

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Kortec, Inc.		09/16/2005	CORPORATION: MASSACHUSETTS

RECEIVING PARTY DATA

Name:	Ampersand 2001 Limited Partnership
Street Address:	55 William Street
Internal Address:	Suite 240
City:	Wellesley
State/Country:	MASSACHUSETTS
Postal Code:	02481
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

Name:	Ampersand 2001 Companion Fund Limited
Street Address:	55 William Street
Internal Address:	Suite 240
City:	Wellesley
State/Country:	MASSACHUSETTS
Postal Code:	02481
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	2329613	KORTEC

CORRESPONDENCE DATA

Fax Number: (617)248-4000
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 6172485000
 Email: tadmin@choate.com

OP \$40.00 2329613

Correspondent Name: Deborah B. Uluer
Address Line 1: Two International Place
Address Line 2: Attn: Trademark Administrator
Address Line 4: Boston, MASSACHUSETTS 02110

NAME OF SUBMITTER:	Jennifer Lynch
Signature:	/Jennifer Lynch/
Date:	09/23/2005

Total Attachments: 11
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**SECURITY AGREEMENT
(PATENTS AND TRADEMARKS)**

THIS SECURITY AGREEMENT (this "**Agreement**"), dated as of the 16th day of September, 2005, is entered into by and between **KORTEC, INC**, a Massachusetts corporation with a chief executive office and principal place of business at 29 Old Right Road, Ipswich, Massachusetts 01938 (the "**Debtor**"), and **AMPERSAND 2001 LIMITED PARTNERSHIP** and **AMPERSAND 2001 COMPANION FUND LIMITED PARTNERSHIP**, each a Delaware limited partnership having a principal place of business at 55 William Street, Suite 240, Wellesley, Massachusetts 02481 (collectively, together with their successor and assigns, the "**Secured Party**").

WHEREAS, the Debtor has requested that Secured Party extend a Six Million Two Hundred Forty-Six Thousand Two Hundred Sixty-Two and 00/100 Dollars (\$6,246,262) term loan to the Debtor and, subject to the terms and conditions of this Agreement and a certain Loan Agreement between Debtor and Secured Party dated as of the date hereof (the "**Loan Agreement**"), Secured Party has agreed to extend such credit facility; and

WHEREAS, the Debtor and 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 Agreement.** All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Loan 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.

"Event of Default" has the meaning set forth in the Loan Agreement.

"Obligations" has the meaning set forth in the Loan 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 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 14 of this Agreement

SECTION 3. Supplement to Loan Agreement. This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Loan 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 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; (d) the Debtor will defend its title to the Collateral against the claims of all persons whatsoever; (e) the Collateral is valid and enforceable; and (f) Debtor has no knowledge of any claim that the use of any of the Collateral does or may violate the rights of any third party

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 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. Covenants Debtor covenants and agrees that from and after the date of this Agreement and until the Obligations are satisfied in full:

(a) Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, except for licenses granted in the ordinary course of business consistent with past practice, provided no Event of Default has occurred and is continuing and except as permitted herein, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party, which consent will not be unreasonably withheld or delayed. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action. Debtor will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove, any lien, claim or right, in or to the Collateral.

(b) Debtor shall notify Secured Party promptly if it knows or has reason to know that any application for or issued Collateral may become abandoned, or of any materially adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO or any similar federal or foreign office or agency and any court) regarding Debtor's ownership of any Collateral or its right to keep and maintain the same.

(c) Debtor will take all commercially reasonable actions, including, without limitation, in any proceeding before the PTO or any similar federal or foreign office or agency to maintain and pursue each application (and to obtain the relevant issuance of a patent or trademark) and to maintain the Collateral, including, without limitation, filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and payment of maintenance and other fees to preserve the registration of the Collateral.

(d) If Debtor becomes aware that any of the Collateral is infringed by a third party, Debtor shall notify Secured Party promptly after it learns thereof and shall, unless consented to by the Secured Party, promptly take all commercially reasonable action to enforce its rights in the Collateral, including bringing suit for infringement and to recover any and all damages for such infringement.

(e) Debtor shall not use the Collateral in any manner that would jeopardize the validity or legal status thereof. Debtor shall comply with all patent marking requirements as specified in 35 U.S.C. § 287. Debtor shall further conform its usage of any trademarks to standard trademark usage, including, but not limited to, using the trademarks symbols ®, ™, and SM where appropriate.

SECTION 7. Right to Inspect Debtor hereby grants to Secured Party the right, during regular business hours, to visit any location of Debtor or, if applicable, any other location, and to inspect the prosecution history files, products and quality control records relating to the Collateral. Any such inspection is subject to execution of an appropriate confidentiality agreement with respect to such inspection that is in a form mutually agreeable to the Secured Lender and the Debtor.

SECTION 8. 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 8, 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 9. Remedy Upon an Event of Default.

(a) If an Event of Default occurs and is continuing, Secured Party may, at its sole discretion, elect to take title to the Collateral, in which case the Assignment attached hereto as Exhibit A shall become effective and shall be released from escrow to Secured Party.

(b) If Secured Party does not elect to take title to the Collateral, then, for the purpose of enabling Secured Party to exercise rights and remedies under this Agreement and the Loan Agreement at such time as Secured Party shall be lawfully entitled to exercise such rights and remedies and for no other purpose, Debtor hereby grants to Secured Party an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Debtor) to use, assign or sublicense any of the Collateral, now owned or hereafter acquired by Debtor, and wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

SECTION 10. 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 11. 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 12. 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 8 hereof. To the extent that any provision of this Agreement conflicts with any provision of the Loan 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 Agreement.

SECTION 13. 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 14. 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 15. 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
Paul M. Swenson, President

SECURED PARTY:

AMPERSAND 2001 LIMITED PARTNERSHIP

By: AMP-01 Management Company Limited Liability
Company, its General Partner

By: _____
Charles D. Yie
Managing Member

**AMPERSAND 2001 COMPANION FUND LIMITED
PARTNERSHIP**

By: AMP-01 Management Company Limited Liability
Company, its General Partner

By: _____
Charles D. Yie
Managing Member

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:

AMPERSAND 2001 LIMITED PARTNERSHIP

By: AMP-01 Management Company Limited Liability
Company, its General Partner

By: Charles D. Yie
Charles D. Yie
Managing Member

**AMPERSAND 2001 COMPANION FUND LIMITED
PARTNERSHIP**

By: AMP-01 Management Company Limited Liability
Company, its General Partner

By: Charles D. Yie
Charles D. Yie
Managing Member

**EXHIBIT A
FORM OF ASSIGNMENT**

THIS DOCUMENT SHALL BE HELD BY SECURED PARTY IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE SECURITY AGREEMENT (THE "AGREEMENT"), DATED AS OF _____ AND EXECUTED BY KORTEC, INC., A MASSACHUSETTS CORPORATION ("DEBTOR"), IN FAVOR OF AMPERSAND 2001 LIMITED PARTNERSHIP AND AMPERSAND 2001 COMPANION FUND LIMITED PARTNERSHIP (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "SECURED PARTY"), BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF SECURED PARTY CERTIFIES THAT AN EVENT OF DEFAULT, AS DEFINED IN THE AGREEMENT, HAS OCCURRED AND THAT SECURED PARTY HAS ELECTED TO TAKE POSSESSION OF THE COLLATERAL, AS DEFINED BELOW, AND TO RECORD THIS DOCUMENT WITH THE USPTO. UPON RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE ("USPTO"), THIS LEGEND SHALL, CEASE TO HAVE ANY FORCE OR EFFECT

As Secured Party

By: _____
Name: _____
Title: _____
Date: _____

ASSIGNMENT

WHEREAS, Kortec, Inc., a Massachusetts corporation, ("*Debtor*"), is the owner of the Collateral, as hereinafter defined;

WHEREAS, Debtor has executed a Security Agreement, dated as of _____ (as the same may from time to time be amended, restated or otherwise modified, the "*Agreement*"), in favor of Secured Party, pursuant to which Debtor has granted to Secured Party a security interest in the Collateral as security for the Obligations, as defined in the Agreement;

WHEREAS, the Agreement provides that the security interest in of the Collateral is effective as of the date of the Agreement;

WHEREAS, the Agreement provides that this Assignment shall become effective upon the occurrence of an Event of Default, as defined in the Agreement, and Secured Party's election to take actual title to the Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Debtor, its successors and assigns, subject to the limitations stated in the paragraph immediately following, does hereby transfer, assign and set over unto Secured Party, and its respective successors, transferees and assigns, whether now owned or hereafter acquired, existing and future: (a) (i) all registered and unregistered copyrights and copyrightable works now existing or hereafter adopted or acquired, all federal registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States or legal equivalents in a foreign country that may be issued and all renewals thereof; (ii) any license or other written agreement granting any right in any copyright, copyrightable work or copyright registration, as the same may from time to time be amended or supplemented; (iii) goodwill associated with any of the foregoing; and (iv) with respect to the foregoing, all proceeds thereof together with the right to recover for past, present and future infringements, (b) (i) all letters patent of the United States, any political subdivision thereof or any other countries, all registrations and recordings thereof, and all applications for letters patent of the United States or legal equivalents in a foreign country that may be issued including, without limitation, registrations, applications, disclosures or foreign equivalents and all extensions, reissues, divisions,

continuations and continuations-in-part related thereto, including any foreign patent applications that may be filed thereon and all inventions and improvements described in the patents; (ii) any license or written agreement granting any right to practice any invention on which a patent is in existence, as the same may from time to time be amended or supplemented; (iii) goodwill associated with any of the foregoing; and (iv) with respect to the foregoing, all proceeds thereof together with the right to recover for past, present and future infringements; and (c.) (i) all registered or unregistered trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, all registrations and recordings thereof, and all applications in connection therewith (other than "intent to use" applications until a verified statement of use is filed with respect to such applications), in the USPTO or in any similar office or agency of the United States or any State thereof or legal equivalents in a foreign country that may be issued; (ii) all reissues, extensions or renewals thereof; (iii) any license or other written agreement granting any right to use any trademark or trademark registration, as the same may from time to time be amended or supplemented; (iv) the goodwill of the business associated with the foregoing; and (v) with respect to the foregoing, all proceeds thereof together with the right to recover for past, present and future infringements (collectively, the "Collateral"), including, but not limited to, the Collateral listed on Schedule A hereto that is registered in the USPTO or with the Copyright Office in Washington D.C. or that is the subject of pending applications in the USPTO or with the Copyright Office.

This Assignment shall be effective only upon certification of an authorized officer of Secured Party, as provided above, that (a) an Event of Default, as defined in the Agreement, has occurred, and (b) Secured Party has elected to take actual title to the Collateral.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its duly authorized officer on

ATTEST:

Print Name: _____

Print Name: _____

By: _____
Name: _____
Title: _____

SCHEDULE A

Patents and Trademarks of Kortec, Inc.

Patents

Patent Title	Patent Application No.	Patent Granted	Patent Number
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 Molding Multi-Layer Polymer Plastic Articles With Control Of Relative Shifting Of The Core Layer	N/A	7/22/03	6,596,213
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	N/A	11/18/03	6,649,101
Optimized Flow to Prevent Core Layer Breakthrough	N/A	1/31/03	6,908,581
Four Layer Nozzle for Forming Four Layer Articles	60/353,408		
3M4L Four Layer Nozzle for Forming Four Layer Articles	10/355,351		
Method and Apparatus for Multilayer Thickness Measurement (U.S. Provision Application)	10/828,389		
Apparatus and Method For Fluid Distribution	10/851,610		
Co-Injection Nozzle With Improved Interior Layer Termination And Method OF Using Same	10/851,284		
Multilayer Injection Molding Apparatus Having Automatic Process Control	10/920,725		

Trademarks

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	176494
Kortec (Poland filing)	04/10/02	248985
Kortec (European Community filing)	10/01/99	1221910
Kortec (Slovak Republic filing)	10/07/03	204165-KORTEC
Kortec (Brazil filing)	09/02/03	821904.027
Kortec (Israel filing)	05/05/03	156095
Kortec (Korea filing)	05/16/03	548152
Kortec (South Africa filing)	06/10/02	1999/08967
Kortec (Australia filing)	05/17/99	794,324
Kortec (China filing)	10/28/00	1466624
Kortec (Mexico filing)	06/04/99	649,217