further agree that you shall not voluntarily provide information to or otherwise cooperate with any individual or entity that is contemplating or pursuing litigation against any of the Releasees or that is undertaking any investigation or review of any of the Releasees' activities or practices; *provided*, however, that you may participate in or otherwise assist in any investigation or inquiry conducted by the EEOC or the Massachusetts Commission Against Discrimination. Notwithstanding the foregoing, this provision shall not apply to the extent that your breach of this Agreement consists of initiating a legal action in which you contend that the release set forth in Section 4 is invalid, in whole or in part, due to the provisions of 29 U.S.C. §626(f).

**12. Representations and Governing Law :**

(a) This Agreement sets forth the complete and sole agreement between the parties and supersedes any and all other agreements or understandings, whether oral or written (including, but not limited to the Employment Agreement), except the Noncompetition Agreement and the Nondisclosure Agreements discussed in Section 7, which shall remain in full force and effect. This Agreement may not be changed, amended, modified, altered or rescinded except upon the express written consent of both the Chairman of the Company's Board of Directors and you. By signing this Agreement, you agree that you will comply with the terms of such agreement. You further acknowledge and agree that if you violate any of the terms of this Agreement, the Company shall have the right to rescind the benefits afforded to you pursuant to Sections 2(a) and 2(b) above.

(b) If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions, and parts thereof, of this Agreement are declared to be severable. Any waiver of any

provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise.

(c) This Agreement shall be deemed to be made and entered into in the Commonwealth of Massachusetts. This Agreement and any claims arising out of this Agreement (or any other claims arising out of the relationship between the parties) shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and shall in all respects be interpreted, enforced and governed under the internal and domestic laws of Massachusetts, without giving effect to the principles of conflicts of laws of such state. Any claims or legal actions by one party against the other shall be commenced and maintained in state or federal court located in Massachusetts, and you hereby submit to the jurisdiction and venue of any such court.

(d) This Agreement cannot be assigned by you and shall inure to the benefit of the Company's successors and assigns.

**13. Effective Date :**

After signing this letter, you may revoke this Agreement for a period of seven days following said execution by written notice to the undersigned which notice must be received by the undersigned on or prior to 5:00 p.m. on such seventh day. The Agreement shall not become effective or enforceable until this revocation period has expired.

If this letter correctly states the understanding we have reached, please indicate your acceptance by countersigning the enclosed copy and returning it to me.

Very truly yours,

/s/ Charles R. Carelli, Jr.  
Charles R. Carelli, Jr.  
Chief Financial Officer

I REPRESENT THAT I HAVE READ THE FOREGOING AGREEMENT, THAT I FULLY UNDERSTAND THE TERMS AND CONDITIONS OF SUCH AGREEMENT AND THAT I AM KNOWINGLY AND VOLUNTARILY EXECUTING THE SAME. IN ENTERING INTO THIS AGREEMENT, I DO NOT RELY ON ANY REPRESENTATION, PROMISE OR INDUCEMENT MADE BY THE COMPANY OR ITS ATTORNEYS WITH THE EXCEPTION OF THE CONSIDERATION DESCRIBED IN THIS DOCUMENT.

ACCEPTED:

/s/ Don Hardison  
Don Hardison  
Date: August 31, 2007