

10-23-2002



Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

102257804

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Progression, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State DE Other

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Oxford Instruments America, Inc.

Internal

Address:

Street Address: 130A Baker Ave. Ext.

City: Concord State: MA Zip: 01742

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation-State MA

Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 10/02/2002

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 1935580, 2233916, 2165343, 2038622, 2062946, 2043219

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: George W. Tuttle

Internal Address: Holland & Knight LLP

Street Address: 10 St. James Avenue

City: Boston State: MA Zip: 02116

6. Total number of applications and registrations involved:

6

7. Total fee (37 CFR 3.41) \$ 165.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

ADAM M. GRANDY

Name of Person Signing

Signature

Signature

10.17.2002

Date

Total number of pages including cover sheet, attachments, and document:

17

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

10/22/2002 DBYRNE 00000193 1935580

01 FC:0521 02 FC:0522

40.00/OP 125.00/OP

TRADEMARK REEL: 2603 FRAME: 0833

SECURITY AGREEMENT
(second priority)

The undersigned **Progression, Inc.**, a Delaware corporation (hereinafter the "Debtor"), for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grant(s) to **Oxford Instruments America, Inc.**, a Massachusetts corporation a principal office and mailing address at

Oxford Instruments America, Inc.
130a Baker Avenue Extension
Concord, MA 01742
Attn: Christopher S. Fraser

(hereinafter the "Secured Party"), a security interest in, and the Debtor hereby assigns to the Secured Party, all assets of Debtor, including, but not limited to, the following property of Debtor in the categories indicated, wherever located and whether now owned or existing or hereafter acquired (hereinafter the "Collateral"):

All of Debtor's Equipment and Fixtures, as those terms are defined below,

All of Debtor's Inventory, as defined below, and

All of Debtor's General Intangibles and Accounts, as defined below.

together with all products and cash and non-cash proceeds of all of the foregoing, including without limitation all proceeds of, returned premiums for and rights to payment under any present or future insurance on any of the above-described types of property, all rights to payment arising out of or in connection with any claim or cause of action relating to, or affecting, any Collateral, and all rents and profits resulting from the temporary use or possession of any of the foregoing, and all replacements and substitutions therefor, and all additions and accessions thereto. The acceptance of a security interest in proceeds by Secured Party shall not be deemed a consent by Secured Party to the sale by Debtor of any Collateral, except as expressly set forth herein.

The security interest granted hereunder is given to secure the prompt payment when due of all amounts now or hereafter owed by Debtor to Secured Party pursuant to the **Asset Purchase Agreement** dated October 2, 2002, made by and between Debtor and Secured Party (hereinafter collectively called the "Obligations").

1. **Debtor's Warranties.** Incident to the foregoing grant, the Debtor warrants, represents, covenants and agrees with the Secured Party as follows:

A. Except for a first lien granted to a bank or other lending institution to secure loan(s) for the Debtor's business purposes, the Debtor is and shall at all times remain the sole lawful owner of all Collateral, free of any pledges, interests, charges, liens or encumbrances other than

the security interest granted herein, which shall constitute a second lien upon all Collateral. The Debtor will warrant defend the same against all claims and demands of all persons, except as aforesaid. The Collateral is and shall be used and operated, and the Obligations secured hereby have been incurred and shall remain, only for business purposes, and not for personal, family or household purposes.

B. The Debtor has good right to pledge, sell, consign, assign, transfer and create a security interest in the Collateral in favor of the Secured Party.

C. The Collateral will not be voluntarily or involuntarily sold, transferred, assigned, or otherwise disposed of by the Debtor, in whole or in part, without the prior written consent of the Secured Party, except for inventory sold in the normal course of business and in accordance with all of the terms of this Agreement, except as aforesaid.

D. All Collateral, and all of Debtor's books, records and other documents relating to or evidencing the Collateral are to be located at the Debtor's principal offices at Debtor's address given below (the locus), and will not be removed therefrom without the prior written consent of the Secured Party, except for sales of inventory in the normal course of business and otherwise in accordance with all of the terms of this Agreement. Debtor has no other place(s) of business. Debtor's correct Social Security number, or official tax identification number, as appropriate, is as shown below Debtor's signature at the end of this Agreement.

E. The Debtor shall not permit any Collateral not a fixture on the date of this Agreement to become a fixture attached to real estate.

F. The Debtor shall immediately notify Secured Party of the occurrence of any destruction or loss of, depreciation in, or damage to any Collateral, or of any event which constitutes, or which with the passage of time would constitute, a default or event of default under this Agreement or under or in connection with any of the Obligations.

G. If any Debtor is an entity other than a natural person, each such Debtor not a natural person is now and shall at all times while this Agreement remains in effect be in existence and in good standing under the laws of its place of formation and under the laws of every place in which it does business. Each such Debtor not a natural person is also duly authorized and empowered to own the Collateral, to grant the security interest created hereby in accordance with the terms hereof, and to perform the terms of this Agreement, and the individual(s) acting on behalf of each such Debtor have been duly authorized to execute this Agreement in their capacities as representatives of such Debtor.

2. Definitions. As used in this Security Agreement (sometimes hereinafter referred to as this "Agreement"), the following terms have the following meanings:

A. Accounts: The term Accounts as used herein shall mean and include all accounts and any and all rights of Debtor to payment for goods sold or leased or for services rendered, all forms of obligations owing to Debtor, however created or evidenced, all of Debtor's rights under any agreements for the provision of Debtor's business, whether such agreements are oral or in

writing, all rights of Debtor to payment earned or unearned under a charter or other contract involving the use or hire of a vessel, and all rights of Debtor incident to any such charter or contract, all accounts receivable, all right, title and interest of Debtor in and to any goods, inventory or other property giving rise to any account, all guaranties, liens and security granted to or held by Debtor with respect to an account or any other obligation owing to Debtor, and all of Debtor's rights as an unpaid vendor or lienor, including the rights of stoppage in transit, replevin and reclamation, and all rights of Debtor to payment under contracts not yet earned by performance and not evidenced by an instrument or chattel paper, as well as all general intangibles relating to or arising out of any account, together with all of Debtor's instruments, documents, negotiable documents, chattel paper, notes, bills, drafts, acceptances, deposits, deposit accounts, goods, all of Debtor's rights, whether created by contract or otherwise, all whether now owned or existing or hereafter arising or acquired, and all proceeds of any of the foregoing, in whatever form and wherever located.

B. Debtor: The term Debtor as used herein shall mean each of the undersigned persons and entities, each of whom shall be jointly and severally bound by all of the terms and provisions of this Agreement, and all representations, covenants and warranties of Debtor contained herein shall be true for, and all promises, agreements, consents, acknowledgements, authorizations, waivers, submissions, obligations and responsibilities of Debtor contained herein shall be binding upon, each of such persons and entities, both jointly and severally. Any default hereunder by any one of said persons or entities shall constitute a default as to all of such persons and entities. Where appropriate, the term Debtor as used herein shall be deemed to refer to any one of such persons and entities; specifically, but without limitation of the foregoing, any references to the property of the Debtor herein shall be deemed to be references to property or interests owned by any one or more of such persons or entities, and the Obligations shall include all obligations of any one or more of the undersigned Debtors to Secured Party.

C. Equipment: The term Equipment as used herein shall mean and include all of Debtor's equipment, machinery, furniture, trade fixtures, motor vehicles and all other tangible personal property of the Debtor (exclusive of inventory) all whether now owned or hereafter acquired, and wherever located, as well as all of Debtor's right, title and interest in and to any such goods as may be now or hereafter held or used by Debtor under any lease, lease-purchase, conditional sales, use or other agreements under which Debtor is or may become entitled to the use and possession thereof, with any and all other rights and benefits flowing from or under such agreements.

D. Fixtures: The term Fixtures as used herein shall mean and includes any and all (i) fixtures and improvements of Debtor now owned or hereafter acquired, now or hereafter erected, constructed, situated or affixed on any real property now or hereafter owned, leased, used or occupied by Debtor; and (ii) machinery, equipment, furniture, furnishings, trade fixtures or inventory of Debtor now owned or hereafter acquired, now or hereafter affixed to any of the aforementioned real property; in each case together with any and all additions and accessions thereto, replacements therefor and products thereof. To the extent that Fixtures are included in the Collateral, the real estate to which the fixtures are or are to be attached is located at Debtor's place of business in North Andover, Massachusetts.

E. **General Intangibles:** The term General Intangibles as used herein shall mean and include all of Debtor's general intangibles, including, without limitation, all tax refunds of every kind and nature to which Debtor is now or hereafter may become entitled, no matter how the same may arise, all other refunds, things or choses in action, goodwill, rights to performance under contracts, trade secrets, computer programs and other computer software, customer lists, trade names, copyrights, trademarks, patents, licenses, certificates of authority and uncertificated securities, as well as all moneys, securities and other property (and the proceeds thereof), now or hereafter held or received by, or in transit to Secured Party, from or for Debtor, whether for safekeeping, pledge, custody, transmission, collection or otherwise and all credits and balances of Debtor with Secured Party at any time existing, and all of Debtor's records and books of account of every kind and nature, including, without limitation, all books, records, files, ledger cards and sheets, all electronically recorded data and computer records, whether or not relating to Debtor or its business, and all service contracts relating to any of the foregoing. The General Intangibles of Debtor shall include, without limitation, all of Debtor's rights in, to and under the Patents and Trademarks.

F. **Inventory:** The term Inventory as used herein shall mean and include any and all of Debtor's inventory, and all goods used or consumed or intended to be used or consumed in the course of the Debtor's business, or held or intended for sale or lease by Debtor or to be furnished by Debtor under contracts of service, all raw materials, goods or work in process, finished goods, merchandise, and all materials and supplies of every nature used or usable in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods, all goods returned by Debtor's customers, all whether now owned or hereafter acquired or held on consignment.

G. **Patents:** The patent registrations and/or applications set forth on Schedule 1 attached hereto, and as amended from time to time pursuant to the terms hereof.

H. **Trademarks:** The trademark registrations and/or applications set forth on Schedule 1 attached hereto, and as amended from time to time pursuant to the terms hereof.

I. The singular form of any word or phrase used herein, including defined terms, shall include the plural, and vice versa. The use herein of a word of any gender shall include both genders.

J. Unless otherwise specified, references to Sections and other subdivisions of this Agreement are to the designated Sections and other subdivisions of this Agreement as originally executed. The words "hereof," "herein," "hereunder" and words of similar import refer to this Agreement as a whole.

K. The use of paragraph headings in this document is for purposes of convenience only, and no caption or paragraph heading shall affect in any way the interpretation, meaning or construction of this document.

L. All words and terms used in this Agreement and in any supplement or amendment hereto, other than those specifically defined in this Agreement or such supplement or

amendment, shall be deemed to have the respective meanings, if any, assigned to them in the Uniform Commercial Code as adopted and in effect in the Commonwealth of Massachusetts, as it may be amended from time to time (the "Code").

3. Further Documentation. The Debtor agrees to execute and deliver such notices, financing statements and other documents ("Additional Documents") and to undertake such action (including paying such filing fees) as Secured Party may request to comply with the requirements of all applicable state and federal laws in order that the Secured Party shall have at all times a valid and perfected second lien upon and a security interest in the Collateral described herein, or which may be described in any amendment supplementary hereto. In the case of any motor vehicle or other item included in Collateral for which a Certificate of Title or similar document is required or exists, Debtor shall cause the security interest of Secured Party to be duly noted on such Certificate of Title or similar document, and will deliver the original Certificate of Title or similar document to be held by the Secured Party. To the maximum extent permitted by applicable law, Debtor authorizes Secured Party to execute any such Additional Documents in Grantor's name and authorizes Secured Party to file such executed Additional Documents, or to file such Additional Documents without the signature of Grantor where permitted by law, in any appropriate filing office.

4. Taxes and Assessments. The Debtor will pay when due all taxes, assessments and other governmental charges levied or assessed upon or with respect to the Collateral or any part thereof, or upon the use or operation thereof, as well as all other taxes and assessments due from Debtor of every kind and nature.

5. Patents and Trademarks. Without limiting anything else in this Agreement, with respect to the Patents and Trademarks, Debtor agrees as follows:

(a) Should it obtain an ownership interest in any patent or trademark registration or application which is not now a part of the Collateral, (i) any such patent or trademark registration or application shall automatically become part of the Collateral, and (iii) with respect to any ownership interest in any material patent or trademark registration or application that such Debtor should obtain, it shall give prompt written notice thereof to Debtor, and hereby authorizes Secured Party to modify this Agreement by amending the terms and provisions hereof (and will cooperate reasonably with Secured Party in effecting any such amendment) to include any patent or trademark registration or application which becomes part of the Collateral under this section.

(b) With respect to each Patent and Trademark, Debtor agrees to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office (or corresponding applicable foreign registry as the case may be) or in any court, to (i) maintain each such Patent and Trademark, and (ii) pursue each such application for such Patent or Trademark, now or hereafter included in the Collateral, including, without limitation, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, infringement and misappropriation proceedings, except where a failure to do any of the foregoing will not result in a material adverse effect on the business, finances or operations of Debtor or the Collateral. Debtor agrees to take corresponding

steps with respect to each new or acquired Patent and Trademark which it is now or later becomes entitled, except where a failure to do any of the foregoing will not result in a material adverse effect on the business, finances or operations of Debtor or the Collateral. Any expenses incurred in connection with such activities shall be borne by Debtor. Debtor shall not abandon any right to file any application for such Patent or Trademark, or abandon any pending application therefor, without the written consent of Secured Party, unless the loss thereof will not result in a material adverse affect on the business, finances or operations of Debtor or the Collateral.

(c) Debtor agrees to notify Secured Party promptly and in writing if it learns (i) that any material item of the Patents or Trademarks secured hereby has become abandoned or dedicated or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office (or corresponding applicable foreign registry as the case may be) or any court) regarding any material item of the Patents or Trademarks.

(d) In the event that Debtor becomes aware that any material item of the Patents or Trademarks is infringed or misappropriated by a third party, Debtor shall promptly notify Secured Party and shall take such actions as Debtor reasonably deems appropriate under the circumstances to protect such Patent or Trademark, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities shall be borne by Debtor.

(e) To the extent it deems reasonable in its best business judgment, Debtor shall (i) mark its products with the numbers of the appropriate Patents or the designation "patent pending," as the case may be, and (ii) mark its products or services with the appropriate trademark designation of "®," "TM" or "SM," as the case may be.

(f) Debtor shall take all steps which it or the Secured Party deems reasonably appropriate under the circumstances to preserve and protect the Patents and Trademarks, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with the Patents or Trademarks, consistent with the quality and services as of the date hereof, and taking all steps reasonably necessary to ensure that all licensed users of any of said Patents and Trademarks use consistent standards of quality.

5. Inspection of Collateral. The Debtor agrees that the Secured Party, or its agents, may enter upon the locus at any reasonable time and from time to time, for the purpose of inspecting the Collateral and any and all records pertaining to the Collateral, and may audit and make copies of all such records. The Debtor agrees to notify the Secured Party promptly of any change in its business name(s), mailing address or principal place of business, of any additional place(s) of business, in order that a prompt refiling of any outstanding notices may be made, if necessary, and of any litigation that may have a material adverse impact on Debtor's financial condition, or on any Collateral.

6. Insurance. The Debtor agrees to keep the Collateral insured at all times at Debtor's expense, in such amounts (which must in any event be sufficient to satisfy the co-insurance provisions of the applicable insurance policies), with such coverage, and with such companies as the Secured Party may from time to time reasonably require. All such policies of insurance shall require thirty (30) days' written notice to Secured Party prior to termination of coverage, and all casualty insurance on Collateral shall name the Secured Party as the primary loss payee, and shall provide that Secured Party's interests under such casualty insurance shall not be invalidated or affected in any way by any act or neglect of Debtor or of any other person or entity. Upon request by Secured Party, Debtor shall deliver all of such policies of insurance to be held by the Secured Party. Debtor irrevocably appoints Secured Party as Debtor's exclusive agent and attorney-in-fact to make, adjust and settle all claims in connection with such insurance, to receive and endorse any checks and drafts in connection therewith, and in Secured Party's discretion, to apply the proceeds thereof to the Obligations.

7. Governmental Requirements. In the case of any Collateral requiring governmental approval, licensing or registration, Debtor agrees to keep all of such Collateral duly authorized, licensed and registered. Debtor's ownership and operation of all Collateral shall not violate any law, regulation, rule or ordinance, and shall not subject the owner or operator to any potential civil or criminal punishment and shall not be conducted in such a fashion as would or might void any insurance required hereunder. Debtor covenants and agrees that Debtor has and shall keep in effect so long as this Agreement remains in existence all governmental permits, approvals and licenses necessary for the conduct of Debtor's business, and Debtor is and shall at all times remain in full compliance therewith. Upon request by Secured Party, Debtor shall provide evidence of its compliance with all applicable laws, regulations, rules and ordinances to Secured Party.

8. Condition of Collateral. The Debtor shall at all times properly and carefully maintain all Collateral in good operating condition and repair, subject only to reasonable wear and tear, and will not permit or commit waste of any Collateral. Debtor shall also preserve all rights, privileges and franchises held and/or used in Debtor's business and perform in a timely and workmanlike manner all acts necessary or appropriate to tend, care for, maintain, prepare for market, preserve and protect all Collateral, in accordance with the standards and practices generally adhered to by other owners of like property in the same business as Debtor.

9. Disposition of Collateral. Debtor hereby covenants and agrees not to sell, transfer, assign, hypothecate, convey, release, dispose of or remove from the locus any of the Collateral (other than Inventory, which may be sold, but only in accordance with the provisions of this section) without the prior written consent of the Secured Party. Nothing contained in this Agreement shall be deemed to provide or constitute such consent. Debtor shall not give any allowances or credits in connection with any sales of Inventory, except insofar as such allowances and credits are normal and customary in the business in which Debtor is engaged, and Debtor shall advise Secured Party at least seven (7) days prior to each sale in writing of the nature, amount, and underlying Collateral subject to, or to be sold for a price decreased by, any such allowances or credits. Debtor agrees at all times to keep complete and accurate records regarding all sales and dispositions of Collateral, and the proceeds thereof, and to provide copies of all such records to Secured Party upon Secured Party's request therefor.

10. **Protection of Security.** At its option, the Secured Party may at any time discharge taxes, liens or security interests or other encumbrances at any time levied or placed upon the Collateral or any portion thereof, may pay for insurance on the Collateral and may pay for the protection, maintenance and preservation of the Collateral, may pay for the fulfillment of any of Debtor's Obligations to Secured Party under this Agreement or in connection with any of the Obligations which Debtor fails to perform, and may pay for the enforcement and foreclosure of the security interest granted to Secured Party herein, for the taking of any action authorized hereunder after the occurrence of any default, and for the defense or prosecution of any action or proceeding relating to this transaction or to any Collateral, and for the exercise of all other rights of Secured Party hereunder. Secured Party may also contact account debtors of Debtor to verify the existence, amount and terms of any or all of Debtor's Accounts, if the same are included in Collateral, and may notify account debtors of Secured Party's interest in such accounts and request that payments thereon (and return of goods) be made directly to Secured Party. Debtor shall confirm and cooperate fully with any such request. Secured Party may also notify any third parties of Secured Party's rights and security interest hereunder at any time. Secured Party shall have full power at all times to sue for, collect, sell, compromise, settle, discharge, extend, endorse, or otherwise deal with (in Debtor's name if Secured Party deems it necessary or convenient to do so) any Accounts pledged to Secured Party. Debtor agrees to reimburse the Secured Party on demand for any payment made, or any expense incurred by the Secured Party pursuant to any of the foregoing powers, including reasonable attorney's fees, all of which shall be secured hereby; any such sums not paid within three (3) business days of demand shall bear interest from the date of demand at a rate of interest One Percent (1%) per annum greater than the highest rate charged from time to time in any of the Obligations. The Secured Party shall not be adjudged Trustee for Debtor with respect to the Collateral. No third parties shall have any rights in Collateral in the hands of Secured Party, and Secured Party may apply any funds received through the exercise of any of the foregoing powers to such of the Obligations as Secured Party deems appropriate.

11. **Default.** Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions:

A. Default in the payment of any of the Obligations secured hereby or of any covenant or agreement contained or referred to herein, continuing beyond applicable periods of grace, if any, specifically including, but without limitation of the foregoing, any sale, transfer or other disposition of any Collateral, whether voluntary or involuntary, otherwise than in strict compliance with the terms and conditions of this Agreement.

B. Breach of any warranty, representation, financial information or statement made or furnished to the Secured Party by or on behalf of the Debtor in any material respect when made or furnished; or

C. The placing of any lien or attachment against any Collateral, including without limitation any lien for storage of any Collateral, or the creation of any security interest in any Collateral, other than the security interest created hereunder.

D. Dissolution, liquidation, death, incapacity, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, failure to pay debts as they come due, or the commencement of any proceeding under any bankruptcy or insolvency laws, by the Debtor, or by any guarantor or surety for the Debtor, or the entry of an order or decree for relief in an involuntary bankruptcy or insolvency proceeding against Debtor or any guarantor or surety for Debtor or the filing of an involuntary petition in bankruptcy against Debtor or any such guarantor or surety which remains undismissed for 30 days; or

E. The acceleration of any indebtedness of Debtor to any creditor;

F. If the Secured Party should in good faith deem itself insecure, or should in good faith deem that the prospects for repayment of any of the Obligations, or the value or priority of any security or other interest securing any of the Obligations, has been impaired; or

G. If the Debtor fails to comply with the terms of any lease for any place of business used or occupied by Debtor and containing any Collateral; or

H. Default in any term or condition of any other agreement between Debtor and Secured Party; or

I. The transfer of any interest (including the transfer of any stock or partnership interest) in Debtor without the prior written agreement of Secured Party.

12. Remedies. Upon any such default, and at any time thereafter, the Secured Party may declare any or all of the Obligations secured hereby immediately due and payable, may terminate any outstanding commitments to lend money or advance funds to Debtor pursuant to any existing or contemplated arrangement, and may, with or without demanding payment of the Obligations secured hereby from Debtor, set off or apply all or any part of any Collateral in the possession of Secured Party to the Obligations secured hereby, and Debtor shall have no further right of any kind in the Collateral so applied. Secured Party may also possess, repossess, deal in any way with and sell or otherwise dispose of any Collateral at public or private sale, either in its current condition or after further care, processing, manufacture, or preparation, any or all of which may be accomplished or attempted by Secured Party, in its discretion, but without any obligation to do so, using in any connection therewith any of Debtor's property or assets, without any charge or liability to Secured Party therefor, and apply the proceeds thereof against the Obligations, and in connection with such possession and/or repossession, Secured Party shall have the right to enter upon any premises where any Collateral may be situated and to enter into possession of, care for, use, process, complete and/or store such Collateral in or on such premises, and at Secured Party's option, remain on said premises and use the same, together with Debtor's materials, supplies, books and records for any purpose related to the storage, liquidation, collection, protection or completion of any Collateral and for any purpose relating to the disposition of any Collateral, or remove any Collateral from such premises to any place or places desired by Secured Party, if it seems advantageous to Secured Party to do so, without any liability for trespass or for breach of the peace, or otherwise. Secured Party shall have no responsibility or liability for any property in, on, or attached to any Collateral. With respect to

any cash or cash equivalents held by Secured Party as Collateral, Secured Party may apply the same to any of the Obligations at any time after a default. Secured Party shall also have the right to take any action it deems necessary or desirable to protect the Collateral or its interest therein, and may, in connection therewith (but without limitation) receive, open and dispose of all mail addressed to Debtor or delivered to Debtor's address, regardless of whether it should prove to be business, personal or other mail, to whomsoever addressed at such address; may make, adjust and settle claims in connection with any insurance covering any of the Collateral, and apply the proceeds thereof to the debt secured hereby, and may do all things necessary to carry out this Agreement, may endorse Debtor's name on any checks, notes, acceptances, money orders, drafts or other forms of payment (including payments payable under any policy of insurance on any Collateral) or security that may come into Secured Party's possession; may sign Debtor's name or the name of any of Debtor's officers or agents on any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, and notices in connection with any Accounts, or any other document relating to any Accounts, and on any notices to customers; may notify the post office authorities to change the address for delivery of Debtor's mail to an address designated by Secured Party, and Secured Party may otherwise use, operate and deal with the Collateral in any way, and Debtor hereby appoints Secured Party and any officer of Secured Party as Debtor's attorney-in-fact with power to exercise all of the Secured Party's rights hereunder, including all of the foregoing and all of Secured Party's rights under Section 10 hereof, said power, being coupled with an interest, being irrevocable so long as this Agreement remains in existence. The Secured Party shall also have the right to take possession of any sell any goods returned by customers of Debtor or by others, to stop delivery of any shipment, and to use or transfer, without charge or liability to Secured Party therefor, any and all of Debtor's labels, trade names, trademarks, patents, licenses, certificates of authority, shipping materials, and advertising materials. The Secured Party shall also have the right at any time in its discretion, to endorse, collect and transfer into its own name or that of its nominee any documents, securities or other property securing the Obligations and receive the income thereon and hold the same as security for such indebtedness or apply it to such indebtedness. The Secured Party shall further have all of the rights and remedies of a secured party under the Code, under all other laws and regulations now or hereafter in effect in the Commonwealth of Massachusetts, and under the terms of the Obligations and of all documents executed in connection therewith. The Debtor does hereby (a) waive all presentment, demand, notice and protest with respect to the Obligations and the Collateral, and (b) if otherwise entitled thereto, waive the right to notice and/or hearing prior to the exercise by Secured Party of any of the Secured Party's rights and remedies hereunder upon default, and (c) waive any right to direct the application of any payments or other amounts received or obtained by Secured Party, such that Secured Party shall at all times have the right to apply and reapply any and all such payments and amounts to the Obligations in any manner or in any order, in Secured Party's discretion. Upon demand by Secured Party, Debtor shall assemble all Collateral at a mutually convenient place to be designated by Secured Party, and shall make the Collateral available to Secured Party. Debtor and Secured Party agree that Debtor's place of business is a mutually convenient place for this purpose, and that Secured Party shall have the right to store any or all Collateral at Debtor's place of business pending a final disposition thereof by Secured Party. All expenses of retaking, holding, processing, caring for, protecting, preparing for sale, selling and the like shall be secured hereby as Obligations of the Debtor, and shall include the Secured Party's reasonable attorneys' fees and legal expenses. The Secured Party may purchase

all or any Collateral at any sale thereof, and may offset the amount of the purchase price against the Obligations, in lieu of actual payment thereof. The Secured Party's rights and remedies hereunder and under any other documents evidencing security for any Obligations may be exercised without resort or regard to any other source of satisfaction of the Obligations, and all of the Secured Party's remedies hereunder and under such other documents may be exercised either separately or together, as to all or any portion of the Collateral from time to time while any of the Obligations remains outstanding in Secured Party's discretion, and shall be deemed cumulative. Unless the Collateral is perishable, or threatens to decline speedily in value, or is of a type customarily sold on a recognized market, Secured Party will give Debtor five (5) days' prior written notice of the time and place of any public sale of Collateral, or of the time after which any private sale or other disposition of Collateral may take place, which provision for notice the Debtor agrees is reasonable.

13. The Secured Party shall have no duty as to the collection or protection of the Collateral or any income or distribution thereof, and shall have no duty as to the preservation of rights against prior parties or any other rights pertaining thereto. The Secured Party's rights and remedies hereunder and under any other documents evidencing security for any Obligations may be exercised without resort or regard to any other source of satisfaction of the Obligations, and all of the Secured Party's remedies hereunder and under such other documents may be exercised either separately or together, on any one or more occasions, as to all or any portion of the Collateral from time to time while any of the Obligations remains outstanding in Secured Party's discretion, and shall be deemed cumulative.

14. Miscellaneous. Secured Party shall not be deemed to have waived any of its rights hereunder unless such waiver is in writing and signed by an officer of Secured Party, and then only to the extent expressly stated in such writing. No waiver by the Secured Party of any default shall operate as a waiver of any other default or of a similar default on a future occasion, nor shall the acceptance by Secured Party of any one or more late or partial payment(s) on any one or more occasions constitute a waiver of the right to insist upon strict adherence to the terms of any applicable loan documents on that or any other or future occasions, or constitute a waiver of any default, nor shall any delay or failure by Secured Party to exercise any right or remedy hereunder, no matter how long the same may continue, preclude the later exercise of that or any other right or remedy hereunder, nor shall any of the foregoing actions constitute a modification or amendment of this Agreement or of any of Debtor's obligations hereunder or under any document secured hereby. Debtor agrees to comply with the terms and conditions of any commitment letter(s) issued by Secured Party relative to any indebtedness secured hereby. Neither Secured Party's rights in any Collateral, nor any of Debtor's obligations hereunder, shall be affected in any way by any act or omission by Secured Party, including without limitation any release, extension or other indulgence granted to any party liable for any of the Obligations, or any release of security or acceptance of additional security. No invalidity or unenforceability of any provision hereof shall affect the continuing validity or enforceability of any other provision hereof. All rights of the Secured Party hereunder shall inure to the benefit of its successors and assigns. The rights and remedies of Secured Party hereunder are cumulative, and may be exercised from time to time either singly or in any combination. This Security Agreement may be amended only by a written agreement signed by both Debtor and Secured Party. The use of captions in this Agreement is for purposes of convenience only, and no caption or paragraph

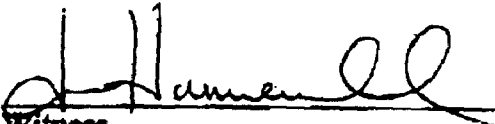
heading shall be construed or interpreted so as to affect the meaning of this Agreement in any way. This Security Agreement shall become effective when it is signed by the Debtor. Time is of the essence of every provision of this Agreement. This Security Agreement shall be binding upon the Debtor and upon the Debtor's heirs, executives, administrators, representatives, successors and assigns. This Security Agreement and the assignment and security interests created hereby shall be terminated only upon written notice thereof by Secured Party to Debtor after the discharge or full satisfaction of the Obligations and any other amounts secured hereby, but shall survive any temporary reduction to zero of the amount secured hereby. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the Commonwealth of Massachusetts. Any litigation commenced by Debtor against Secured Party shall be brought and maintained in the Commonwealth of Massachusetts. All notices required or permitted hereunder shall be deemed given on the second business day after the mailing thereof by United States Mail, postage prepaid, addressed to the parties at their addresses as shown in this Agreement, or at such other address as may be specified by any party hereto to the others by giving notice thereof in the manner aforesaid.

15. Return of Collateral. Upon satisfaction in full of the Obligations and termination of this Agreement, the Secured Party shall promptly return any balance remaining of the Collateral in the possession of Secured Party to Debtor, or shall assign its rights in instruments evidencing the Collateral to Debtor, without recourse, as Debtor may request.


16. Junior Priority. Notwithstanding any other provision of this Agreement, the Secured Party hereby agrees to subordinate its lien on and in the Collateral to that of the security interest of any one secured party bank which obtains a security interest in the Collateral to secure a loan to the Debtor from said secured party bank for business purposes of the Debtor, howsoever created or evidenced, whether now existing or hereafter arising, and any extensions, renewals or modifications thereof, or substitutions therefor, the interest thereon, costs and expenses of administration, enforcement and collection thereof. The Secured Party agrees to do all acts and execute such further documents, financing statements and agreements as said secured party bank reasonably may require to create, maintain and preserve the subordination called for by this provision. Notwithstanding any of the foregoing, in no event shall the Secured Party be required to subordinate its rights to pursue any of its rights or remedies under this Agreement, for example, by having to seek the consent of such secured party bank to exercise its rights and remedies hereunder or having to defer seeking such rights and remedies hereunder to the rights of any such secured party bank.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Debtor and the Secured Party have caused this instrument to be duly signed and sealed, as of this 2nd day of October, 2002.


Witness

Progression, Inc.
("Debtor")


By: Vaughn E. Davis
Its: President, duly authorized

Debtor's Address:
PO Box 1239
York Harbor, ME 03911

Debtor's tax identification
Number: 04-3656464

Oxford Instruments America, Inc.
("Secured Party")

Witness

By: Christopher S. Fraser
Its: Signatory, duly authorized

IN WITNESS WHEREOF, the Debtor and the Secured Party have caused this instrument to be duly signed and sealed, as of this 2nd day of October, 2002.

Progression, Inc.
("Debtor")

Witness

By: Vaughn E. Davis
Its: President, duly authorized


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PO Box 1239
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Number: 04-3656464

Oxford Instruments America, Inc.
("Secured Party")



Witness



By: Christopher S. Fraser
Its: Signatory, duly authorized

**Asset purchase agreement
Intangible assets included in the sale**

Schedule 1

Patents

Patent Title	Description	C0.	Number	Base Date
ABN-004	Magneflow	US	5530350	25/06/1996
ABN-005	NMR An. Polypropylene RT	US	5596275	21/01/1997
ABN-006 CIP2	Magneflow	US	5675253	07/10/1997
ABN-008	Magneflow	US	5408181	18/04/1995
ABN-008*	Magneflow	CA	2170640	16/11/1999
ABN-009	Magneflow	US	5420508	30/05/1995
ABN-011	Magneflow	US	5015954	14/05/1991
ABN-011	Magneflow	DE	576421	02/12/1998
ABN-011*	Magneflow	FR	576421	02/12/1998
ABN-011	Magneflow	GB	576421	02/12/1998
ABN-011	Magneflow	NL	576421	02/12/1998
ABN-015	Correflow	US	4619145	28/10/1986
ABN-017	Correflow	US	4774453	27/09/1988
ABN-017*	Correflow	CA	1256300	27/06/1989
ABN-021	Magneflow	US	5049819	17/09/1991
ABN-022	Magneflow	US	5302896	12/04/1994
ABN-023	Magneflow	US	5162103	10/11/1992
ABN-026	Magneflow	US	5319308	07/06/1994
ABN-032	Correflow	US	5396806	14/03/1995
ABN-033	Magneflow	US	5302897	12/04/1994
ABN-039	Magneflow - resin age	US	5650722	22/07/1997
ABN-046	Fluidised beds	US	6008662	28/12/1999

Recordal of assignment from Auburn International, Inc. to Oxford Instruments America, Inc.
pending.

**Asset purchase agreement
Intangible assets included in the sale (continued)**

Schedule 1

Trademarks

Country	Trademark	Status.	Number	File Date
Australia*	Correflow	Registered	661956	24/05/1995
Benelux*	Correflow	Registered	849,543	8/06/1995
France*	Correflow	Registered	95/575,119	9/06/1995
Italy*	Correflow	Registered	RM95C002797	12/06/1995
South Korea*	Correflow	Registered	95-27025	1/07/1995
UK*	Correflow	Registered	2023426	09/06/1995
USA	Correflow	Registered	74/609,507	12/12/1994
USA	Correflux	Registered	75/412,533	30/12/1997
USA	Correstat	Registered	75/211,272	10/12/1996
USA	ESM	Registered	75/050,216	30/01/1996
South Korea*	Magmodule	Registered	95-46,215	6/12/1995
EC*	Magneflow	Published	382,523	12/09/1996
South Korea*	Magneflow	Registered	95-46,214	6/12/1995
USA	Magneflow	Registered	75/078,845	26/03/1996
USA	MFM	Registered	75/050,215	30/01/1996

* Recordal of assignment from Auburn International, Inc. to Oxford Instruments America, Inc. pending.

Bills of Materials and related drawings relating to the following products

Correflow ESM3400 and its precursors

Correflow MFM3100 and its precursors

MS2720 MagStation and its precursors in benchtop NMR analyzers for the polymer market

MM2720 MagModule and its precursors in on-line NMR analyzers

BOS1 #1279831 v2