

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Primex ehf		04/30/2004	COMPANY: ICELAND

RECEIVING PARTY DATA	
Name:	Vanson HaloSource, Inc.
Street Address:	14716 NE 87th Street
City:	Redmond
State/Country:	WASHINGTON
Postal Code:	98052
Entity Type:	CORPORATION: WASHINGTON

PROPERTY NUMBERS Total: 2		
Property Type	Number	Word Mark
Registration Number:	2454595	LIPOSAN
Serial Number:	78167960	LIPOSAN ULTRA

CORRESPONDENCE DATA	
Fax Number:	(206)224-0779
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	206.682.8100
Email:	efiling@cojk.com
Correspondent Name:	Jerald E. Nagae
Address Line 1:	1420 Fifth Avenue, Suite 2800
Address Line 4:	Seattle, WASHINGTON 98101-2347

ATTORNEY DOCKET NUMBER:	VANS-5-11071
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NAME OF SUBMITTER:	Barbara J. Lang
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Total Attachments: 6 source=11071document1#page1.tif source=11071document2#page1.tif source=11071document3#page1.tif

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PATENT AND TRADEMARK SECURITY AGREEMENT

This Security Agreement is entered into as of the date last written below by and between Vanson HaloSource, Inc., a Washington corporation, having a business address of 14716 NE 87th Street, Redmond, WA 98052 (hereinafter "Vanson"), and Primex ehf, having a business address of Oskarsgata 7, IS-580 Siglufjordur, Iceland (hereinafter the "Primex").

1. Recitals

- 1.1 Primex is obligated to make certain periodic payments to Vanson for the purchase from Vanson of certain patents and trademark rights set forth in Schedule I, attached (the "Intellectual Property") pursuant to Section 1.1 of a certain Asset Purchase Agreement being concurrently executed by the parties with this Security Agreement.
- 1.2 Vanson desires to obtain a security interest in the Intellectual Property being sold to Primex under the Asset Purchase Agreement to secure the obligation of Primex to make periodic payments for the Intellectual Property being sold by Vanson to Primex, and Primex is willing to grant such security interest.

IT IS THEREFORE AGREED:

2. Grant. To secure the obligation of Primex to Vanson as described above, Primex hereby grants to Vanson a security interest in the Intellectual Property, as and by way of a first mortgage and first lien security interest having priority over all other security interests, with power of sale of the extent permitted by law.
3. Schedule of Intellectual Property. The Intellectual Property which is subject to the security interest created by this Security Agreement consists of those patents, patent applications, trademark applications and trademark registrations listed in Schedule I, attached.
4. Default. If Primex, or its successors, assigns, or other legal representatives, defaults in its payment obligations set forth in the Asset Purchase Agreement, the assignment of the Intellectual Property from Vanson to Primex shall become null and void and of no effect, and all right, title, and interest conveyed or intended to be conveyed in such Intellectual Property shall revert to Vanson, its successors, assigns or their legal representatives. Moreover, Vanson shall be entitled to any and all remedies available under the Uniform

Commercial Code in force in the District of Columbia, as well as all other applicable laws of all applicable jurisdictions, as of the date of default.

5. Cumulative Remedy Power of Attorney. Primex hereby designates and appoints Vanson as Primex's true and lawful attorney-in-fact and authorizes Vanson to take any action and execute any documents which Vanson deems reasonably necessary or advisable to accomplish the purposes of this Security Agreement should Primex be in default of the Asset Purchase Agreement or this Security Agreement, including to assign, pledge, convey, or otherwise transfer title in or dispose of any and all of the Intellectual Property set forth in Schedule I to anyone on commercially reasonable terms.
6. Right to Inspect. Vanson may at all reasonable times, and at any time when Primex is in default under the Asset Purchase Agreement (or under this Security Agreement) have access to Primex's premises to examine, audit, make copies, and extract from the books and records of Primex information relating to the Intellectual Property. In conducting such inspections and examinations, Vanson shall use reasonable efforts not to disturb unnecessarily the conduct of the ordinary business operations of Primex.
7. Further Assignments and Security Interests. Primex agrees not to sell, assign or further encumber its interests in the Intellectual property without the prior and express written consent of Vanson. Primex hereby assigns to Vanson any right that Primex would otherwise have to perform any of the acts prohibited by the foregoing sentence, and agrees that any attempt on the part of Primex to perform any such acts shall be void.
8. Nature and Continuation of Vanson's Security Interest. This Security Agreement is made for collateral security purposes only, and the security interest created thereby shall be a continuing security interest in the Intellectual Property and shall terminate only when the payment obligations of Primex set forth in the Asset Purchase Agreement have been performed in full. Upon such termination, and at the written request of Primex, or its successors or assigns, and at the cost and expense of Primex or successors or assigns, Vanson shall execute such instruments, documents or agreements as are necessary or desirable to terminate Vanson's security interest in the Intellectual Property.
9. Duties of Primex. Primex shall: (i) prosecute diligently the patent and trademark applications listed in Schedule I until the termination of this Security Agreement; (ii) not abandon or permit to lapse any patent, patent application, trademark or trademark application listed in Schedule I without the prior written consent of Vanson; (iii) obtain and maintain in full force and effect those issued patents and issued trademark registrations for the Intellectual Property set forth in Schedule I. Vanson shall not have

any duty with respect to the Intellectual Property. Vanson shall not be under any obligation to take any steps necessary to preserve rights in the Intellectual Property, including against any other parties, but Vanson may do so at its option if Primex fails to do so, and all expenses incurred in connection with such steps taken by Vanson to preserve such rights shall be for the sole account of Primex, and shall be added to the liabilities of Primex secured hereby.

10. Waivers. The failure of Vanson to require strict performance by Primex of any provision, obligation, duty, undertaking, warranty or covenant of this Security Agreement shall not waive, affect or diminish any right of Vanson thereafter to demand strict compliance and performance under this security agreement, nor shall any course of dealing between Vanson and Primex have such effect. None of the obligations, undertakings, duties, warranties, covenants or representations of Primex contained in this Security Agreement shall be deemed to have been suspended or waived by Vanson unless such suspension or waiver is in writing signed by an officer of Vanson and specifying such waiver or suspension.
11. Severability. Whenever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Security Agreement are severable. In this regard, if any clause or provision is held invalid or unenforceable, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction.
12. Modification. This Security Agreement shall not be altered, amended or modified in any way except by writing signed by the parties.
13. Successors and Assigns. This Security Agreement shall be binding upon Primex and its successors and assigns, and shall inure to the benefit of Vanson and its successors and assigns. Primex successors and assigns shall include, without limitation, any receiver, trustee, or debtor-in-possession of or for Primex; provided, however that Primex shall not voluntarily assign or transfer its rights or obligations hereunder without Vanson's prior written consent and any attempt to do so shall be void.
14. Governing Law. This Security Agreement shall be construed and enforced and the rights and duties of the parties shall be governed in all respects in accordance with the internal substantive and procedural laws of the State of Washington, USA (without resort to principles of conflicts of laws), except to the extent that the laws of the United States of America may prevail.

15. Consent to Jurisdiction and Service of Process. Primex consents to the personal jurisdiction of any court located within King County, Washington, USA with respect to any lawsuit involving the rights and obligations of Primex and Vanson under this Security Agreement. Primex agrees that service of process may be had upon it anywhere outside of the state of Washington with the same effect as if personal service had been made within the state of Washington.
16. Notices. Any written notices required or permitted under the Security Agreement shall be given in the same manner provided in the Asset Purchase Agreement.

Vanson HaloSource, Inc.

By: John M. Kaestle
 Office: President/CEO
 Date: April 26, 2004

Primex, ehf

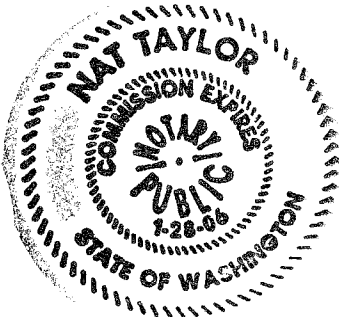
By: [Signature]
 Office: M.D.
 Date: April 30, 2004

STATE OF WASHINGTON)
) ss.
 COUNTY OF KING)

This instrument was acknowledged before me on APRIL 26, 2004 by JOHN KAESTLE, the PRESIDENT of Vanson HaloSource, Inc. of Redmond, Washington, a Washington corporation, on behalf of said corporation.

Dated: 4/26/04

(Seal or stamp)



[Signature]
 Printed Name: NAT TAYLOR
 Notary Public
 My appointment expires 1/28/06

STATE/PROVINCE OF _____)
)
COUNTRY OF ICELAND) ss.

This instrument was acknowledged before me on _____, 2004 by _____, the _____ of Primex, ehf, a corporation of Iceland, on behalf of said corporation.

Dated: _____

(Seal or stamp)

Printed Name: _____
Notary Public
My appointment expires _____

JEN/hjd

In witness thereof
Hanna Gisney Atlasson hdl.
260475-3049
Viktor Gunnarsson hdl.
300575-3569

jeo

SCHEDULE I

Issued Patent

1. U.S. Patent 6,130,321, issued October 10, 2000, entitled HIGH TAP DENSITY CHITOSAN, AND METHODS OF PRODUCTION

Patent Applications

2. Japanese Patent Application No. 2001-547974, filed December 15, 2000, entitled METHODS AND KITS FOR ABSORBING FAT
3. European Patent Application No. 00989606-2, filed December 15, 2000, entitled METHODS AND KITS FOR ABSORBING FAT

Trademark Registrations

	<u>Mark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
1.	LIPOSAM with Katakana	Japan	3361956	November 21, 1997
2.	LIPOSAN	Community	1387760	January 29, 2001
3.	LIPOSAN	Japan	4554655	March 22, 2002
4.	LIPOSAN	USA	2,454,595	May 29, 2001

Trademark Applications

	<u>Mark</u>	<u>Country</u>	<u>Application Filing No.</u>	<u>Filing Date</u>
1.	LIPOSAN (with Katakana)	Japan	2002-1322	December 26, 2002
2.	LIPOSAN ULTRA (Logo)	Community	3105475	March 24, 2003
3.	LIPOSAN ULTRA (LOGO)	USA	78/167,960	September 25, 2002
4.	LIPOSAN ULTRA DIET (in Katakana)	Japan	2001-58363	December 26, 2002

JEN/hjd