

04-27-2000

Docket No.: 1758.008[US]; 1268.009[US]



101335847

copy thereof.

To the Honorable Commissioner of Patents and Trademarks:

1. Name of conveying party(ies):

Name: Byron A. Donzis

- Individuals
- General Partnership
- Corporation
- Other
- Association
- Limited Partnership

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

2. Name and address of receiving party(ies):

Biopolymer Engineering, Inc.  
Street Address: 445 Etna Street, Suite 58

City: St. Paul State: MN ZIP: 55106

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

If assignee is not domiciled in the United States

domestic representative designation

Yes

(Designations must be a separate doc)

04-03-2000

U.S. Patent & TMO/TM Mail Rcpt Dt. #22

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: September 15, 1999

Additional name(s) & address(es):

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

A. Trademark Application No.(s)

B. Trademark registration No.(s) 2,004,767

Additional numbers attached?  Yes  No

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

Name: Frank S. Farrell

Address: Schwegman, Lundberg & Woessner, P.A.  
1600 TCF Tower  
121 South 8th Street  
Minneapolis, MN 55402

6. Total number of applications and patents involved: 1

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

- Enclosed
- Authorized to be charged to deposit account

8. Please charge any additional fees or credit any overpayments to our Deposit account number:

19-0743

(A duplicate copy of this page is attached.)

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.

Frank S. Farrell  
Name of Person Signing

[Signature]  
Signature

3/29/2000  
Date

Total number of pages including cover sheet: 4

OMB No. 1651-0011 exp. 4/94

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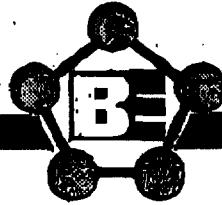
Mail documents to be recorded with required cover sheet information to:

14/29/2000 DINGBYEN 00000226 2004767

Commissioner of Patents and Trademarks  
Box Assignments  
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BIOPOLYMER

ENGINEERING

November 11, 1999

The following Trademarks and Patents have been included as part of the License Agreement signed on September 30, 1999 by and between Byron A. Donzis and Biopolymer Engineering Inc.

## 1. TRADEMARKS

- Sun Health 2,138,116
- Skin Health 2,004,767
- Fibersan 2,229,420

## 2. PATENT'S

- Solubilized Yeast Glucan 5,519,009
- Metodo Para Revitalizar L Piel Aplicando, Topicamente, Glucano Insoluble En Agua (Mexican Patent) 183058
- Insoluble Yeast Extract (Canadian Patent) 2,072,145
- Photoprotective Composition Containing Yeast Extract 5,397,773
- Substantially Purified Beta (1,3) Finely Ground Yeast Cell Wall Glucan Composition With Dermatological and Nutritional Uses 5,576,015
- Substantially Purified Beta (1,3) Finely Ground Yeast Cell Wall Glucan Composition With Dermatological and Nutritional Uses 5,705,184
- Substantially Purified Beta (1,3) Finely Ground Yeast Cell Wall Glucan Composition With Dermatological and Nutritional Uses 5,702,719

*Byron A. Donzis*

Byron A. Donzis

11-12-99

Date

*Daniel K. Conners*

Daniel K. Conners

Nov 12, 1999

Date

**Agreement Between  
Biopolymer Engineering, Inc. (BEI),  
Byron Donzis (BD), and  
Immune Health Systems, Inc. (IHS)**

BEI, IHS and BD hereby mutually agree to the following:

1. BEI will acquire from IHS and BD all inventories of Beta Glucan, Grapefruit seed extract, chitosan and low ph water based products and the related components currently owned by IHS and BD. This inventory is valued at \$20,000 as of September 15, 1999. This value is based upon the actual landed costs of the inventory. A complete detail of this inventory will be provided to BEI no later than within 10 days of this agreement. This \$20,000 will be paid to IHS and BD at the time the inventory is transferred to BEI.
2. BEI will acquire the web site(s) established by IHS and BD under the immunehealthsystems.com and slimhealth.com URL's. BEI will reimburse IHS and BD \$20,000 in web site development fees for these sites and will assume all expenses associated with their continued maintenance. This \$20,000 will be paid in 15 equal monthly payments beginning in month 4 after this agreement.
3. BEI will retain BD as an exclusive consultant on an annual, renewable basis for a fee of \$150,000 per year. This agreement will renew automatically each year as long as the technology license agreements contained herein are in force. This consulting agreement will be exclusive, restricting BD from providing such services to any entity other than BEI and also contain a non-compete provision whereby BD will not compete with BEI in any Beta Glucan, Grapefruit Seed Extract or Chitosan markets. BD duties under this consulting contract will be to provide new product development, sales and marketing assistance, scientific expertise, generate (write and secure) additional beta glucan patents on BEI behalf and provide general business advisory services to BEI as well as any other service that both BEI and BD mutually agree upon. This consulting agreement will begin immediately upon the conclusion of the license agreement and will call for equal bi-weekly payments of \$6,250 paid on the 1<sup>st</sup> and the 15<sup>th</sup> day of each month in which services are rendered. However, after the 10<sup>th</sup> month, in the event that the actual sales of beta glucan based products by BEI falls below \$50,000 in that month, BEI may, at its discretion, pay 50% of this fee in its common stock rather than cash. BD may at anytime elect to receive 50% of this fee in BEI stock. If BEI or BD elects to pay/receive stock, the stock will be valued at the greater of \$5.00 per share or the share price of the last commercial sale of BEI stock.
4. BEI will license from IHS and BD the following \_\_\_ patents: *(list of patent numbers and names to be provided tomorrow)* This license grants BEI the exclusive, worldwide use of these patents and further allows BEI to enter into sub-license agreements with others. BEI will pay IHS and BD a royalty fee equal to 10% of the gross sales of products sold under this patent authority and 50% of any sub-license fee, less reasonable legal expenses incurred to establish the sub-license arrangement, it receives from the sub-license of these patents. IHS and BD represent that they have not entered into any other arrangement that calls for the sub-license of these patents to any other entity nor have they authorized, either verbally or in writing, any entity to utilize these patents, other than BEI as established in this agreement.

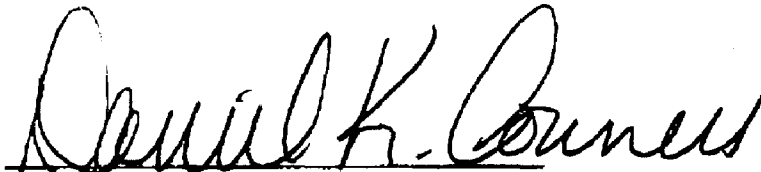


5. BD and IHS will grant BEI the official and exclusive use of the names "Immune Health Systems", "Skin Health", "Sun Health", "Pet Health" and "Slim Health", as well as others owned by BD and IHS, a complete list to be provided BEI within 10 days. Where applicable, this will also include BD and IHS assigning any trademark associated with such name to BEI.
6. As an inducement to BD to enter into these related agreements, BEI will grant BD 20,000 shares of BEI common stock at closing. In addition, during the first 24 months after the conclusion of this agreement, BEI will grant BD warrants to purchase up to 24,000 shares of BEI common stock, 1000 warrants granted for each month whereby BEI's beta glucan sales exceed the following:
  - \$75,000 for months 1 through 6
  - \$150,000 for months 7 through 18
  - \$250,000 for months 19 through 24.

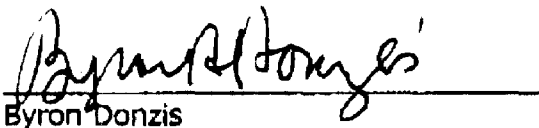
Total available warrants during this period will allow for BD to acquire up to an additional 24,000 shares of BEI common stock. These warrants will be valid for 36 months following the end of the 24-month term, in which they are earned. The exercise price for these warrants will be \$5.00 per share.

The parties acknowledge that these agreements will require the drafting and execution of more formal legal documents representing the terms contained herein and they agree to work to complete these agreements within the following 2 weeks.

Agreed to this 15<sup>th</sup> day of September 1999 by:



Daniel K. Conners  
President  
Biopolymer Engineering, Inc.  
A Minnesota Corporation



Byron Donzis



Byron Donzis  
President  
Immune Health Systems, Inc.  
A Nevada Corporation