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OMB No. 0651-0027 (exp. 6/30/2005)

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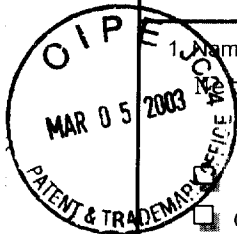
COVER SHEET

U.S. DEPARTMENT OF COMMERCE

U.S. Patent and Trademark Office

TRADEMARKS ONLY

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



1. Name of conveying party(ies): 3-5-03
Lock Technologies, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: 02/28/2003

2. Name and address of receiving party(ies)

Name: Micro Research Laboratory, Inc.

Internal Shimizu Shinagawa Bldg.

Address: 2-2-5 Minami Shinagawa
Shinagawa-Ku

Street Address: _____

City: Tokyo State: Japan Zip: 140-0004

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,206,331

Additional number(s) attached Yes No

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

Name: Patrick Fields

Internal Address: Squire, Sanders

& Dempsey LLP

Street Address: 801 S. Figueroa Street

14th Floor

City: L.A. State: CA Zip: 90017

6. Total number of applications and registrations involved: 1

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

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

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.

Patrick Fields

Name of Person Signing

Signature

3/4/03

Date

03/07/2003 DBYRNE 00000179 2206331

Total number of pages including cover sheet, attachments, and document: 17

01 FC:8521

40.00 UP

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002686 FRAME: 0831

**AMENDED AND RESTATED
INTELLECTUAL PROPERTY SECURITY AGREEMENT**

This **AMENDED AND RESTATED INTELLECTUAL PROPERTY SECURITY AGREEMENT** (this "**Agreement**"), dated as of February 28, 2003, but effective as of June 26, 2002 (the "**Effective Date**"), is entered into between Netlock Technologies, Inc., a California corporation ("**Borrower**"), and Micro Research Laboratory, Inc. (together with its successors and assigns ("**Secured Party**"), in light of the following:

A. Borrower and Secured Party are, contemporaneously herewith, entering into that certain Amended and Restated Term Loan Agreements (the "**Loan Agreement**") and Borrower is executing certain Amended and Restated Promissory Note in favor of Secured Party in the total principal amount of \$2,397,144.30 (the "**Note**");

B. Borrower is the owner of certain intellectual property and other assets, identified below, in which Borrower is granting a security interest to Secured Party; and

C. This Agreement amends and restates in their entirety the grants by Borrower of security interests in its intellectual property and other assets made in the loan agreement between Borrower and Secured Party dated as of June 26, 2002, with such loan amounts and corresponding loan agreement effective dates as are set forth below (the "**Original Grants**"):

- 1) USD \$105,000; June 26, 2002
- 2) USD \$130,000; August 29, 2002
- 3) USD \$210,000; September 12, 2002
- 4) USD \$110,000; September 27, 2002
- 5) USD \$154,700; November 1, 2002
- 6) USD \$122,000; November 21, 2002
- 7) USD \$162,000; November 27, 2002
- 8) USD \$18,000; December 5, 2002
- 9) USD \$85,000; December 12, 2002
- 10) USD \$300,000; December 20, 2002
- 11) USD \$179,000; December 26, 2002
- 12) USD \$118,000; January 9, 2003
- 13) USD \$161,000; January 17, 2003
- 14) USD \$425,444.30; February 11, 2003

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. The following terms, as used in this Agreement, have the following meanings:

“Code” means the California Uniform Commercial Code, as amended and supplemented and in effect from time to time, and any successor statute.

“Collateral” means:

(i) Each of the trademarks, and the goodwill represented thereby, and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are currently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) Each of the copyrights and rights and interests capable of being protected as copyrights, which are presently, or in the future may be, owned, authored, acquired, or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all copyright rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and all tangible property embodying the copyrights (including books, records, films, computer tapes or disks, photographs, specification sheets, source codes, object codes, and other physical manifestations of the foregoing);

(iv) All of Borrower's right, title, and interest in and to the trademarks and trademark registrations listed on Schedule A attached hereto, as the same may be updated hereafter from time to time;

(v) All of Borrower's right, title, and interest, in and to the patents and patent applications listed on Schedule A attached hereto, as the same may be updated hereafter from time to time;

(vi) All of Borrower's right, title, and interest, in and to the copyrights and copyright registrations listed on Schedule A attached hereto as the same may be updated hereafter from time to time;

(vii) All of Borrower's right, title, and interest in all patentable inventions, and rights to file applications for patent under federal law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Borrower or in the name of Secured Party for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(viii) All of Borrower's right, title, and interest in all patentable inventions, and rights to file applications for patent under federal law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Borrower or in the name of Secured Party for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(ix) All of Borrower's rights to register copyright claims under any federal copyright law or regulation of any foreign country and to apply for registrations on original works, compilations, derivative works, collective works, and works for hire, the right (without obligation) to sue in the name of Borrower or in the name of Security Party for past, present, and future infringements of the copyrights, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(x) All of Borrower's present and hereafter acquired machinery, equipment, furniture, furnishings, fixtures, motor vehicles, tools, parts, goods, and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, wherever located, including, but not limited to, the GP 7000 250mhz w/monitor SN 1039990035, Dell 6500 Pen III with CD, Monitor Mitsubishi Dplus 21 in, Sun Ultra 5 Model 360 SN FW940206629, LAN-XYLAN NEW SWITCH, HPJ210XC MULTIPROCESSOR, and Compac Deskpro-550 SN S6003CR23L441 (the "Equipment");

(xi) All of Borrower's present and future general intangibles and all other presently owned or hereafter acquired intangible personal property of Borrower (including, without limitation, any and all choses or things in action, goodwill, patents, trade names, trademarks, blueprints, drawings, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, infringement claims, computer programs, computer discs, computer tapes, literature, reports, catalogs, deposit accounts, tax refunds and tax refund claims) other than goods and accounts, as well as Borrower's Books relating to any of the foregoing (the "Intangibles");

(xii) All of Borrower's present and future inventory in which Borrower has any interest, including, but not limited to, goods held for sale or lease or to be furnished under a contract of service and all of Borrower's present and future raw materials,

work in process, finished goods, and packing and shipping materials, wherever located and any documents of title representing any of the above (the "Inventory");

(xiii) All of Borrower's present and future letters of credit, advices of credit, notes, drafts, instruments, documents, leases, and chattel paper, and Borrower's books relating to any of the foregoing ("Instruments");

(xiv) All of Borrower's presently existing and hereafter arising accounts, contract rights, instruments, notes, drafts, documents, chattel paper and all other forms of obligations owing to Borrower arising out of the sale or lease of goods or the rendition of services by Borrower, whether or not earned by performance, and any and all credit insurance, guaranties and other security therefor, as well as all merchandise returned to or reclaimed by Borrower, and Borrower's books relating to any of the foregoing (the "Accounts"); and

(xv) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to otherwise with respect to the Collateral.

"Loan Documents" means, collectively, all agreements and documents executed and delivered in connection with the Note and the Loan Agreement.

"Obligations" means any and all loans, advances, debts, liabilities, obligations, covenants and duties, including all costs and expenses described in Section 11.8 hereof, owing by Borrower to Secured Party, of any kind and description (whether or not for the payment of money), whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising and including, without limitation, all interest not paid when due, hereunder and under the Note.

1.2 **Construction.** Unless the context of this Agreement clearly required otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including: is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Any reference herein to any of the Loan Documents includes any and all alternations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party; having been reviewed by Borrower, Secured Party, and their respective counsel and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Secured Party and Borrower.

2. GRANT OF SECURITY INTEREST.

Borrower hereby grants to Secured Party a first-priority security interest in all of Borrower's right, title, and interest in and to the Collateral to secure the Obligations, and ratifies the Original Grants in relation to the Collateral.

As additional security, Secured Party is granted a continuing lien on, security interest in, and right of set-off in and to all Collateral, and the proceeds thereof, now or hereafter actually or constructively held or received by or for Secured Party for any purpose, including safekeeping, custody, pledge, transmission, and collection.

Secured Party is hereby authorized at any time or from time to time with or without notice to Borrower to apply all or part of such property, deposits, or credits to any of the Obligations in such amounts as Secured Party may elect in its sole and absolute discretion, although the Obligations may be contingent or unmatured, and whether or not the Collateral may be deemed adequate. Borrower agrees that this security interest has attached and shall continue until termination by a written agreement executed by Secured Party, notwithstanding that from time to time there may be no Obligations in existence.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Borrower hereby represents and warrants, to the best of its knowledge and without independent investigation, and covenants that:

3.1 Copyrights; Trademarks; Service Marks; Patents.

(i) A true and complete schedule setting forth all federal and state trademark and service mark registrations owned or controlled by Borrower or licensed to Borrower, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A.

(ii) A true and complete schedule setting forth all patent and patent applications owned or controlled by Borrower or licensed to Borrower, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A.

3.2 **Validity, Enforceability.** Each of Borrower's copyrights, patents, service marks and trademarks is valid and enforceable, and Borrower is not currently aware of any past, present, or prospective claim by any third party that any of its copyrights, patents, service marks, or trademarks are invalid or unenforceable, or that its use of any copyrights, patents, service marks, or trademarks violates the rights of any third person, or of any basis for any such claims.

3.3 **Title.** Borrower is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the copyrights, copyright registrations, patents, patent applications, service marks, service mark registrations, trademarks, and trademark registrations set forth on Schedule A, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights and covenants by Borrower not to sue third persons.

3.4 **Notice.** Borrower has used and continued to use proper statutory notice in connection with its use of each of its copyrights, patents, service marks, and trademarks.

3.5 Quality. Borrower has used and will continue to use consistent standards of high quality (which may be consistent with Borrower's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with its service marks and trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of its service marks and trademarks.

3.6 Performance of Security Interest. Except for the filing of a financing statement with the Secretary of State of California and filings with the United States Patent and Trademark Office and the United States Copyright Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Borrower of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Borrower or for the perfection of or the exercise by Secured Party of its rights hereunder to the Collateral in the United States.

3.7 Collectibility of Collateral. Except as previously disclosed by Borrower to Secured Party and based upon Secured Party's acknowledgment of receipt of such disclosures under the Loan Agreement, Borrower has no knowledge of any fact which would impair the validity or collectibility of any of the Collateral, and each obligor liable upon any Account or Instrument which constitutes Collateral has and will have capacity to contract.

3.8 Collateral.

(i) the items of Inventory which constitute Collateral are all genuine and salable in the ordinary course of business of Borrower;

(ii) each Account which constitutes Collateral is a true and correct statement of the actual indebtedness incurred by each Account debtor with respect thereto, and arises out of or in connection with the sale or lease of goods (as the term "goods" is defined in the California Commercial Code) or the rendering of services by Borrower to each such Account debtor, that none of the monies due or to become due with respect to any Account is represented by any promissory note or other Instrument, and that each Account debtor with respect thereto owes the full amount thereof without defenses, counterclaims or offsets of any kind or nature whatsoever; and

(iii) unless otherwise agreed to by Secured Party in writing, Collateral which consists of Accounts, general intangibles, and goods which are mobile, of the type normally used in one jurisdiction, and do not require a certificate of title for perfection under California Commercial Code §9102, will be kept at Borrower's place of business, at its executive office, if Borrower has more than one place of business. The address of such place of keeping set out in the Loan Agreement is accurate, and any change in such address will be promptly reported to Secured Party.

4. AFTER-ACQUIRED COPYRIGHT, PATENT, SERVICE MARK, OR TRADEMARK RIGHTS.

If Borrower shall obtain rights to any new copyright, service marks, trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Borrower shall give prompt notice in writing to Secured Party with respect to any such new service marks, trademarks or patents, or renewal or extension of any service mark or trademark registration. Borrower shall bear any expenses incurred in connection with future patent applications or service mark or trademark registrations.

5. PROTECTION OF COLLATERAL AND COLLECTIONS.

5.1 **Protection of Collateral.** Borrower shall continually take such commercially reasonable steps necessary and prudent to protect the security interest of Secured Party in the Collateral including, but not limited to, the following:

(i) keep and maintain separate books and records relating to the Collateral at its principal place of business, in a form and substance satisfactory to Secured Party, not remove the books and records without the prior written consent of Secured Party, and allow Secured Party or its representatives access to such books and records and to the Collateral at all reasonable times for any purpose (including the making of copies or extracts) Secured Party may establish;

(ii) keep and maintain the Inventory at its principal place of business, and not remove the Inventory without the prior written consent of Secured Party, except, in the ordinary course of Borrower's business;

(iii) maintain any Equipment in good operating condition and repair;

(iv) deliver to Secured Party promptly at its request all schedules, lists, invoices, original bills of lading, documents of title, original purchase orders, receipts, chattel paper, instruments and other items relating to the Collateral;

(v) make, stamp or record such entries or legends on any of Borrower's books or records relating to the Collateral and Secured Party's security interest therein as Secured Party shall request from time to time including, without limitation, notation of the security interest of Secured Party on any certificates of title or other evidences of ownership outstanding with respect thereto;

(vi) post such legend, plaque or notice upon the Collateral or in and about designated areas where the Collateral or any portion thereof may be stored, kept or used from time to time as Secured Party shall request;

(vii) execute and deliver to Secured Party such documents, instruments or writings which Secured Party may deem necessary or advisable in order to evidence, effectuate, perfect or maintain Secured Party's security interest in the Collateral or to comply with any state or federal banking or securities laws;

(viii) defend the Collateral against all claims, liens, security interests, demands and other encumbrances of third parties (except buyers in the ordinary course of Borrower's business when the Collateral is Inventory) at any time claiming an interest in the Collateral which is adverse to any security interest granted to Secured Party;

(ix) not grant, create or permit to exist any lien upon or security interest in the Collateral in favor of another, without the written approval of Secured Party, while this Agreement continues in effect;

(x) keep the Collateral free of all liens and encumbrances, except the security interest of Secured Party, and not to sell, transfer or otherwise dispose of the Collateral or any interest therein, in bulk or otherwise, except to a buyer in the ordinary course of Borrower's business;

(xi) notify Secured Party in the event of a material loss or damage to the Collateral or of any material adverse change in Borrower's financial condition, business affairs or, with respect to any of the Collateral, of any other occurrence which may materially or adversely affect the security interest of Secured Party therein;

(xii) pay all expenses incurred with respect to the purchase, manufacture, delivery, use, repair, storage or other handling of the Collateral, all liabilities and all taxes, assessments and governmental charges levied, assessed or imposed upon any of the Collateral, or, when the Collateral is in Borrower's possession, the realty on which the Collateral is located, promptly when due, unless and to the extent only that such expense or expenses shall be contested in good faith and by appropriate proceedings by Borrower provided that such proceedings do not involve any danger of the sale, forfeiture or loss of any of the Collateral or any interest therein; in any event, reimburse Secured Party for any expenses which Secured Party might incur in satisfying such liens, expenses or taxes which Secured Party may incur, and which, in its sole discretion, Secured Party deems necessary in order to protect the Collateral;

(xiii) promptly notify Secured Party of the existence of any claims, liens, security interests, rights or other encumbrances which may be or become adverse to the interests of Secured Party in any of the Collateral;

(xiv) keep Equipment which constitutes Collateral from becoming a fixture unless such Equipment or any part thereof is presently classified as such;

(xv) maintain insurance on the Collateral of such types, coverage, form and amount as is usually carried on similar goods by similar enterprises, and, in addition, such insurance as Secured Party shall reasonably determine, and supply Secured Party with certificates as to the continuance of such insurance at its request; all such insurance shall be payable to Secured Party and Borrower as their respective interests shall appear and shall provide for not less than ten (10) days written notice of cancellation to Secured Party. In the event that Borrower fails to maintain such insurance, insurance may (but need not) be procured and maintained by Secured Party, at its option, and Borrower shall reimburse Secured Party for the cost thereof on demand. Insurance proceeds received by Secured Party may be applied by it against the Obligations whether or not then due, in its discretion; and

(xvi) give Secured Party at least thirty (30) days' prior written notice of any change in the location of Borrower's place of business, its chief executive office, if the Borrower has more than one place of business, or its residence; and, give Secured Party any other information concerning the locations of the Borrower than Secured Party may request.

5.2 Collections by Borrower. Until Secured Party exercises its right to collect the Accounts, Instruments and their proceeds pursuant to this Agreement, Borrower will collect with diligence all respective Accounts, Instruments and their proceeds. Upon written request by Secured Party, any collection of Accounts, Instrument or their proceeds by the Borrower, whether in the form of cash, checks, notes or other instruments for the payment of money (properly endorsed or assigned where required to enable Secured Party to collect same), shall be in trust for Secured Party, and the Borrower shall keep all such collections separate and apart from all other funds and property so as to be identifiable as the property of Secured Party and shall deliver daily, together with the proceeds of all cash sales, all such collections to Secured Party in the identical form received.

5.3 Collections by Secured Party. Secured Party may, at any time, without prior notice to Borrower, collect the Accounts, Instruments and their proceeds and give notice of assignment to any and all Account debtors and other debtors, and Borrower does hereby make, constitute and appoint Secured Party its irrevocable, true and lawful attorney in fact with power:

(i) to endorse the name of Borrower upon any checks or other evidences of payment that may come into the possession of Secured Party upon the Accounts or Instruments or as process of Inventory or contract rights;

(ii) to endorse the name of Borrower upon any document or Instrument relating to the Collateral;

(iii) in its name or otherwise, to demand, sue for, collect and give acquittances for, any and all moneys due or to become due upon the Accounts and Instruments;

(iv) to compromise, prosecute or defend any action, claim or proceedings with respect thereto; and

(v) to do any and all things necessary and proper to carry out the purpose herein contemplated.

6. LITIGATION AND PROCEEDINGS.

Borrower shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Borrower shall provide to Secured Party any information with respect thereto requested by Secured Party. Secured Party shall provide at Borrower's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Borrower's becoming aware thereof, Borrower shall notify Secured Party of the institution of,

or any adverse determination in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office, or any United States federal, state, or foreign court regarding Borrower's claim of ownership in any of the copyrights, patents, service marks or trademarks, its right to apply for the same, or its right to keep and maintain such copyright, patent, service mark or trademark rights.

7. POWER OF ATTORNEY.

Borrower grants Secured Party power of attorney, having the full authority, and in the place of Borrower and in the name of Borrower, from time to time following an Event of Default in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement: to endorse Borrower's name on all applications, documents, papers, and instruments necessary for Secured Party to use or maintain the Collateral; to ask, demand, collect, sue for, recover, impound, receive, and give acquaintance and receipts for money due or to become due under or in respect of any of the Collateral; to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Secured Party's rights with respect to any of the Collateral and assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

8. BORROWER'S OBLIGATIONS ON COLLATERAL.

8.1 Right to Inspect Facilities. Borrower grants to Secured Party and its employees and agents the right to visit Borrower's plants and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

8.2 Other Obligations. Borrower shall:

(i) permit representatives of Secured Party to inspect the Collateral and the respective books and records relating to the Collateral and make extracts therefrom at any reasonable time and to arrange for verification of Accounts, under reasonable procedures acceptable to Secured Party, directly with the Account debtors or otherwise at the Borrower's expense;

(ii) promptly notify Secured Party of any attachment or other legal process levied against any of the Collateral and any information received by the Borrower relative to the Collateral, the Account debtors or other persons obligated in connection therewith, which may in any way affect the value of the Collateral or the rights and remedies of Secured Party in respect thereto;

(iii) notify Secured Party of each location at which the Collateral is or will be kept, other than for temporary processing, storage or similar purposes, and of any removal thereof to a new location;

(iv) do all acts necessary to maintain, preserve and protect all Collateral, keep all Collateral in good condition and repair and prevent any waste or unusual or unreasonable depreciation thereof;

(v) join with Secured Party at its request from time to time in executing financing statements, amendments thereto and continuation statements, and pay the cost of the filing of the same whenever Secured Party deems desirable;

(vi) provide upon Secured Party's request financial information with respect to any of Borrower's account debtors the Accounts of which, in Secured Party's opinion, represent a significant portion of Borrower's Accounts; and

(vii) do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as Secured Party may require to completely vest in it and assure to it its rights hereunder in and to the Collateral.

9. EVENTS OF DEFAULT.

Any of the following shall constitute an Event of Default hereunder:

- (i) Any failure by Borrower to make any payment provided for in the Note, or any other event of default under the Loan Agreement or the Note;
- (ii) Any misrepresentation by Borrower under this Agreement, the Loan Agreement, or the Note; or
- (iii) Any breach by Borrower of any covenant or undertaking under this Agreement or the Loan Agreement.

10. SPECIFIC REMEDIES.

Upon the occurrence of any Event of Default, Secured Party shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

10.1 Notification. Secured Party may notify licensees under license agreements between Borrower and such licensees to make royalty payments due thereunder directly to Secured Party;

10.2 Sale. Secured Party may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Secured Party deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Borrower ten days prior to such disposition. Borrower shall be credited with the net proceeds of such sale only when they are actually received by Secured Party, and Borrower shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Secured Party shall also give notice of the time and place by publishing a notice one time at least ten days before the date of the sale in a newspaper of general circulation in the county in

which the sale is to be held. To the maximum extent permitted by applicable law, Secured Party may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Secured Party at such sale.

10.3 Retention to Satisfy Debt. Secured Party may, at its sole discretion, retain the Collateral and associated goodwill to satisfy the debt under the Loan Documents. Any requirement of reasonable notice of any such retention by Secured Party of the Collateral shall be satisfied if such notice is sent to Borrower ten days prior to such disposition.

11. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA OR, AT THE SOLE OPTION OF SECURED PARTY, IN ANY OTHER COURT IN WHICH SECURED PARTY SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. EACH OF BORROWER AND SECURED PARTY WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 11. BORROWER AND SECURED PARTY HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER AND SECURED PARTY REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12. GENERAL PROVISIONS.

12.1 Effectiveness. This Agreement shall be binding and deemed effective as of the Effective Date when executed by Borrower and Secured Party.

12.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that

Borrower may not assign this Agreement or any rights or duties hereunder without Secured Party's prior written consent and any prohibited assignment shall be absolutely void. Secured Party may assign this Agreement and its rights and duties hereunder and no consent or approval by Borrower is required in connection with any such assignment.

12.3 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

12.4 Interpretation. Neither this agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party or Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

12.5 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

12.6 Amendments in Writing. This Agreement can only be amended by a writing signed by both Secured Party and Borrower.

12.7 Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

12.8 Fees and Expenses. Borrower shall pay to Secured Party on demand all costs and expenses that Secured Party pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Secured Party; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuation, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Borrower under this Agreement that Borrower fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against Secured

Party arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Borrower. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

12.9 Notices. Except as otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the provisions of Section 7.4 of the Loan Agreement.

12.10 Termination by Secured Party. After termination of the Loan Agreement and when Secured Party has received payment and performance, in full, of all Obligations, Secured Party shall execute and deliver to Borrower a termination of all the security interests granted by Borrower hereunder.

12.11 Integration. This Agreement, together with the other Loan Documents, reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on February 28, 2003.

NETLOCK TECHNOLOGIES, INC.
a California corporation

By: Koichi Takazawa

Name: Koichi Takazawa

Title: CEO & President

Micro Research Laboratory, Inc.

By: Shuichi Ishiguro

Name: SHUICHI ISHIGURO

Title: PRESIDENT

Schedule A

A. Copyrights:

1. Copyright No. Txu 876-680, entitled NetLOCK Agent
2. Copyright No. Txu 876-681, entitled NetLOCK Manager
3. Copyright No. Txu 876-680, entitled NetLOCK Gateway

B. Patents:

Country	Patent No.	Serial No.	Title
US	5,825,300	08/527,308	Method Of Protected Distribution Of Keying And Certificate Material
Australia	669828	80957/94	Protected Distribution Protocol For Keying And Certificate Material
Canada		2149744	(same)
Europe		94 932 109.5	(same)
Japan		514463/95	(same)
Korea	172644	702800/1995	(same)
Norway		P952584	(same)
PCT		PCT/US94/12426	(same)

Country	Patent No.	Serial No.	Title
US	5,010,572	07/515,819	Distributed Information System Having Automatic Invocation Or Key Management Negotiations Protocol And Method
Canada		2,054,731	(same)
Europe	479997	91908031.7	(same)
Japan	2661793	3-507822	(same)
Norway	303258	P914934	(same)
PCT		PCT/US91/01195	(same)

C. Trademarks:



As filed with the U.S. Patent Office:

Reel: 012376 Frame: 0461

Reel: 012376 Frame: 0462

Reel: 012376 Frame: 0463

Reel: 012376 Frame: 0464

Reel: 012376 Frame: 0465


U.S. Patent and Trademark Office
Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, Virginia 22202

DESIGNATION OF DOMESTIC REPRESENTATIVE

SQUIRE SANDERS & DEMPSEY L.L.P., attention Patrick Fields, whose postal address is Squire Sanders & Dempsey L.L.P., 801 South Figueroa Street, 14th Floor, Los Angeles, California 90017-5554, is hereby designated as registrant's representative upon whom notice or process in proceedings affecting the mark may be served.

Respectfully submitted,
MICRO RESEARCH LABORATORY, INC.
a Japanese corporation

Feb 12, 2003

By: 
Name: SHUICHI ISHIDURO
Title: PRESIDENT
Address: Shimizu Shinagawa Bldg.
2-2-5 Minami Shinagawa-ku
Tokyo 140-0004 Japan

LosAngeles/106049.1