

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
Biopolymer Engineering, Inc.		05/01/2007	CORPORATION: MINNESOTA
RECEIVING PARTY DATA			
Name:	Diversified Dynamics Corporation		
Street Address:	1681 94th Lane North East		
City:	Minneapolis		
State/Country:	MINNESOTA		
Postal Code:	55434		
Entity Type:	CORPORATION: MINNESOTA		
PROPERTY NUMBERS Total: 7			
Property Type	Number	Word Mark	
Registration Number:	2807439	WGP	
Serial Number:	78598496	BIOTHERA	
Serial Number:	78407868	IMMUNOFIBER	
Serial Number:	78716305	IMPRIME PGG	
Serial Number:	78716304	IMPRIME WGP	
Serial Number:	77004997	IMMUNE HEALTH BASICS	
Serial Number:	77008593	IMMUNE ABILITY	
CORRESPONDENCE DATA			
Fax Number:	(612)335-1657		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	6123351425		
Email:	doris.yock@leonard.com		
Correspondent Name:	Doris E. Yock, Leonard, Street and Deina		
Address Line 1:	150 South Fifth Street, Suite 2300		
Address Line 4:	Minneapolis, MINNESOTA 55402		

OP \$190.00 2807439

NAME OF SUBMITTER:	Doris E. Yock, Leonard, Street and Deina
Signature:	/Doris E Yock/
Date:	05/06/2007

Total Attachments: 14

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT ("Agreement") is entered into as of May 1, 2007, by and between DIVERSIFIED DYNAMICS CORPORATION, a Minnesota corporation ("Secured Party"), and BIOPOLYMER ENGINEERING, INC., DBA BIOTHERA, a Minnesota corporation ("Grantor" or "BIOTHERA").

RECITALS

A. Secured Party and Grantor, along with U.S. Bank National Association, are entering into that certain Credit Agreement, and that certain Indemnity Agreement, each of even date hereof (as the same may be amended, restated or otherwise modified from time to time, the "Credit Agreement" and the "Indemnity Agreement," respectively). (As used in this Agreement, the term "Related Agreements" refers to the "Credit Agreement" and the "Indemnity Agreement.")

B. Pursuant to the Related Agreements, Secured Party has agreed to act as co-borrower with Grantor on a certain revolving loan in an amount not to exceed \$2,000,000, and to secure the revolving loan with a security interest in the assets of Secured Party.

C. In consideration of Secured Party's agreement to execute and perform the Related Agreements, and pursuant to the Related Agreements, Grantor has agreed to indemnify Secured Party for the full amount of any and all payments made on behalf of Grantor by Secured Party under the Related Agreements, and to grant to Secured Party a security interest in all of Grantor's intellectual property to secure satisfaction of such obligation.

NOW, THEREFORE, in consideration of the mutual covenants contained in the Related Agreements and herein, the parties hereby agree as follows:

1. **"Grantor Obligations."** As used in this Agreement, "Grantor Obligations" means each and every debt, liability and obligation of every type and description which Grantor has or owes to Secured Party arising from or relating to the Related Agreements (and any amendments, extensions, renewals or replacements thereof), whether due or to become due, and whether now existing or hereafter arising or incurred. In addition, all advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Secured Party in exercising any right, power or remedy conferred by this Agreement, or in the enforcement hereof, shall, to the extent lawful, become a part of the Grantor Obligations secured hereby.

2. **"Intellectual Property Collateral."** As used in this Agreement, "Intellectual Property Collateral" means, collectively, all of Grantor's Patent Collateral, Trademark Collateral and Copyright Collateral.

a. **"Patent Collateral"** means (i) all of Grantor's patents and applications for patents throughout the world, including, without limitation, the patents and patent applications set forth on Exhibit B attached hereto, and including the subject matter of all claims which may be obtained therefrom; (ii) all patent licenses and other agreements providing Grantor with rights to use patented technology, to the extent transferable without the consent of the licensor or holder

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of the patent rights; (iii) all reissues, divisions, continuations, extensions, renewals, continuations-in-part and reexaminations of any of the items described in the foregoing clauses (i) and (ii); and (iv) all proceeds of and royalties from, and rights associated with, the foregoing (including, without limitation, income, payments, license royalties, claims, damages and proceeds of infringement suits), and the right to sue third parties for past, present or future infringement of any patent or patent application or for breach or enforcement of any patent or patent license agreement or other similar agreement providing Grantor with a right to use patented technology.

b. **"Trademark Collateral"** means (i) all of Grantor's trademarks and service marks, including common law trademarks and common law service marks, all registrations and recordings thereof, and, in connection therewith, all applications, in the United States Patent and Trademark Office or in any similar office or agency of the United States or any state thereof, or anywhere else in the world, including, without limitation, the registrations and applications for registration set forth on Exhibit C; (ii) all trademark licenses and other agreements providing Grantor with rights to use a trademark, to the extent transferable without the consent of the licensor or holder of the trademark rights; (iii) all reissues, extensions or renewals of any of the items described in the foregoing clauses (i) and (ii); (iv) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (i), (ii) and (iii); and (v) all proceeds of and royalties from, and rights associated with, the foregoing (including, without limitation, income, payments, license royalties, claims, damages and proceeds of infringement suits), and the right to sue third parties for past, present or future infringement or dilution of any trademark, trademark registration or trademark application, or for any injury to the goodwill associated with any trademark, trademark registration or trademark application, or for breach or enforcement of any trademark or trademark license agreement or other similar agreement providing Grantor with a right to use a trademark.

c. **"Copyright Collateral"** means all of Grantor's copyrights, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world, including, without limitation, all of Grantor's right, title and interest in and to all copyrights registered in the United States Copyright Office or anywhere else in the world, including, without limitation, all (if any) registered United States copyrights listed on Exhibit D, and all applications for registration thereof, whether pending or in preparation, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof, all copyright licenses and other agreements providing Grantor the right to use a copyright or work of authorship protected by copyright law, to the extent transferable without the consent of the licensor or holder of the copyright rights, whether statutory or common law, and all proceeds and royalties of, and rights associated with, the foregoing (including, without limitation, income, payments, license royalties, claims, damages and proceeds of infringement suits), and the right to sue third parties for past, present or future infringement of any copyright or for breach or enforcement of any copyright or copyright license agreement or other similar agreement providing Grantor with a right to use copyrights or works of authorship protected by copyright law.

3. **Grant of Security Interest.** As security for the payment and performance of the Grantor Obligations, Grantor hereby grants to Secured Party a continuing security interest ("Security Interest") in and to all of Grantor's right, title and interest in, to and under Grantor's

Intellectual Property Collateral, in each case wherever located and whether now owned or hereafter acquired, created, arising or existing.

4. **Continuing Security Interest.** Grantor agrees that this Agreement shall create a continuing security interest in the Intellectual Property Collateral which shall remain in effect until the Grantor Obligations have been fully satisfied.

5. **Authorization to Supplement.** Grantor shall give Secured Party reasonable notice of any items of Intellectual Property Collateral and/or registrations or applications therefor acquired, identified, issued or filed after the date hereof. Grantor authorizes Secured Party to unilaterally modify this Agreement by amending Exhibit B, Exhibit C and/or Exhibit D to include any such additional items of Intellectual Property Collateral or registrations or applications therefor. Notwithstanding the foregoing, no failure to so modify this Agreement or amend an exhibit hereto shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Intellectual Property Collateral, whether or not listed on an exhibit hereto.

6. **Event of Default.** Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (i) Grantor shall fail to satisfy in full any of the Grantor Obligations in accordance with the terms of the Related Agreements; (ii) any representation or warranty by Grantor set forth in the Related Agreements shall prove materially false or misleading; (iii) Grantor shall fail to observe or perform any covenant or agreement made by it in this Agreement, or (iv) the occurrence of any "Event of Default" as defined in the Credit Agreement.

7. **Remedies.** Upon the occurrence of an Event of Default, and at any time thereafter until such Event of Default is cured to the written satisfaction of Secured Party, Secured Party may, at its option, take any or all of the following actions; provided that Grantor shall have up to sixty (60) calendar days to cure an Event of Default relating to any breach by Grantor of its representations and warranties regarding its ownership of the Intellectual Property Collateral, as long as Grantor is diligently pursuing such cure and such cure is possible:

a. Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Intellectual Property Collateral or any part thereof.

b. Secured Party may enforce the Intellectual Property Collateral and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, Grantor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

c. Secured Party may exercise or enforce any or all other rights or remedies available to Secured Party by law or agreement against Grantor or the Intellectual Property Collateral.

All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party's option, and the exercise or enforcement of any one

such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

8. **Covenants and Warranties.** Grantor represents and warrants to Secured Party and covenants and agrees as follows:

a. **Authority.** This Agreement has been duly and validly authorized by all necessary corporate action on the part of Grantor, and the person executing this Agreement on behalf of Grantor has authority to act for Grantor.

b. **Intellectual Property Collateral.** Grantor is the true and lawful owner of the Intellectual Property Collateral identified on Exhibit B, Exhibit C and Exhibit D, such Intellectual Property Collateral constitutes all of the material Intellectual Property Collateral owned by Grantor or any of its subsidiaries or affiliated entities as of the date hereof, and Exhibit B, Exhibit C and Exhibit D accurately reflect the existence and status of all Intellectual Property Collateral as of the date hereof.

d. **Title.** Grantor has absolute title to each item of Intellectual Property Collateral listed on Exhibit B, Exhibit C and Exhibit D, free of all security interests, liens, claims and encumbrances other than:

- (i) the security interests in favor of the entities and persons listed on Exhibit A (the "Prior Security Interests"); and
- (ii) the Security Interest granted by this Agreement.

e. **No Assignment or Transfer.** Except as set forth on Schedule 8(e), Grantor will not assign, transfer, encumber or otherwise dispose of the Intellectual Property Collateral, or any interest therein, without the prior written consent of Secured Party, which shall not be unreasonably withheld; provided, that any such assignments, transfers, encumbrances or other dispositions must in each case be subordinate to the interests of Secured Party.

f. **Maintenance.** Grantor will at its own expense maintain the Intellectual Property Collateral by, including, but not limited to, filing all applications, affidavits, maintenance fees, annuities, and renewals possible with respect to the Intellectual Property Collateral. Grantor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Intellectual Property Collateral, nor fail to file any required application, affidavit or renewal in support thereof, without first providing Secured Party (i) sufficient written notice, of at least sixty (60) days, to allow Secured Party to timely pay any such maintenance fees or annuities which may become due on any Intellectual Property Collateral, or to file any application, affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such application, affidavit or renewal, should such be necessary and requested by the Secured Party in writing.

g. **Secured Party's Right to Take Action.** If Grantor fails to perform or observe any of its covenants or agreements set forth in this Section 8, and if such failure

continues for a period of thirty (30) calendar days after Secured Party gives Grantor written notice thereof (provided, that Secured Party shall have an additional thirty (30) calendar days to cure such failure if the cure takes longer than the initial 30 days, as long as Grantor is diligently pursuing such cure and such cure is possible), Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Grantor (or, at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

h. **Costs and Expenses.** Grantor shall pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Secured Party in connection with or as a result of the Secured Party's taking action or exercising its rights hereunder, together with interest thereon.

9. **Power of Attorney.** To facilitate Secured Party's taking action and exercising its rights hereunder, Grantor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Grantor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse, file or record, in the name and on behalf of Grantor, any and all instruments, documents and other agreements and writings required to be obtained, executed, delivered, endorsed or recorded by Grantor, or necessary for the Secured Party, after an Event of Default, to enforce or use the Intellectual Property Collateral or to grant or issue any exclusive or non-exclusive license under the Intellectual Property Collateral to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Intellectual Property Collateral; provided, however, that (a) the provisions of this section 9 shall not apply with respect to an Event of Default relating to a breach by Secured Party of its represents and warranties under sections 7.1(l) or (m) of the Credit Agreement, and (b) following an Event of Default that involves an unsatisfied monetary Grantor Obligation, Secured Party will permit Grantor up to one hundred eighty (180) days to dispose of the Intellectual Property Collateral conditioned upon (i) Grantor using its best efforts to dispose of the Intellectual Property Collateral, and (ii) the proceeds from such disposition must result in the complete satisfaction of all unsatisfied monetary Grantor Obligations unless Secured Party agrees in writing to a disposition that does not completely satisfy such Grantor Obligations, as determined in the sole discretion of Secured Party. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the complete satisfaction of the Grantor Obligations.

10. **Further Assurances.** Grantor agrees to promptly execute and deliver any additional documents presented to Grantor by Secured Party which are or may be necessary or reasonably desirable to evidence or perfect the Security Interest, including those reasonably necessary to effectuate the recordation of this Agreement or the rights of Secured Party in the Intellectual Property Collateral or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Intellectual Property Collateral.

11. **Grantor's Use of the Intellectual Property Collateral.** Grantor shall be permitted to control and manage the Intellectual Property Collateral, including the right to exclude others from making, using or selling items covered by the Intellectual Property Collateral

and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

12. **Filings; Recordings.** Secured Party may make any and all filings and/or recordings of this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Intellectual Property Collateral, with the U.S. Patent and Trademark Office, the U.S. Copyright Office, any applicable state office, and/or any comparable foreign office, at the expense of Grantor. In addition, Secured Party may at the expense of Grantor file in any applicable office deemed appropriate by Secured Party one or more financing statements describing the Intellectual Property Collateral, including a financing statement in which the Intellectual Property Collateral is described with greater or lesser detail than as set forth in this Security Agreement and/or in which the scope of the Intellectual Property Collateral is expanded or reduced from the scope set forth herein.

13. **Miscellaneous.**

a. This Agreement (together with the Credit Agreement, the Indemnity Agreement, and the exhibits hereto and thereto) contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties; notwithstanding the foregoing, Secured Party unilaterally may modify, amend or supplement the exhibits hereto as provided in Section 5 hereof.

b. This Agreement may be waived, modified, amended, terminated or discharged, and the Security Interest may be released, only explicitly in a writing signed by Secured Party, and, in the case of an amendment, in a writing signed by Grantor. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party's rights or remedies.

c. All notices and other communications hereunder shall be in writing and mailed or delivered to the party to whom notice is being given at its address set forth next to its signature to this Agreement, or, as to each party, at such other address as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications when delivered, shall be effective upon actual delivery, and when mailed, shall be effective one business day after the date sent by nationally recognized overnight mail courier or delivery service, addressed as aforesaid.

d. Secured Party shall not be obligated to preserve any rights Grantor may have against prior parties, to realize on the Intellectual Property Collateral at all or in any particular manner or order, or to apply any cash proceeds of the Intellectual Property Collateral in any particular order of application.

e. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Grantor, Secured Party and their respective successors and assigns. The parties

hereto may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder without the prior written consent of other party.

f. This Agreement shall be governed by and construed in accordance with the substantive law (other than conflict laws) of the State of Minnesota, except as required by mandatory provisions of law or to the extent the perfection or priority of the Security Interest or the remedies hereunder, in respect of any Intellectual Property Collateral, are governed by the law of a jurisdiction other than Minnesota.

g. 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 provision of this Agreement.

h. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

Address of Grantor:

Biopolymer Engineering, Inc. DBA Biothera
3388 Mike Collins Drive
Eagan, MN 55121-2236

Grantor:

**BIOPOLYMER ENGINEERING, INC.
DBA BIOTHERA**

By: 

Name: WILLIAM GNCKI

Title: CEO

Address of Secured Party:

Diversified Dynamics Corporation
1681 94th Lane North East
Minneapolis, MN 55434

Secured Party:

DIVERSIFIED DYNAMICS CORPORATION

By: _____

Title: _____

Name: _____

Signature Page to Intellectual Property Security Agreement

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

Address of Grantor:

Biopolymer Engineering, Inc. DBA Biothera
3388 Mike Collins Drive
Eagan, MN 55121-2236

Grantor:

**BIOPOLYMER ENGINEERING, INC.
DBA BIOTHERA**

By: _____

Name: _____

Title: _____

Address of Secured Party:

Diversified Dynamics Corporation
1681 94th Lane North East
Minneapolis, MN 55434

Secured Party:

DIVERSIFIED DYNAMICS CORPORATION

By: 

Title: SR. VP.

Name: DIANE M ERICKSON

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this 30 day of April, 2007, before me personally appeared the above-named WILLIAM GACKI, to me known, who being by me duly sworn according to law, on his/her oath stated that s/he is the CEO of Biopolymer Engineering, Inc., dba Biothera, and acknowledged that s/he signed, sealed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation.


~~Notary Public~~



STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this ___ day of April, 2007, before me personally appeared the above-named _____, to me known, who being by me duly sworn according to law, on his/her oath stated that s/he is the _____ of Diversified Dynamics Corporation, and acknowledged that s/he signed, sealed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation.

Notary Public

Signature Page to Intellectual Property Security Agreement

EXHIBIT C
TRADEMARKS

Registration/Application Number	Mark	Registration/Filing Date
U.S. AND FOREIGN TRADEMARK REGISTRATIONS OWNED BY BIOTHERA		
U.S. 2,807,439	WGP	4/4/06
CA TMA647684	IMUCELL	9/9/05
CN 3916980	BETA RIGHT	8/21/06
CN 3916981	WGP	8/21/06
EU 3642981	BETA RIGHT	6/27/05
EU 2727501	WGP	1/7/04
JP 4891905	BETA RIGHT	9/2/05
JP 5009329	IMMUNOFIBER	12/8/06
JP 4812351	IMUCELL	10/22/04
JP 4713571 and JP 4960101	WGP	9/26/03 and 6/9/06

Registration/Application Number	Mark	Registration/Filing Date
Taiwan 1152988	BETA RIGHT	5/1/05
Taiwan 1152987	WGP	5/1/05
U.S. AND FOREIGN TRADEMARK APPLICATIONS OWNED BY BIOTHERA		
US 78/598,496	BIOTHERA	3/30/05
US 78/407,868	IMMUNOFIBER	4/26/04
US 78/716,305	IMPRIME PGG	9/20/05
US 78/716,304	IMPRIME WGP	9/20/05
US 77/004,997	IMMUNE HEALTH BASICS	9/22/06
US 77/008,593	IMMUNE ABILITY	9/27/06
CA 1207210	BETA RIGHT	2/18/04
CA 1207211	WGP	2/18/04
CN N/A	LIFE SOURCE BASICS	10/13/06

Registration/Application Number	Mark	Registration/Filing Date
EU 5393814	IMMUNOFIBER	10/18/06
MY 200404235	BETA RIGHT	4/1/04
MY 200404234	WGP	4/1/04
PH 42005001465	IMUCELL WGP	2/15/05
SG T0628000Z and SG T0627999J	WGP 3-6	12/18/06
KR 4020060057850	WGP 3-6	11/15/06