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

102162651 TRADEMARKS

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

Tab settings

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

1. Name of conveying party(ies): Gum Tech International, Inc. 7-15-02 [ ] Individual(s) [ ] Association [ ] General Partnership [ ] Limited Partnership [X] Corporation-State - Utah [ ] Other Additional name(s) of conveying party(ies) attached? [ ] Yes [X] No

2. Name and address of receiving party(ies) Name: Comerica Bank - California Internal Address: Street Address: 400 E. Van Buren, Ste 900 City: Phoenix State: AZ Zip: 85004 [ ] Individual(s) citizenship [ ] Association [ ] General partnership [X] Corporation-State California [ ] Other 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

3. Nature of conveyance: [ ] Assignment [ ] Merger [X] Security Agreement [ ] Change of Name [ ] Other Execution Date: June 5, 2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 76/388,880 B. Trademark Registration No.(s) 2,274,622; 2,281,728; and 2,274,623 Additional number(s) attached [ ] Yes [X] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Glenn Spencer Bacal Internal Address: Quarles & Brady Streich Lang, LLP Street Address: One Renaissance Square Two North Central Avenue City: Phoenix State: AZ Zip: 85004

6. Total number of applications and registrations involved: 4 7. Total fee (37 CFR 3.41) \$115.00 [ ] Enclosed [X] Authorized to be charged to deposit account 8. Deposit account number: 17-0055

DO NOT USE THIS SPACE

9. Signature: Glenn Spencer Bacal Signature: [Handwritten Signature] Date: July 15, 2002 Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 10 Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

OFFICE OF PUBLIC RECORDS 2002 JUL 15 AM 9:15 FINANCE SECTION

07/19/2002 TDIAZI 00000207 170055 76388880 01 FC:481 40.00 CH 02 FC:482 75.00 CH

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (hereinafter "Agreement") is made as of the 29th day of May, 2002, by and between GUM TECH INTERNATIONAL, INC., a Utah corporation ("Debtor"), whose address is 2375 East Camelback Road, Suite 500, Phoenix, Arizona 85016, and COMERICA BANK – CALIFORNIA, successor by merger to Imperial Bank, a California banking corporation ("Bank"), whose address is 400 East Van Buren, Suite 900, Phoenix, Arizona 85004, Attention: Conrad Morin.

## W I T N E S S E T H:

WHEREAS, Debtor and Gel Tech, L.L.C., an Arizona limited liability company ("Gel Tech" and collectively with Debtor, the "Borrower"), and Bank have entered into a Credit Agreement (as amended, modified or restated, the "Credit Agreement") dated as of May 29, 2002, the entire text of which (including all defined terms) is incorporated herein by this reference;

WHEREAS, it is a condition precedent to the Bank's willingness to enter into the Credit Agreement that the Debtor execute and deliver this Agreement to the Bank; and

WHEREAS, the Debtor wishes to grant security interests in favor of the Bank as herein provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Debtor by these presents does hereby grant to the Bank, its successors, assigns, and legal representatives, a security interest in all of Debtor's present and future right, title, and interest in, to, and arising under or in connection with the following property (the "Collateral"):

(i) All Patents, including without limitation those referred to in Schedule "A" attached hereto;

(ii) All Trade Secrets;

(iii) All of the goodwill associated with the Patents and the Trade Secrets;

(iv) All Patent Rights associated with the foregoing, including without limitation all Patent Rights associated with any Patent referred to in Schedule "A";

(v) All U.S. trademark applications and U.S. trademark registrations ("Trademarks"), if any, referred to in Schedule "B" attached hereto; and

(vi) All U.S. copyright applications and U.S. copyright registrations ("Copyrights"), if any, referred to in Schedule "C" attached hereto.

where:

"Patents" means all past, present or future letters patent of the United States and any foreign jurisdictions (and all reissues, divisions, continuations, renewals, extensions and extensions-in-part thereof and all improvements thereof), and all past, present and future applications for letters patent in the United States or any foreign jurisdiction, including without limitation all inventions disclosed in applications for letters patent, and any and all original reissue letters patent, together with the right (but not the obligation) to apply (and prosecute such applications) in the name of the Debtor for any such letters patent which may be granted for any inventions and to take any and all actions necessary or appropriate to maintain in effect and/or renew and extend such letters patent;

"Patent Rights" means any and all past, present or future rights in, to and associated with the Patents and the Trade Secrets throughout the world, whether arising under federal law, foreign law or otherwise, including the following: the right (but not the obligation) to register claims under any federal law, foreign law or otherwise, including the following: the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Debtor or the Bank for any and all past, present and future infringements or dilution of or any other damages or injury to the Patents, the rights referred to above in this definition or any goodwill associated therewith; the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and all other proceeds of the Patents and Trade Secrets, including without limitation license royalties; and

"Trade Secrets" means all trade secrets, inventions, products, processes, methods, concepts, techniques, formulas, plans and data, whether or not patentable, owned by Debtor or as to which Debtor has any right or claim.

2. The Debtor agrees that, upon its commencement of, use of, or acquisition of any right, title or interest in or to any Patents or Patent Rights or Trademarks or Copyrights other than the Patents and Patent Rights set forth on Schedule "A" (including any variations or new versions of such scheduled Patents and Patent Rights) and the Trademarks set forth on Schedule "B" and the Copyrights set forth on Schedule "C", the provisions of this Agreement shall automatically apply thereto. The Debtor further agrees to notify the Bank upon the Debtor's acquisition, or the filing by the Debtor of any application for registration, of any Patent, Trademark, Copyright or other intellectual property for which registration is available. The Bank shall be authorized to amend Schedules "A", "B" and "C" to include such additional Patents and Patent Rights or Trademarks or Copyrights, with reasonable notice to the Debtor but without the necessity for the Debtor's approval of or signature to such amendment, and the Debtor shall do all such other acts (at its own expense) deemed necessary or appropriate by the Bank, acting reasonably to implement and preserve the Bank's interest therein (including but not limited to executing and delivering, and recording in all places where this Agreement or notice hereof is recorded, an appropriate counterpart of or supplement or amendment to this Agreement.

3. The Debtor represents and warrants to, and covenants with, the Bank as follows:

(a) The Debtor is, and shall continue to be, the lawful owner of the entire right, title and interest in and to the Collateral, subject to the intellectual property rights of Zensano, Inc. under that certain Intellectual Property Development and License Agreement dated effective May 21, 1999 among the Debtor, Gel Tech and Bio-Delivery Technologies, Inc. (of which Zensano, Inc. is the lawful successor), as amended by that certain Confidentiality and Non-Competition Agreement dated as of December 5, 2001 among Zengen, Inc., Zensano, Inc., the Debtor, Gel Tech and certain individuals (the "Zensano License"), with full power and authority to execute this Agreement and perform its obligations hereunder, and to subject the Collateral to the security interest granted hereunder.

(b) Except for the Zensano License, the Debtor has, and shall continue to have, the right to the exclusive use of the Collateral in the manner in which it is currently used by the Debtor and any licensees in the United States and throughout the world, free and clear of any mortgage, pledge, liens security interest, charge or other encumbrance or any other claim or right of any other party, including without limitation licenses, shop rights and covenants not to sue, except the security interest herein provided.

(c) Except with the Bank's prior written consent (not to be unreasonably withheld), the Debtor shall promptly apply for and obtain all renewals or extensions of the Patents to the fullest extent permitted by law.

(d) There has been no decision adverse to the Debtor's claim of ownership or enforceability of the Collateral and there is no proceeding involving such rights threatened or pending in the United States Patent and Trademark Office or any court, except for the litigation previously disclosed by the Debtor in its annual reports on Form 10-K and quarterly reports on Form 10-Q through and including the year ended December 31, 2001.

(e) The Debtor shall promptly notify the Bank of any final determination by the United States Patent and Trademark Office or any court regarding any Debtor's claim of ownership or enforceability of any of the Collateral, or the denial of any patent applications where such determination or denial would have a material adverse effect on the Debtor's business.

(f) The Debtor shall defend the Patents against all claims and demands of all Persons at any time claiming the same or any interests therein adverse to the Bank. Until the Obligations shall have been satisfied in full, the Debtor shall not pledge, mortgage or create, or suffer to exist any security interest in the Patents, other than (i) the security interests in favor of the Bank, (ii) the Zensano License and (iii) licenses granted after the date hereof. All licenses granted after the date hereof shall be subject to the Bank's rights in the Collateral granted under this Agreement. No license shall be granted after the date hereof without prior written notice to the Bank.

(g) No financing statement, security agreement, assignment, license or transfer (other than that which may have been filed on behalf of the Bank) covering any of the Collateral is on file in any public office.

4. The Debtor hereby authorizes and empowers Bank, upon the occurrence of any Event of Default under the Credit Agreement, to make, constitute and appoint any officer or agent of the Bank as it shall select, in its exclusive discretion, as the Debtor's true and lawful attorney-in-fact, with the power to endorse the Debtor's name, on all applications, documents, paper and instruments necessary for the Bank to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any third person, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to any third person. The Debtor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest, shall be irrevocable for the life of this Agreement and is in addition to, and not mutually exclusive with, any other powers of attorney provided under the Security Documents.

5. All notices under this Agreement shall be made in a manner provided in the Credit Agreement.

6. This Agreement shall remain in full force and effect until the occurrence of both of the following events, at which time the Bank's rights and the Debtor's obligations hereunder will automatically terminate and be of no further force or effect:

(a) the expiration or earlier termination of the Credit Agreement (including any extension or renewal thereof) and the corresponding termination of all of the Bank's credit obligations of every kind and character to Borrower existing under the Credit Agreement (including any such extension or renewal), including but not limited to the obligation to make loans or otherwise extend credit, letters of credit, and all commitments to extend credit facilities to Borrower; and


(b) the repayment by Borrower of all indebtedness and related payment obligations under or in connection with the Credit Agreement (including any extension or renewal thereof).

7. Debtor hereby authorizes and requests the Commissioner of Patents and Trademarks to record this Agreement for the sole benefit of the Bank, its successors, assigns and legal representatives. Bank hereby agrees that the security interest granted hereby by Debtor to Bank is not a current assignment of Debtor's right, title and interest in the Collateral.

8. Debtor hereby agrees, upon request of the Bank, and without further remuneration, to promptly provide the Bank with all pertinent facts and documents relating to the Collateral as may be known and accessible to Debtor and to testify as to the same in any litigation or proceeding related thereto and to promptly execute and deliver to the Bank or its legal representatives any and all papers, instruments or affidavits required to maintain and enforce the Collateral as may be necessary or desirable to carry out the purpose of this Agreement.


IN WITNESS WHEREOF, this Agreement is executed and delivered and becomes effective on the date set forth above.

COMERICA BANK – CALIFORNIA, successor by merger to Imperial Bank, a California banking corporation

By:   
Name: CONRAD MORIN  
Title: CORPORATE BANKING OFFICER

Bank

GUM TECH INTERNATIONAL, INC., a Utah corporation

By:   
Name: William J. Hemelt  
Title: Executive Vice President, CFO, Treasurer and Secretary

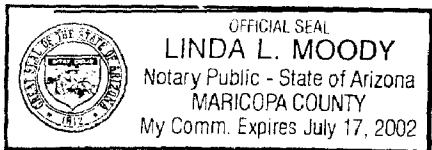
Debtor

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 5 day of June, 2002, before me, a notary public in and for said county, appeared Conrad Marin, the Corporate Banking Officer of COMERICA BANK - CALIFORNIA, successor by merger to Imperial Bank, a California banking corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, and he/she acknowledged that he/she signed, sealed and delivered the said instrument as his/her free and voluntary act for the uses and purposes therein set forth.

Linda L. Moody  
Notary Public

My commission expires:



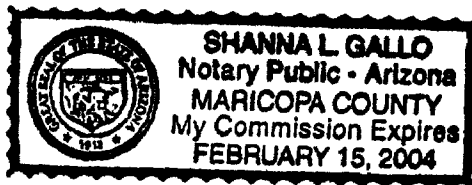
STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 29<sup>th</sup> day of May, 2002, before me, a notary public in and for said county, appeared William Hemelt, the Exec. VP, CFO of GUM TECH INTERNATIONAL, INC., a Utah corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, and he acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act for the uses and purposes therein set forth.

Shanna L. Gallo  
Notary Public

My commission expires:

2/15/04



**SCHEDULE "A"**

**PATENTS**

None.



**SCHEDULE "B"**

**TRADEMARKS**

**Federal:**

<b>MARK</b>	<b>SERIAL NO.</b>	<b>REG. NO.</b>	<b>STATUS</b>
GUM TECH	75/577,491	2,274,622	Registered
GLOBE DESIGN	75/577,490	2,281,728	Registered
SCIENCE FOR HEALTH AND FITNESS	75/577,492	2,274,623	Registered
MATRIX	76/388,880	N/A	Pending

**Utah:**

UT008691 - GTI GUM TECH INTERNATIONAL

**SCHEDULE "C"**

**COPYRIGHTS**

None.

STEVENG\PHX\1179475.2

**RECORDED: 07/15/2002**

**TRADEMARK  
REEL: 002546 FRAME: 0619**