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MRD  
12/26/02

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December 16, 2002

RECORDATION FORM COVER SHEET

**PATENTS ONLY**

01-06-2003

U S PATENT AND TRADEMARK OFFICE  
OFFICE OF PUBLIC RECORDS  
CRYSTAL GATEWAY 4 - ROOM 335  
WASHINGTON DC 20231



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To the Honorable Commissioner of Patents and Trademarks:

Please record the attached original documents or copy thereof.

1. Name of conveying party: Verne D. Smith
2. Name and address of receiving party:  
 Name: Northwest Minnesota Foundation  
 Street Address: 4225 Technology Drive NW  
 City: Bemidji  
 State: Minnesota Zip: 56601
3. Nature of Conveyance:  
 Assignment  
 Merger  
 Security Agreement  
 Change of Name  
 Other \_\_\_\_\_

Execution Date: December 9, 2002

4. Application number(s) or registration number(s):  
 If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No(s): Not Applicable.

01/03/2003 JJALLAH2 00000013 590057A

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**PATENT**  
**REEL: 013616 FRAME: 0042**

December 16, 2002

Page 2

- B. Patent No(s): U.S. Patent No. 5,900,578 issued May 4, 1999, entitled "Method of Breaking Slabs and Explosive Shock Transmitting and Moderating Composition for Use Therein";  
and  
U.S. Patent No. 5,810,098 issued September 28, 1998, entitled "Method of Breaking Slabs and Blocks of Rock from Rock Formations and Explosive Shock Transmitting and Moderating Composition for Use Therein."

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

Name: Stephen R. Young  
Drahos Young & Kieson, P.A.  
Street Address: 1005 Paul Bunyan Drive NW  
City, State, Zip: Bemidji, MN 56601

6. Number of applications and/or patents involved: 2

7. Total Fee (37 CFR 3.41): \$80.00  
X A check is enclosed.

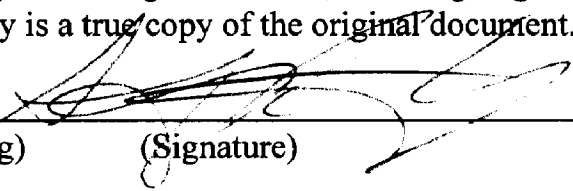
8. The Commissioner is authorized to charge any fees or refund any overpayment under 37 CFR 1.15 and 1.17 which may be required by this paper to Deposit Account No. N/A.

**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.

Stephen R. Young  
(Name of Person Signing)

  
(Signature)

Date: December 16, 2002.

Total number of pages including  
cover sheet, attachments and document: 4

# ASSIGNMENT

THIS ASSIGNMENT OF PATENT ("Assignment") is made and entered into as of the 9<sup>th</sup> day of December, 2002, by and between Verne D. Smith ("Assignor") and Northwest Minnesota Foundation, a Minnesota non-profit corporation ("Assignee").

## RECITALS

This Assignment is made with reference to the following:

WHEREAS, Assignor's predecessor in interest has developed:

(a) Method of Breaking Slabs and Explosive Shock Transmitting and Moderating Composition for Use Therein, which invention has resulted in the issuance of letters patent of the United States of America No. 5,900,578 issued on May 4, 1999; and

(b) Method of Breaking Slabs and Blocks of Rock from Rock Formations and Explosive Shock Transmitting and Moderating Composition for Use Therein, which invention has resulted in the issuance of letters patent of the United States of America No. 5,810,098 issued on September 28, 1998.

which are collectively referred to herein as the "Patents", with all title and interest to the Patents now being held by Assignor;

WHEREAS, Assignor is now the exclusive owner of the Patents and all improvements, free and clear of any and all liens and encumbrances; and

WHEREAS, Assignee desires to acquire all right, title and interest in the Patents and all improvements, and the inventions described and claimed therein, and Assignor is willing to sell and assign those interests to Assignee upon the terms and conditions set forth in this Assignment.

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions hereinafter set forth, it is agreed between the parties as follows:

1. Assignment. Subject to the terms and conditions set forth in this Assignment, Assignor hereby assigns to Assignee all of his right, title and interest in and to the Patents. This Assignment shall also include any reissues of the Patents to which Assignor may be entitled. Assignee shall be entitled to all use and enjoyment of the Patents for the full term thereof and to the same extent as Assignor were the Assignment not made, together with all claims for damages by reason of past or future infringement of the Patents.

2. Consideration. In consideration for the Assignment of the Patents, Assignee has loaned to B-Gel International, LLC, a sum of money, with Assignor's Patents being the subject of security for repayment of the loan.

3. Express Warranty of Title. Assignor warrants that he is now the sole owner, free from the obligation of any license or encumbrance whatsoever, of all the Patents or rights to Patents assigned hereunder. Assignor further agrees not to assign any interest in conflict with this Assignment in the future.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the day and year first above written.

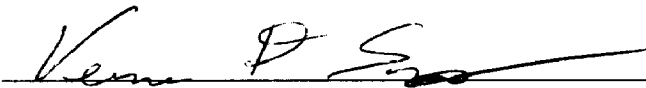
ASSIGNEE:  
NORTHWEST MINNESOTA FOUNDATION

Dated: December 9, 2002.

By   
John Ostrem, Its Executive Director

ASSIGNOR:

Dated: December 9, 2002.

  
Verne D. Smith

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