

02-12-2004



2/10/04  
SHEET  
LY U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Comm.

102667730

attached original documents or copy thereof.

1. Name of conveying party(ies):

KORTEC, INC.

- ☐ Individual(s) ☐ Association  
☐ General Partnership ☐ Limited Partnership  
☒ Corporation-State  
☐ Other \_\_\_\_\_

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: May 27, 2003

2. Name and address of receiving party(ies)

Name: Citizens Bank of Massachusetts

Internal

Address: \_\_\_\_\_

Street Address: 28 State Street

City: Boston State: MA Zip: 02109

- ☐ Individual(s) citizenship \_\_\_\_\_  
☐ Association \_\_\_\_\_  
☐ General Partnership \_\_\_\_\_  
☐ Limited Partnership \_\_\_\_\_  
☐ Corporation-State \_\_\_\_\_  
☒ Other Massachusetts Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached? ☐ Yes ☒ No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2329613

Additional number(s) attached ☐ Yes ☒ No

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

Name: Richard J. Levin, Esq.

Internal Address: \_\_\_\_\_

Street Address: Cumsky & Levin LLP

6 University Road

City: Cambridge State: MA Zip: 02138

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- ☒ Enclosed  
☐ Authorized to be charged to deposit account

8. Deposit account number:

See O.K.

(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.

David M. Foss

Name of Person Signing

Signature

2-10-2004

Date

Total number of pages including cover sheet, attachments, and document: 8

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

TRADEMARK  
REEL: 002912 FRAME: 0248

**SECURITY AGREEMENT  
(PATENTS AND TRADEMARKS)**

**THIS SECURITY AGREEMENT** (this "**Agreement**"), dated as of the 27th day of May, 2003, is entered into by and between **KORTEC, INC.**, a Massachusetts corporation with a chief executive office and principal place of business at Cummings Center, #128Q, Beverly, Massachusetts 01915 (the "**Debtor**"), and **CITIZENS BANK OF MASSACHUSETTS**, a Massachusetts bank with a principal place of business at 28 State Street, Boston, Massachusetts 02109 (together with its successor and assigns, the "**Secured Party**").

**WHEREAS**, the Debtor has requested that the Secured Party extend a Five Million Dollar (\$5,000,000.00) revolving line of credit facility to the Debtor and, subject to the terms and conditions of this Agreement and a certain Loan and Security Agreement between Debtor and Secured Party dated as of the date hereof (the "**Loan and Security Agreement**"), the Secured Party has agreed to extend such credit facility; and

**WHEREAS**, the Debtor and the Secured Party desire to execute a supplemental security agreement to be filed with the PTO (defined below);

**NOW THEREFORE**, Debtor and Secured Party hereby agree as follows:

**SECTION 1. Definitions; Interpretation.**

(a) **Terms Defined in the Loan and Security Agreement.** All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Loan and Security Agreement.

(b) **Certain Defined Terms.** As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2 below.

"Obligations" has the meaning set forth in the Loan and Security Agreement.

"PTO" means the United States Patent and Trademark Office.

"UCC" means the Uniform Commercial Code as in effect in the Commonwealth of Massachusetts.

(c) **Terms Defined in UCC.** Where applicable in the context of this Agreement and except as otherwise defined herein or in the Loan and Security Agreement, terms used in this Agreement shall have the meanings assigned to them in the UCC.

**SECTION 2. Security Interest.**

(a) **Grant of Security Interest.** As security for the payment and performance of the Obligations, Debtor hereby grants to Secured Party a security interest in and mortgage to, all of Debtor's right, title and interest in and to the Collateral, as defined below.

For purposes of this Agreement, the term "**Collateral**" shall mean all the Debtor's present and future right, title and interest in and to any and all of its assets, whether such assets be now existing or hereafter created, acquired or arising or now or hereafter received by or belonging or owing to the Debtor,

including, without limiting the generality of the foregoing, all of the following property, whether such property be now existing or hereafter created, acquired or arising or now or hereafter received by or belonging or owing to the Debtor:

- (i) All patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including, without limitation, such patents and patent applications as are described on Schedule A attached hereto), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals extensions and continuations-in-part thereof;
- (ii) All state (including common law), federal and foreign trademarks, service marks and tradenames, and applications for registration of such trademarks, service marks and tradenames (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of verified statement of use, or the equivalent, for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including, without limitation, such marks, names and applications as are described on Schedule A attached hereto), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;
- (iii) All goodwill (including the entire goodwill of or associated with the businesses now or hereafter conducted by Debtor connected with and symbolized by any of the Collateral described in the subparagraph (ii) of this Section 2(a)), trade secrets, records, files, computer programs, and software and data, customer lists, ledger sheets, trade names, trade secrets, and copyrights;
- (iv) All general intangibles relating in any way to items (i), (ii) and/or (iii) above; and
- (v) All proceeds of Collateral of every kind and nature and in whatever form.

(b) **Continuing Security Interest.** Debtor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 11 of this Agreement.

**SECTION 3. Supplement to Loan and Security Agreement.** This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Loan and Security Agreement or other security documents referred to therein. The rights and remedies of Secured Party with respect to the security interests granted herein are in addition to those set forth in the Loan and Security Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

**SECTION 4. Representations and Warranties.** Debtor represents and warrants to Secured Party that a true and correct list of all of the existing Collateral consisting of (i) U.S. patents and patent applications or registrations owned by Debtor, in whole or in part, and (ii) U.S. trademarks, trademark registrations or applications owned by Debtor, in whole or in part, is set forth in Schedule A attached hereto. Further, the Debtor represents and warrants to Secured Party that, (a) except for the security interest granted to Secured

Party, the Debtor is the owner of all Collateral, free and clear of all liens, charges, encumbrances, set-offs, defenses and counterclaims of whatsoever kind or nature and has made and will make no assignment, pledge, mortgage, hypothecation or transfer of any Collateral or the proceeds thereof; (b) the execution and delivery of this instrument will not conflict with or contravene any contractual restriction binding on Debtor, including any license agreement relating to the Collateral or any part thereof, in any material respect; (c) there are no legal actions or administrative proceedings pending or, to the Debtor's knowledge, threatened before any court or administrative agency relating to the Collateral, or any part thereof, and (d) the Debtor will defend its title to the Collateral against the claims of all persons whatsoever.

**SECTION 5. Further Acts.** On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be reasonably necessary or advisable or may be requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO, at the expense of Debtor. In addition, Debtor authorizes Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Secured Party. If the Debtor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, the Debtor shall immediately notify Secured Party in a writing signed by the Debtor of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

**SECTION 6. Authorization to Supplement.** If Debtor shall obtain rights to any new trademarks or patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new trademarks, including any renewals or extensions of any trademark registrations, and patent rights. Without limiting Debtor's obligations under this Section 6, Debtor authorizes Secured Party unilaterally to modify this Agreement by amending Schedule A attached hereto to include any such new trademark or patent rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule A attached hereto.

**SECTION 7. Binding Effect.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder.

**SECTION 8. Governing Law.** This Agreement shall be governed by, and construed in accordance with, the law of the Commonwealth of Massachusetts, except as required by mandatory provisions of law or to the extent the perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than the Commonwealth of Massachusetts.

**SECTION 9. Amendment.** Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties hereto. Notwithstanding the foregoing, Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement Schedule A hereto as provided in Section 6 hereof. To the extent that any provision of this Agreement conflicts with any provision of the Loan and Security Agreement, the provision giving Secured Party greater rights or remedies shall govern, it

being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Loan and Security Agreement.

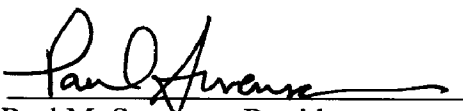
**SECTION 10. Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

**SECTION 11. Termination.** Upon payment and performance in full of all Obligations, the security interests created by this Agreement shall terminate and Secured Party (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO.

**SECTION 12. Severability.** If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement, as of the date first above written.

DEBTOR:  
**KORTEC, INC.**

By:   
Paul M. Swenson, President

SECURED PARTY:  
**CITIZENS BANK OF MASSACHUSETTS**

By: \_\_\_\_\_  
Nathan E. Pusey, Vice President

**SCHEDULE A****Patents and Trademarks of Kortec, Inc.**

| <b>Patent Title</b>  | <b>Patent Application No.</b> | <b>Patent Granted</b> | <b>Patent Number</b> |
|--|-------------------------------|-----------------------|----------------------|
| Apparatus for throttle-valving control for the co-extrusion of plastic materials as interior core streams encased by outer and inner streams for molding and the like  | N/A                           | 6/22/1999             | 5,914,138            |
| Method of throttle-valving control for the co-extrusion of plastic materials   | N/A                           | 2/13/2001             | 6,187,241            |
| Method Of And Apparatus For Molding Multi-Layer Polymer Plastic Articles Having, Inner, Outer and Interior Or Core Layers with Control Relative Volumetric Flow Rates Of The Inner And Outer Layers, Enabling Relative Shifting Of The Position Of The Core Layer And Control Of The Relative Thickness Of The Inner And Outer Layers In The Molded Articles | 09/826,254                    |                       |                      |
| Method Of And Apparatus For Molding Multi-Layer Polymer Plastic Articles Having, Inner, Outer and Interior Or Core Layers With Control Relative Volumetric Flow Rates Of The Inner And Outer Layers, Enabling Relative Shifting Of The Position Of the Core Layer And Control Of The Relative Thickness Of The Inner And Outer Layers In the Molded Articles | 10/350,861                    |                       |                      |
| Method and Apparatus For Using a Sprue to Reduce The Size Of A Core Layer Hole In An Injection Molding Process   | 09/919,270                    |                       |                      |
| Optimized Flow to Prevent Core Layer Breakthrough  | 60/353,596                    |                       |                      |
| Four Layer Nozzle for Forming Four Layer Articles  | 60/353,408                    |                       |                      |
| Method and Apparatus for Multilayer Thickness Measurement (U.S. Provisional Application)   |                               |                       |                      |

## Trademark

| Trademark                          | Filing Date | Reg. Number |
|------------------------------------|-------------|-------------|
| Kortec (U.S. filing)               | 05/10/99    | 2329613     |
| Kortec (Canada filing)             | 04/14/99    | TMA545526   |
| Kortec (Czech Republic filing)     | 04/03/02    | 250984      |
| Kortec (Hungary filing)            | 04/03/02    | M 02 1662   |
| Kortec (Poland filing)             | 04/10/02    | 248985      |
| Kortec (European Community filing) | 10/01/99    | 1221910     |
| Kortec (Japan Filing)              | 05/12/99    | H11-042023  |

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