

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
DRM Technologies		12/20/2004	Limited Liability Company:
RECEIVING PARTY DATA			
Name:	Commerce Bank of Arizona		
Street Address:	3805 East Broadway		
City:	Tucson		
State/Country:	ARIZONA		
Postal Code:	85716		
Entity Type:	CORPORATION:		
PROPERTY NUMBERS Total: 6			
Property Type	Number	Word Mark	
Serial Number:	75794143	TALKBACK ENVELOPE	
Serial Number:	75794144	TALKBACK TUNES	
Registration Number:	2085643	DESKVAULT	
Registration Number:	2102995	PC DESKGATE	
Registration Number:	2102877	PC GATE	
Registration Number:	2381682	UNIVERSAL ENVELOPE	
CORRESPONDENCE DATA			
Fax Number:	(703)243-6410		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Email:	wallenhorst@mwzb.com		
Correspondent Name:	Millen, White, Zelano, & Branigan		
Address Line 1:	2200 Clarendon Blvd. Suite 1400		
Address Line 4:	Arlington, VIRGINIA 22207		
NAME OF SUBMITTER:	Anthony J. Zelano		

CH \$165.00 75794143

Signature:	/ajz/
Date:	01/05/2005
<p>Total Attachments: 21</p> <p>source=Security Agreement#page1.tif source=Security Agreement#page2.tif source=Security Agreement#page3.tif source=Security Agreement#page4.tif source=Security Agreement#page5.tif source=Security Agreement#page6.tif source=Security Agreement#page7.tif source=Security Agreement#page8.tif source=Security Agreement#page9.tif source=Security Agreement#page10.tif source=Security Agreement#page11.tif source=Security Agreement#page12.tif source=Security Agreement#page13.tif source=Security Agreement#page14.tif source=Security Agreement#page15.tif source=Security Agreement#page16.tif source=Security Agreement#page17.tif source=Security Agreement#page18.tif source=Security Agreement#page19.tif source=Security Agreement#page20.tif source=Security Agreement#page21.tif</p>	

Security Agreement

This SECURITY AGREEMENT, dated as of December 20, 2004 (the "Security Agreement") is by and among Michael R. Farley, Sally L. Farley, husband and wife, Carl V. Venters III, individually, DRM Technologies, L.L.C., an Arizona limited liability company, DRM Management, L.L.C., an Arizona limited liability company, Digital Containers, Inc., a Delaware corporation, Farley & Associates, Inc., an Arizona corporation (collectively referred to as the "Debtor"), and Commerce Bank of Arizona, an Arizona corporation authorized to do business in Arizona (the "Secured Party").

WHEREAS, the Debtor has executed a promissory note dated as of December 20, 2004 (the "Note"), pursuant to which the Secured Party, subject to the terms and conditions contained therein, is to make a \$420,000.00 loan (the "Loan") to the Debtor, and

WHEREAS, it is a condition precedent to the Secured Party's making the Loan to the Debtor under the Promissory Note that the Debtor execute and deliver to the Secured Party a security agreement in substantially the form hereof; and

WHEREAS, the Debtor wishes to grant a security interest in favor of the Secured Party as herein provided.

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** All capitalized terms used herein without definitions shall have the respective meanings provided therefore in the Note. The term "State," as used herein, means the State of Arizona. All terms defined in the Uniform Commercial Code of the State and used herein shall have the same definitions herein as specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term has the meaning specified in Article 9.

1.1 "Obligations," as used herein, means all of the indebtedness, obligations, and liabilities of the Debtor to the Secured Party, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Note, any promissory notes or other instruments or agreements executed and delivered pursuant thereto or in connection therewith or this Agreement, including the full and timely payment of all amounts due and payable by Debtor to Secured Party, now or hereafter in effect between Debtor and Secured Party, whether such amounts are due and payable on the date(s) scheduled therefor, or otherwise.

1.2 "Event of Default," The occurrence of any of the following events or conditions will constitute an "Event of Default", under this Security Agreement:

(a) Any failure to pay any principal, interest or any other amount under the Note, or any of the Related Documents, when the same becomes due and payable, and which failure is not cured within ten (10) days, after written notice to Borrower.

(b) Any failure to neglect to perform or observe any of the covenants, conditions or provisions of the Note, this Agreement or any of the other Related Documents and such failure or neglect continues unremedied for thirty (30) days, after written notice to Borrower.

(c) Any warranty, representation or statement contained in the Note, this Agreement or any of the Related Documents, or made or furnished to Secured Party by or on behalf of the Debtor, that is or is proven to have been false in any material respect when made or furnished or when deemed to have been made or furnished.

(d) The filing by Debtor (or if filed against Debtor to which Debtor acquiesces or that is not dismissed within sixty (60) days after the filing thereof) of any proceeding under the federal bankruptcy laws now or hereafter existing or any other similar statute now or hereafter in effect; the entry of an order for relief under such laws with respect to Debtor; or the appointment of a receiver, trustee, custodian or conservator of all or any part of the assets of Debtor.

(e) The insolvency of Debtor, or the execution by Debtor of an assignment for the benefit of creditors; or the convening by Debtor of a meeting of its creditors, or any class thereof, for purposes of effecting a moratorium upon or extension or composition of its debts; or the failure of Debtor to pay its debts as they mature; or if Debtor is generally not paying its debts as they mature.

(f) The admissions in writing by Debtor that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature.

(g) The liquidation, termination or dissolution of Debtor.

(h) Other than subordinated debts specifically permitted under the Related Documents, or unless Lender has agreed in writing, Debtor does any of the following with the Collateral: (i) makes any voluntary transfer of any Collateral (defined below) other than to affiliates of Debtor upon providing thirty (30) days prior written notice to Secured Party; (ii) grants any other interest in or right to any Collateral; (iii) any Lien or Encumbrance exists or is placed on Collateral, now or hereafter, voluntarily or involuntarily, in favor of any Person other than Secured Party, (iv) any Collateral or any interest in or right to Collateral becomes vested in any Person, other than Debtor and Secured Party, whether voluntarily or involuntarily, or (v) any Financing Statement covering any Collateral is filed in favor of any Person other than Secured Party.

(i) Giving of notice of a sale under the Uniform Commercial Code, foreclosure

on the Real Property by notice and sale or by judicial foreclosure under a deed of trust, or any other action by any person, other than Secured Party, to realize upon any Collateral under any lien or encumbrance, regardless of whether such lien or encumbrance is specifically permitted under the Note and the Related Documents and regardless of whether junior or senior to this Security Interest granted under this Security Agreement and the Related Documents.

(j) Any or all Collateral ceases to be in the exclusive control or possession of Debtor.

(k) Any Collateral violates any law, ordinance, regulation or rule, whether federal, state, local or foreign.

(l) Any levy or execution upon, or judicial seizure of, any portion of any of the Collateral.

(m) Any attachment or garnishment of, or the existence of filing of any lien or encumbrance against any portion of the Collateral that is not removed bonded over or released within fifteen (15) days after its creation.

(n) The institution of any legal action or proceeding to enforce any lien or encumbrance upon any portion of any of the Collateral, that is not dismissed or bonded over, within fifteen (15) days after its institution.

(o) The occurrence of any Event of Default under the Note, this Security Agreement or any of the Related Documents.

(p) The occurrence of any adverse change in the financial condition of Debtor that Secured Party, in its reasonable discretion, deems material, or if Secured Party in good faith believes that the prospect of payment or performance by Debtor of its obligations in connection with the Loan is impaired.

1.3 "Related Documents," as used herein, means the following documents; all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments and agreements and documents, whether now or hereafter existing, executed in connection with the Loan or the Obligations, including, but not limited to the agreements and instruments of even date herewith executed in connection with or relating to the Loan by Secured Party to Borrower including: Assignment of Life Insurance Policy as Collateral, Deed of Trust, Commercial Pledge Agreement and Collateral Assignment of Beneficial Rights.

2. **Grant of Security Interest.** The Debtor hereby grants to the Secured Party, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges and assigns to the Secured Party the assets, interests and rights of the Debtor, wherever located, whether

now owned or hereafter acquired or arising, and all proceeds and products thereof as provided on Exhibit "A" which is attached to this Agreement and incorporated by this reference (the "Collateral").

3. **Authorization to File Financing Statements.** The Debtor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that:

(a) indicate the Collateral

(i) as assets of the Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or

(ii) as being of an equal or lesser scope or with greater detail, and

(b) provide any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State, or such other jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment, including

(i) whether the Debtor is an organization, the type of organization and any organizational identification number issued to the Debtor and,

(ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. The Debtor agrees to furnish any such information to the Secured Party promptly upon the Secured Party's request. The Debtor also ratifies its authorization for the Secured Party to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

4. **Borrower's Waivers and Responsibilities.** Except as otherwise required under this Agreement, the Related Documents, or by applicable law:

(a) Debtor agrees that Secured Party need not tell Debtor about any action or inaction Secured Party takes in connection with this Agreement;

(b) Debtor assumes the responsibility for being and keeping informed about the Collateral; and

(c) Debtor waives any defenses that may arise because of any action or inaction of Secured Party, including without limitation any failure of Secured Party in realizing upon the Collateral and Debtor agrees to remain liable under the Note no matter what action Secured Party takes or fails to take under this Agreement.

5. **Other Actions as to Any and All Collateral.** The Debtor agrees, at the request and option of the Secured Party, to take any and all other actions the Secured Party may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of the Secured Party to enforce, the Secured Party's security interest in any and all of the Collateral, including, without limitation,

(a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that the Debtor's signature thereon is required therefor,

(b) causing the Secured Party's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Secured Party to enforce, the Secured Party's security interest in such Collateral,

(c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Secured Party to enforce, the Secured Party's security interest in such Collateral,

(d) obtaining governmental and other third party waivers, consents, and approvals in form and substance satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral,

(e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to the Secured Party, and

(f) taking all actions under any earlier versions of the Uniform Commercial Code or under any other law, as reasonably determined by the Secured Party to be applicable in any relevant Uniform Commercial Code or other jurisdiction, including any foreign jurisdiction.

6. **Relation to Other Security Documents.** The provisions of this Agreement supplement the provisions of any real estate mortgage or deed of trust granted by the Debtor to the Secured Party that secures the payment or performance of any of the Obligations. Nothing contained in any such real estate mortgage or deed of trust shall derogate from any of the rights or remedies of the Secured Party hereunder.

7. **Representations and Warranties Concerning Debtor's Legal Status.** The Debtor represents and warrants to the Secured Party as follows:

(a) the Debtor is organized as an Arizona corporation, an Arizona limited liability company, or Delaware corporation, as applicable and as indicated above, and the Debtor is duly organized, in good standing in its state of incorporation or formation,

(b) duly authorized financing statements, in a form acceptable to the Secured Party and containing the indication of the Collateral have been or concurrently with the execution of this Agreement shall be duly filed in the central Uniform Commercial Code filing office with the Arizona Secretary of State and the Pima County Recorder's Office.

8. **Covenants Concerning Debtor's Status.** The Debtor covenants with the Secured Party as follows:

(a) without providing at least 30 days prior written notice to the Secured Party, the Debtor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one;

(b) the Debtor will not change its type of organization, jurisdiction of organization or other legal structure, without written consent from Secured Party's; and

(c) The Debtor is not insolvent on the date hereof, and will not be rendered insolvent as a result of the guaranty of security interest in the Collateral of Secured Party.

9. **Representations and Warranties Concerning Collateral, etc.** The Debtor further represents and warrants to the Secured Party as follows:

(a) the Debtor is the owner of or has other rights in or power to transfer the Collateral, free from any right or claim or any person or any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement and other liens permitted by the Note and the Related Documents and except for the security interest of Wachovia Bank in some of the Collateral and except for the security interest of Horseshoe Management Company, an Arizona corporation, in some of the Collateral to secure repayment of Debtor's indebtedness in the original principal sum of \$300,000.00 and except for any lien or encumbrance reflected on the preliminary title report prepared by Lawyers Title for the real property owned by Debtor Michael R. Farley and Debtor Sally L. Farley located at 2933 N. Calle Ladera, Tucson, Arizona.

(b) none of the Collateral constitutes, or is the proceeds of, "farm products" as defined in Section 9-102(a)(34) of the Uniform Commercial Code of the State;

(c) none of the account debtors or other persons obligated on any of the Collateral is a governmental authority covered by the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral;

(d) the Debtor holds no commercial tort claims; and

(e) the Debtor has at all times operated its business in compliance with all applicable provisions of federal, state, and local statutes and ordinances.

10. **Covenants Concerning Collateral.** The Debtor further covenants with the Secured Party

as follows:

(a) the Collateral, to the extent not delivered to the Secured Party pursuant to Section 4, will be kept at those locations listed as Debtor's principal place of business as provided in Section 6(c) above, and the Debtor will not remove the Collateral from such locations, without providing at least thirty days prior written notice to the Secured Party;

(b) except for the security interest herein granted and liens permitted by the Note, this Agreement and Related Documents, the Debtor shall be the owner of or have other rights in the Collateral free from any right or claim of any other person, lien, security interest or other encumbrance, and the Debtor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Secured Party;

(c) The Security Interest Agreement (i) is legal, valid, binding, and enforceable, (ii) is a perfected security interest in all Collateral, and (iii) is a first priority security interest in all Collateral, except otherwise provided herein;

(d) the Debtor shall not pledge, mortgage or create, or suffer to exist any right of any person in or claim by any person to the Collateral, or any security interest, lien or encumbrance in the Collateral in favor of any person, other than the Secured Party, except for liens permitted by this Agreement and the Related Documents;

(e) the Debtor will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon;

(f) the Debtor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located;

(g) the Debtor will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Security Agreement;

(h) the Debtor will continue to operate its business in compliance with all applicable provisions of federal, state, and local statutes and ordinances; and

(i) the Debtor will not sell or otherwise dispose of, or offer to sell or otherwise dispose of the Collateral or any interest therein except for sales of inventory in the ordinary course of business; and

11. Debtor's Representations and Warranties. Debtor, as grantor, represents and warrants as follows:

- (a) this Agreement is not executed at the request of Secured Party;
- (b) by signing below, each Debtor has the full right, power and authority to enter into this Agreement and to pledge the Collateral to Secured Party and Debtor's pledge of the Collateral in accordance with the terms and conditions of this Agreement is not in violation of any other agreement or instrument entered into by Debtor with any other person or third party with respect to the Collateral;
- (c) Debtor has established adequate means of obtaining and maintaining information about Debtor's financial condition and Debtor agrees to provide such information to Secured Party upon receipt of a written request of the information from Secured Party; and
- (d) Secured Party makes no representation about Debtor or Debtor's creditworthiness to any other Debtor who is a party to this Agreement.

12. Insurance.

12.1 Maintenance of Insurance. The Debtor will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance may be maintained through a combination of self-insurance and other insurers as described above. Such insurance shall be in such minimum amounts that the Debtor will not be deemed a co-insurer under applicable insurance laws, regulations and policies and otherwise shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Secured Party. In addition, all such insurance shall be payable to the Secured Party as loss payee. Without limiting the foregoing, the Debtor will

- (a) keep all of its physical property insured with casualty or physical hazard insurance on an "all risks" basis, with broad form flood coverage and electronic data processing coverage, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100% of the full replacement cost of such property;
- (b) maintain all such workers' compensation or similar insurance as may be required by law; and
- (c) maintain, in amounts and with deductibles equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, general public liability insurance against claims of bodily injury, death or property damage occurring, on, in or about the properties of the Debtor; business interruption insurance; and product liability insurance.

12.2 Insurance Proceeds. The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with an interest having priority in the property covered thereby,

(a) so long as no Default or Event of Default has occurred and is continuing and to the extent that the amount of such proceeds is less than \$1,000,000, be disbursed to the Debtor for direct application by the Debtor solely to the repair or replacement of the Debtor's property so damaged or destroyed; and

(b) in all other circumstances, be held by the Secured Party as cash collateral for the Obligations.

The Secured Party may, at its sole option, disburse from time to time all or any part of such proceeds so held as cash collateral, upon such terms and conditions as the Secured Party may reasonably prescribe, for direct application by the Debtor solely to the repair or replacement of the Debtor's property so damaged or destroyed, or the Secured Party may apply all or any part of such proceeds to the Obligations, with the Commitment (if not then terminated) being reduced by the amount so applied to the Obligations.

12.3 Continuation of Insurance. All policies of insurance shall provide for at least thirty (30) days prior written cancellation notice to the Secured Party. In the event of failure by the Debtor to provide and maintain insurance as herein provided, the Secured Party may, at its option, provide such insurance and charge the amount thereof to the Debtor. The Debtor shall furnish the Secured Party with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

13. Collateral Protection Expenses; Preservation of Collateral.

13.1 Expenses Incurred by Secured Party. In the Secured Party's discretion, if the Debtor fails to do so, the Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, maintain any of the Collateral, make repairs thereto and pay any necessary filing fees or insurance premiums. The Debtor agrees to reimburse the Secured Party on demand for all expenditures so made. The Secured Party shall have no obligation to the Debtor to make any such expenditures, nor shall the making thereof be construed as the waiver or cure of any Default or Event of Default.

13.2 Secured Party's Obligations and Duties. Anything herein to the contrary notwithstanding, the Debtor shall remain obligated and liable under each contract or agreement comprised in the Collateral to be observed or performed by the Debtor thereunder. The Secured Party shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Secured Party of any payment relating to any of the Collateral, nor shall the Secured Party be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature

or sufficiency of any payment received by the Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Secured Party or to which the Secured Party may be entitled at any time or times. The Secured Party's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Uniform Commercial Code of the State or otherwise, shall be to deal with such Collateral in the same manner as the Secured Party deals with similar property for its own account.

14. Notification to Account Debtors and Other Persons Obligated on Collateral. If an Event of Default shall have occurred and be continuing, the Debtor shall, at the request and option of the Secured Party, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Secured Party or to any financial institution designated by the Secured Party as the Secured Party's agent therefor, and the Secured Party may itself, if a Default or an Event of Default shall have occurred and be continuing, without notice to or demand upon the Debtor, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, the Debtor shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments, and other Collateral received by the Debtor as trustee for the Secured Party without commingling the same with other funds of the Debtor and shall turn the same over to the Secured Party in the identical form received, together with any necessary endorsements or assignments. The Secured Party shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments, and other Collateral received by the Secured Party to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

15. Power of Attorney.

15.1 Appointment and Powers of Secured Party. The Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Debtor or in the Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Debtor, without notice to or assent by the Debtor, to do the following:

(a) upon the occurrence and during the continuance of a Default or an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of the State and as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Debtor's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary or useful to protect, preserve or realize upon

the Collateral and the Secured Party's security interest therein, in order to effect the intent of this Agreement, all at least as fully and effectively as the Debtor might do, including, without limitation,

(i) the filing and prosecuting of registration and transfer applications with the appropriate federal, state, local or other agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes,

(ii) upon written notice to the Debtor, the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Secured Party so elects, with a view to causing the liquidation of assets of the issuer of any such securities, and

(iii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) to the extent that the Debtor's authorization given in Section 3 is not sufficient, to file such financing statements with respect hereto, with or without the Debtor's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Secured Party may deem appropriate and to execute in the Debtor's name such financing statements and amendments thereto and continuation statements which may require the Debtor's signature.

15.2 Ratification by Debtor. To the extent permitted by law, the Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

15.3 No Duty on Secured Party. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtor for any act or failure to act, except for the Secured Party's own gross negligence or willful misconduct.

16. Rights and Remedies. If an Event of Default shall have occurred and be continuing, the Secured Party, without any other notice to or demand upon the Debtor have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of the State and any additional rights and remedies that may be provided to a secured party in any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose the Secured Party may, so far as the Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Secured Party may in its discretion require the Debtor to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of the Debtor's principal office(s) or at such other locations as the Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to

decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party shall give to the Debtor at least five Business Days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Debtor hereby acknowledges that five Business Days prior written notice of such sale or sales shall be reasonable notice. In addition, the Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Secured Party's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

17. **Standards for Exercising Rights and Remedies.** To the extent that applicable law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Secured Party

(a) to fail to incur expenses reasonably deemed significant by the Secured Party to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition,

(b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of,

(c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral,

(d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists,

(e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature,

(f) to contact other persons, whether or not in the same business as the Debtor, for expressions of interest in acquiring all or any portion of the Collateral,

(g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature,

(h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets,

(i) to dispose of assets in wholesale rather than retail markets,

- (j) to disclaim disposition warranties,
- (k) to purchase insurance or credit enhancements to insure the Secured Party against risks of loss, collection or disposition of Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of Collateral, or
- (l) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral.

The Debtor acknowledges that the purpose of this Section 16 is to provide non-exhaustive indications of what actions or omissions by the Secured Party would fulfill the Secured Party's duties under the Uniform Commercial Code or other law of the State or any other relevant jurisdiction in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 16. Without limitation upon the foregoing, nothing contained in this Section 16 shall be construed to grant any rights to the Debtor or to impose any duties on the Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 16.

18. No Waiver by Secured Party. The Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of the Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Secured Party deems expedient.

19. Suretyship Waivers by Debtor. The Debtor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Secured Party shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Section 11.2. The Debtor further waives any and all other suretyship defenses.

20. **Marshalling.** The Secured Party shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, the Debtor hereby agrees that it will not invoke any law relating to the marshalling of collateral that might cause delay in or impede the enforcement of the Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Debtor hereby irrevocably waives the benefits of all such laws.

21. **Proceeds of Dispositions; Expenses.** The Debtor shall pay to the Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Secured Party in protecting, preserving or enforcing the Secured Party's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Secured Party may determine or in such order or preference as is provided in the Loan Agreement, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the Uniform Commercial Code of the State, any excess shall be returned to the Debtor. In the absence of final payment and satisfaction in full of all of the Obligations, the Debtor shall remain liable for any deficiency.

22. **Overdue Amounts.** Until paid, all amounts due and payable by the Debtor hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Note.

23. **Governing Law; Consent to Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona. The Debtor agrees that any action or claim arising out of, or any dispute in connection with, this Agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof or thereof, may be brought in the courts of the State or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Debtor by mail at the address specified in the Loan Agreement. The Debtor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

24. **Waiver of Jury Trial.** The Debtor waives its right to a jury trial with respect to any action or claim arising out of any dispute in connection with this Agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof or thereof. Except as

prohibited by law, the Debtor waives any right that it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Debtor

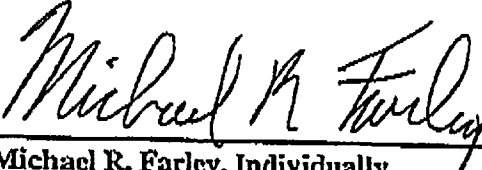
(a) certifies that neither the Secured Party nor any representative, agent or attorney of the Secured Party has represented, expressly or otherwise, that the Secured Party would, not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement, and

(b) acknowledges that, in entering into the Loan Agreement and the other Loan Documents to which the Secured Party is a party, the Secured Party is relying upon, among other things, the waivers and certifications contained in this Section 24.

25. **Joint and Several Liability.** All Obligations of each Debtor under the Note, this Agreement and Related Documents shall be joint and several, and all referenced to Debtor shall mean each and every Debtor. This means that each Debtor signing below is responsible for all Obligations contained in this Agreement.

26. **Miscellaneous.** The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Debtor and its respective successors and assigns, and shall inure to the benefit of the Secured Party and its successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Debtor acknowledges receipt of a copy of this Agreement. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party sought to be charged or bound by the alteration or amendment.

IN WITNESS WHEREOF, intending to be legally bound, the Debtor has caused this Agreement to be duly executed as of the date first above written.

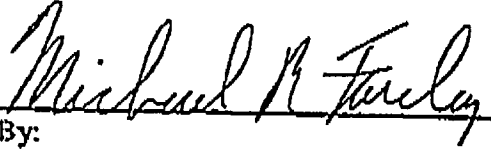

Michael R. Farley, Individually


Sally L. Farley, Individually

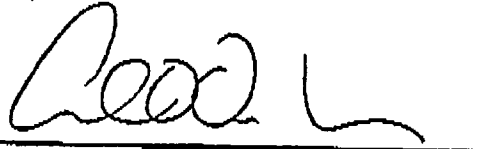


Carl V. Venters, III, Individually

DRM Technologies, L.L.C.

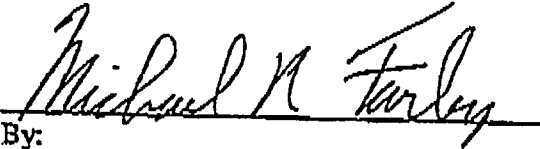


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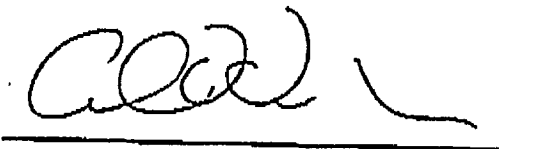


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DRM Management, L.L.C.

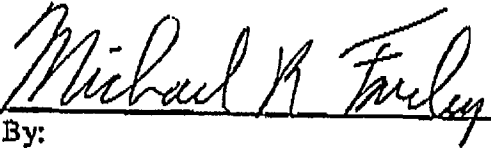


By:
Its:



By:
Its:

Digital Containers, Inc.

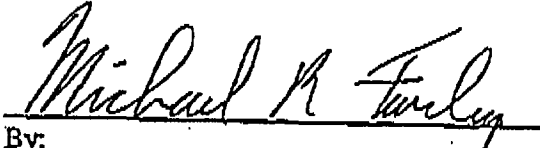


By:
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By:
Its:

Farley & Associates, Inc.

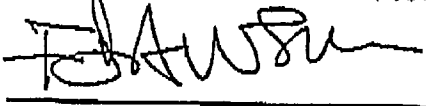


By:
Its:



By:
Its:

Accepted:
COMMERCE BANK OF ARIZONA



By: Fred Dawson
Its: EVP

215944

EXHIBIT A

All Debtors' economic right, title, and interest in and to all distributions and proceeds it is eligible to receive as a partner of CA Associates Limited Partnership, an Arizona Limited Partnership; SUBJECT TO an assignment of interest in favor of Horseshoe Management Company dated May 15, 2001, recorded at File No. 01175398 in the offices of the Arizona Secretary of State;

All Debtors' economic right, title, and interest in and to all proceeds of that Life insurance policy issued on life of Michael R. Farley by Northwestern Mutual Life Insurance, Policy Number 16523635;

All Debtors' beneficial interest in that Multiple Advance Promissory Note dated March 28, 2003, in the amount of \$75,000.00 made by Eugene B. Phillips II;

All Debtors' beneficial interest in that Multiple Advance Promissory Note dated March 28, 2003, in the amount of \$200,000.00, made by Carl V. Venters III;

All Debtors' economic right, title, and interest in and to all distributions and proceeds they are eligible to receive, either individually or communally, as 50% owner of DRM Management, L.L.C., and all general intangibles, including but not limited to all right, title, and interest in DRM Technologies, L.L.C., an Arizona limited liability company, and Digital Containers, Inc., a Delaware corporation, whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles, and accounts proceeds);

All Debtors' economic right, title, and interest in and to all general intangibles, distributions, and proceeds, they are eligible to receive, either individually or communally, as owners of Farley & Associates, Inc., an Arizona corporation, whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles, and accounts proceeds);

All Debtors' economic right, title, and interest in and to the following Arizona partnerships, SUBJECT TO an assignment of interest in favor of Horseshoe Management Company dated May 15, 2001, recorded at File No. 01175398 in the offices of the Arizona Secretary of State:

15.04% interest in Pima Investment Limited

17.60% in Kolb Road Development LP through ownership by Arapaho Investment Limited (17.374%); Havasupai Investment Limited (21.317%); Shoshoni Investment Limited (13.399%); and Zuni Investment Limited (11.861%).

3.78% GP interest, .625 Special LP Interest, and 3.145 LP interest in Arapaho Investment Limited

3.77% GP interest, .625 Special LP Interest, and 7.52% LP interest in Havasupai Investment Limited

3.79% GP interest, .625 Special LP Interest, and 6.29 LP interest in Shoshoni Investment Limited Partnership

3.77% GP interest, .625 Special LP Interest, and 7.08% LP interest in Zuni Investment Limited

4.16% GP interest and .42 Special LP Interest in Algonquin Investment Limited

All Debtor's right, title, and interest in and to the patents trademarks, trade names, software, and technology relating to the following (the "Technology"): (a) a general purpose digital rights management software suite known as "VIA EXPRESS" which includes components known as "VIAexpress envelope," "TalkBack technology" and the "VIApublishing tool," which software, among other things, purportedly enables copyright protection, distribution, usage of and payment for digital content such as text, music or images via the Internet; (b) TalkBack Telesales Internet solutions; (c) software known as the "Automatic Commerce Management System" database management tool; (d) "QuickClick" banner ad technology; (e) all servers and related host systems pertaining to the technology described herein; (f) all technology that is covered by, related to or connected with the Patent Applications described below; (g) all of the source code related to the foregoing; (h) any other technology that has been developed by either M2Direct or DRM Technologies, LLC, at any time, as well as any rights that M2Direct or DRM Technologies, LLC has in and to any technology described herein, including any rights that M2Direct or DRM Technologies, LLC has in and to any technology developed by any employee during his or her employment by any of the Companies (defined below), including without limitation any shop rights; and (i) any other software or other technology, data, proprietary information and records, in any form, related to, connected with or derived from the foregoing;

Together with all right title and interest of DRM Technologies, LLC in and to the following patent and patent applications:

U.S. Patent

<u>Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
6,389,541 (09/079,545)	5/14/02	Regulating Access to Digital Content

U.S. Patent Applications

<u>Serial No.</u>	<u>Filing Date</u>	<u>Title</u>
09/199,150	11/24/98	Viaexpress Tracking Electronic Content

09/231,714	01/15/99	Get-It-Via Delivering Electronic Content
10/110,718	4/11/02	Controlling Access to Electronic Content

Foreign Patent Applications

<u>Serial No.</u>	<u>Filing Date</u>	<u>Title</u>
CA2,332,447	05/14/99	Canada-Regulating Access to Digital Content
EP99925632.4	05/14/99	Europe-Regulating Access to Digital Content
PCT/US99/10686	05/14/99	Regulating Access to Digital Content
PCT/US00/41167	10/13/00	Controlling Access to Electronic Content
EP00981032.6	10/13/00	Controlling Access to Electronic Content

Together with all right, title and interest of Seller in and to all trademarks, including but not limited to:

US Reg. 2,085,643	"Deskvault" filed 08/05/97;
US Reg. 2,102,995	"PC Deskgate" filed 10/07/97;
US Reg. 2,102,877	"PC Gate" filed 10/7/97;
US Reg. 2,381,682	"Universal Envelope" filed 08/29/00;
US Appl. 75/794,143	"Talkback Envelope" filed 09/09/99;
US Appl. 75/794,144	"Talkback Tunes" filed 09/09/99

and copyrights, trade names, service marks, trade secrets, patents, patent applications, inventions (whether patented or patentable or not) and technical information, procedures, designs, software, data, models, drawings, registrations, computer programs and goodwill related to any of the above-described property; and

Together with all right, title and interest of M2Direct or DRM Technologies, LLC in and to any other equipment, inventory, general intangible or document related to the above-described property, including any books and records and customer lists.

The "Companies" shall mean M2Direct, Inc., a Georgia corporation, and its subsidiaries DeskGate Technologies, Inc., a Delaware corporation, Control Group, Ltd., a Georgia corporation, Aberdeen Marketing Group, Inc., a Georgia corporation, Genesis Direct, Inc., a Georgia corporation, and UST, Inc., a Georgia corporation.

All patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents and patent applications as described in Schedule A), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(ii) all general intangibles and all intangible intellectual or other similar property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above;

(iii) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

All Debtors' economic right, title, and interest in and to all distributions and proceeds it is eligible to receive as the Manager and 20% owner of DRM Technologies, L.L.C.;

All Debtors' economic right, title, and interest in and to 2,000,000 shares of treasury stock of Digital Containers, Inc.;

All Debtors' right title and interest in and to that real property located at 2933 N. Calle Ladera, Tucson, Arizona 85715, and more particularly described as

Lot 10 of SUNSET NORTH, Pima County, Arizona, according to the plat of record in the Office of the Pima County Recorder in Book 28 of Maps, Page 14.

EXCEPT that portion conveyed to David D. Cohn and Elizabeth C. Cohn, husband and wife, by Warranty Deed recorded In Docket 8956, Page 1964.

FURTHER EXCEPT that portion conveyed to David D. Conn and Elizabeth C. Cohn, husband and wife, by Deed recorded In Docket 9528, Page 2016 and further described In Deed recorded In Docket 9547, Page 1569 and re-recorded In Docket 9635, Page 337.

FURTHER EXCEPT that portion conveyed to Daniel L Swango and Melissa J. Swango, described as follows:

All of that part of Lot 10 of SUNSET NORTH, Pima County, Arizona, according to the plat of record In the Office of the Pima County Recorder In Book 28 of Maps, Page 14, more particularly described as follows:

BEGINNING at the Northeasternmost corner of Lot 10 according to said Plat;

THENCE South 89 degrees 32 minutes 20 seconds West, along the Northerly line of said Lot 10, a distance of 25.83 feet;

THENCE South 6 degrees 41 minutes 02 seconds West, a distance of 74.92 feet;

THENCE South 17 degrees 08 minutes 22 seconds West, a distance of 42.52 feet;
THENCE South 13 degrees 50 minutes 52 seconds West, a distance of 8.11 feet;
THENCE South 11 degrees 32 minutes 05 seconds West, a distance of 9.50 feet;
THENCE South 17 degrees 02 minutes 38 seconds West, a distance of 5.73 feet;
THENCE South 23 degrees 23 minutes 24 seconds West, a distance of 5.89 feet;
THENCE South 28 degrees 18 minutes 28 seconds West, a distance of 5.59 feet;
THENCE South 37 degrees 24 minutes 19 seconds West, a distance of 2.57 feet;
THENCE South 38 degrees 58 minutes 46 seconds West, a distance of 3.64 feet to
the Southerly line of said Lot 10;
THENCE South 38 degrees 17 minutes 48 seconds East, along said Southerly line,
a distance of 3.70 feet to the Southernmost corner of said Lot 10;
THENCE North 20 degrees 45 minutes 50 seconds East, a distance of 166.85 feet to
the Northeastemmost corner of said Lot 10 and the TRUE POINT OF BEGINNING.

pursuant to a Security Agreement dated _____, 2004, and a Deed of Trust of even date;
SUBJECT TO that Deed of Trust recorded at Docket 11867 Page 5675 in the offices of the Pima
County Recorder, with subsequent assignments recorded at Docket 11867 Page 5695 and Docket
12017 Page 1383, and Docket 12397 Page 3890 in the offices of the Pima County Recorder; and
SUBJECT TO that Deed of Trust recorded at Docket 11868 Page 3860 in the offices of the Pima
County Recorder; and SUBJECT TO existing taxes, assessments, liens, encumbrances, covenants,
conditions, restrictions, right of way, and easements of record.