

RE

12-11-2002

ER SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



Tab settings =>=>=>

102307830

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

1. Name of conveying party(ies):

NETLOCK TECHNOLOGIES, INC.
3230 E. Imperial Highway, Ste. 250
Brea, CA 92821

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

3. Nature of conveyance:

7,1002

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

(Second Amended and Restated)

☐ Other

Execution Date: **April 2, 2002**

2. Name and address of receiving party(ies)

Name: **K.K. SPJC & COMPANY**

Street Address: **c/o Buchalter, Nemer, Fields & Younger, 601 South Figueroa Street, Ste. 2400**

City: **San Jose** State: **CA** ZIP: **95110-1024**

Additional name(s) & address(es) attached? ☐ Yes ☒ No

US PATENT & TRADEMARK OFFICE
2002 JUL 12 A 9 03
TRADEMARK FEE PROCESS RECEIVED

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

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s)

5,825,300

5,010,572

Additional numbers attached? ☐ Yes ☒ No

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

Mr. Sigi Hinojosa, Paralegal

Name: **Buchalter, Nemer, Fields & Younger**

Internal Address:

Street Address: **601 So. Figueroa St., Ste. 2400**

City: **Los Angeles** State: **California** ZIP: **90017**

6. Total number of applications and patents involved: **2**

7. Total fee (37 CFR 3.41) \$ **80.00**

☐ Enclosed

☒ Authorized to be charged to deposit account

8. Deposit account number:

20-0052

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

12/11/2002 LNUELLER 00000078 200052 5825300

01 FC:8021

80.00 CH

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.

Sigi Hinojosa

Name of Person Signing

Signature

July 10, 2002

Date

Total number of pages including cover sheet, attachments, and document: **1**

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments

PATENT
REEL: 013552 FRAME: 0052

**SECOND AMENDED AND RESTATED INTELLECTUAL
PROPERTY SECURITY AGREEMENT**

This **SECOND AMENDED AND RESTATED INTELLECTUAL PROPERTY SECURITY AGREEMENT** ("**Agreement**"), dated as of April 2, 2002, is entered into between **Netlock Technologies, Inc.**, a California corporation ("**Debtor**"), and **K.K. SPJC & Company** (herein, together with its successors and assigns, "**Secured Party**"), in light of the following:

A. Debtor and Secured Party are, contemporaneously herewith, entering into that certain Second Amended and Restated Secured Promissory Note of even date in the principal amount of \$5,000,000 (as amended, supplemented, replaced or restated from time to time, the "**Note**");

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

C. This Agreement amends and restates in its entirety that certain Amended and Restated Intellectual Property Security Agreement dated as of January 15, 2002 between Debtor and Secured Party.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter 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 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 Debtor, 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 presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Debtor, 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 Debtor, 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 Debtor'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 Debtor'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 Debtor'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 Debtor's rights to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor 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 Debtor's right, title, and interest in all patentable inventions, and rights to file applications for patent under federal patent 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 Debtor 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 Debtor'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 Debtor or in the name of Secured 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 general intangibles relating to the foregoing; and

(xi) 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 or otherwise with respect to the Collateral.

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

"Obligations" means:

(i) any and all loans, advances, debts, liabilities, obligations, covenants and duties, including all costs and expenses described in Section 11.8 hereof, owing by Debtor 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 under the Note or otherwise, and including, without limitation, all interest not paid when due; and

(ii) all other moneys and liabilities whatsoever which now are or at any time hereafter may be due, owing or payable, in any currency, to Secured Party by Debtor, actually or contingently, solely or jointly and/or severally with another or others, as principal or surety, on any account, with reference to any bill, or other security, in connection with any advance, loan credit, guarantee or indemnity made or issued to or at the request of Debtor, or in any other manner whatsoever, including commission, discount and all legal and other costs, charges and expenses whatsoever (on a full indemnity basis) and also interest on the foregoing; and

(iii) all other moneys and liabilities whatsoever hereby agreed to be paid or intended to be hereby secured (including all fees, charges, costs and expenses arising out of or in connection with the provisions of this Agreement.

1.2 Construction. Unless the context of this Agreement clearly requires 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 alterations, 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 or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Debtor, 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 Debtor.

2. GRANT OF SECURITY INTEREST.

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

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Debtor 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 Debtor or licensed to Debtor, 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 Debtor or licensed to Debtor, 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; and

(iii) A true and complete schedule setting forth all federal copyright registrations owned or controlled by Debtor or licensed to Debtor, 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 Debtor's copyrights, patents, service marks and trademarks is valid and enforceable, and Debtor is not presently 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. Debtor 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 Debtor not to sue third persons;

3.4 Notice. Debtor has used and will continue to use proper statutory notice in connection with its use of each of its copyrights, patents, service marks, and trademarks;

3.5 Quality. Debtor has used and will continue to use consistent standards of high quality (which may be consistent with Debtor'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 Perfection 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 Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Debtor or for the perfection of or the exercise by Secured Party of its rights hereunder to the Collateral in the United States.

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

If Debtor 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. Debtor 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. Debtor shall bear any expenses incurred in connection with future patent applications or service mark or trademark registrations.

5. LITIGATION AND PROCEEDINGS.

Debtor 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. Debtor shall provide to Secured Party any information with respect thereto requested by Secured Party. Secured Party shall provide at Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Debtor's becoming aware thereof, Debtor 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, state, or foreign court regarding Debtor'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.

6. POWER OF ATTORNEY.

Debtor grants Secured Party power of attorney, having the full authority, and in the place of Debtor and in the name of Debtor, 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 Debtor'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 acquittance 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 to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

7. RIGHT TO INSPECT.

Debtor grants to Secured Party and its employees and agents the right to visit Debtor'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. EVENTS OF DEFAULT.

The following shall constitute an Event of Default hereunder:

- (i) Failure to make any payment provided for in the Note, or any other event of default under the Note; or
- (ii) Any misrepresentation under this Agreement or the Note.

9. 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:

9.1 Notification. Secured Party may notify licensees to make royalty payments on license agreements directly to Secured Party;

9.2 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 Debtor five days prior to such disposition. Debtor shall be credited with the net proceeds of such sale only when they are actually received by Secured Party, and Debtor 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 five 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. 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 DEBTOR 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 10. DEBTOR 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. DEBTOR 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.

11. GENERAL PROVISIONS.

11.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Debtor and Secured Party.

11.2 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

Debtor 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 Debtor is required in connection with any such assignment.

11.3 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.

11.4 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party or Debtor, 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.

11.5 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.

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

11.7 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 a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

11.8 Fees and Expenses. Debtor 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 continuations, 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 Debtor under this Agreement that Debtor 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 Debtor. 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.

11.9 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 12 of the Loan Agreement.

11.10 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 Debtor a termination of all of the security interests granted by Debtor hereunder.

11.11 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 the date first written above.

NETLOCK TECHNOLOGIES, INC.
a California corporation

By: Charles T. Moffitt
Name: CHARLES MOFFITT
Title: CEO

K.K. SPJC & COMPANY

By: _____
Name: _____
Title: _____

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 Debtor. 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.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

NETLOCK TECHNOLOGIES, INC.
a California corporation

By: Charles M. Pitt
Name: CHARLES M. PITT
Title: CEO

K.K. SPJC & COMPANY

By: Sumio Sakata
Name: Sumio Sakata
Title: President

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 Debtor. 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.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

NETLOCK TECHNOLOGIES, INC.
a California corporation

By: Charles T. Moffitt
Name: CHARLES MOFFITT
Title: CEO

K.K. SPJC & COMPANY

By: Sumio Sakata
Name: Sumio Sakata
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 876-682, entitled NetLOCK Gateway

B. Patents:

See attached

C. Trademarks:

See attached.

Schedule A

Patents and Applications

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 Of 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)

A: Schedule

Schedule A - Marks & Applications

Country Name	Trademark Name	Class	Filing Date	App. Number	Reg. Date	Reg. Number	Status	Case Number
Canada	NETLOK AND DESIGN	9, 16	12-Jul-96	817808			Pending	05412-0A179616
Argentina	NETLOK AND DESIGN	16	26-Jul-96	2002368	08-Sep-97	1643946	Registered	05412-0A179616
Argentina	NETLOK AND DESIGN	9		2002367	08-Sep-97	1643948	Registered	05412-0A179616
Australia	NETLOK AND DESIGN	9, 16	12-Jul-96	712730	12-Jul-96	712730	Registered	05412-0A179616
Bahama	NETLOK AND DESIGN	9					Marked	05412-0A179616
Bahama	NETLOK AND DESIGN	16					Marked	05412-0A179616
Bolivia	NETLOK AND DESIGN	16		7031			Abandoned	05412-0A179616
Bolivia	NETLOK AND DESIGN	9		7030			Abandoned	05412-0A179616
Brazil	NETLOK AND DESIGN	9					Abandoned	05412-0A179616
Brazil	NETLOK AND DESIGN	16					Marked	05412-0A179616
Brazil	NETLOK AND DESIGN	9	03-Jun-98	820 805 266			Published	05412-0A179616
Brazil	NETLOK AND DESIGN	16	03-Jun-98	820 805 254			Published	05412-0A179616
China	NETLOK AND DESIGN	16	23-Aug-96	960096516	21-Sep-97	1105289	Published	05412-0A179616
China	NETLOK AND DESIGN	9	23-Aug-96	960096515			Pending	05412-0A179616
Columbia	NETLOK AND DESIGN	9	04-Dec-96	96-063495	29-Aug-97	210818	Registered	05412-0A179616

PATENT

REEL: 013552 FRAME: 0066

Columbia	NETLOCK AND DESIGN	16	04 Dec-96	96-063497	22-Feb-97	199118	Registered	05402-1A13011	05402-1A13011
Costa Rica	NETLOCK AND DESIGN	9			27-Aug-97	101376	Registered	05402-1A13010	05402-1A13010
Costa Rica	NETLOCK AND DESIGN	16			01-Feb-97	102301	Registered	05402-1A13011	05402-1A13011
Czech Republic	NETLOCK AND DESIGN	9,16	19-Aug-96	02-113943	25-Mar-98	200280	Registered	05402-1A13010	05402-1A13010
Czechia	NETLOCK AND DESIGN	9	12-Sep-96	71876			Filed	05402-1A13010	05402-1A13010
Ecuador	NETLOCK AND DESIGN	16	12-Sep-96	71877			Filed	05402-1A13010	05402-1A13010
Egypt	NETLOCK AND DESIGN	9	30-Jul-96	102412			Filed	05402-1A13011	05402-1A13011
Egypt	NETLOCK AND DESIGN	16	30-Jul-96	102413			Filed	05402-1A13011	05402-1A13011
El Salvador	NETLOCK AND DESIGN	9,16					Pending	05402-1A13011	05402-1A13011
European Community	NETLOCK AND DESIGN	9,16	04-Jun-96	268136	24-Nov-98	268136	Registered	05402-1A13011	05402-1A13011
Guatemala	NETLOCK AND DESIGN	16	28-Oct-96	96-0379			Filed	05402-1A13011	05402-1A13011
Guatemala	NETLOCK AND DESIGN	9	28-Oct-96	96-0378			Filed	05402-1A13011	05402-1A13011
Honduras	NETLOCK AND DESIGN	16	12-Jul-96	770696			Published	05402-1A13011	05402-1A13011
Honduras	NETLOCK AND DESIGN	9	12-Jul-96	770706			Published	05402-1A13010	05402-1A13010
Hong Kong	NETLOCK AND DESIGN	9	24-Jul-96	960996	24-Jul-96	001113/1997	Registered	05402-1A13010	05402-1A13010
Hong Kong	NETLOCK AND DESIGN	16	24-Jul-96	967096	24-Jul-96	001113/1997	Registered	05402-1A13010	05402-1A13010
India	NETLOCK AND DESIGN	9	27-Sep-96	718130			Filed	05402-1A13010	05402-1A13010
India	NETLOCK AND DESIGN	16	30-Sep-96	718218			Filed	05402-1A13011	05402-1A13011

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Indonesia	NETLOCK AND DESIGN	16	20-Aug-96	9617698	06-Feb-97	396052	Filed	05012 PAT'97
Indonesia	NETLOCK AND DESIGN	9	20-Aug-96	9617697	01-Feb-97	394776	Registered	05012 PAT'97
Israel	NETLOCK AND DESIGN	9	14-Jul-96	106470	01-Feb-96	106470	Registered	05012 PAT'96
Israel	NETLOCK AND DESIGN	16	14-Jul-96	106419	04-Feb-96	106419	Registered	05012 PAT'96
Japan	NETLOCK AND DESIGN	16	23-Jul-96	0203796	10-Apr-98	4115191	Registered	05012 PAT'96
Japan	NETLOCK AND DESIGN	9	23-Jul-96	0203696	20-Feb-98	4117522	Registered	05012 PAT'96
Jordan	NETLOCK AND DESIGN	9					Proposed	05012 PAT'97
Jordan	NETLOCK AND DESIGN	16					Proposed	05012 PAT'97
Korea (South)	NETLOCK AND DESIGN	KR CL. 39	07-Aug-96	96-34613	27-Dec-97	308500	Registered	05012 PAT'96
Korea (South)	NETLOCK AND DESIGN	KR CL. 52	07-Aug-96	1996-30614	23-Jul-98	411781	Registered	05012 PAT'97
Libya	NETLOCK AND DESIGN	9,16	20-Aug-96	04-06-1270	20-Apr-98	0400465	Registered	05012 PAT'97
Malaysia	NETLOCK AND DESIGN	9	27-Aug-96	MA7012096			Filed	05012 PAT'97
Malaysia	NETLOCK AND DESIGN	16	27-Aug-96	MA7012196			Filed	05012 PAT'97
Mexico	NETLOCK AND DESIGN	16	07-Aug-96	270408	26-Sep-96	532278	Registered	05012 PAT'96
Mexico	NETLOCK AND DESIGN	9	07-Aug-96	270407	29-Dec-96	534919	Registered	05012 PAT'96
Morocco	NETLOCK AND DESIGN	9,16	21-Nov-96	11499	20-Sep-96	60702	Registered	05012 PAT'96
New Zealand	NETLOCK AND DESIGN	16	01-Aug-96	265252	01-Aug-96	265252	Registered	05012 PAT'96
New Zealand	NETLOCK AND DESIGN	9	01-Aug-96	265251	01-Aug-96	265251	Registered	05012 PAT'96
Nicaragua	NETLOCK AND DESIGN	16	09-Aug-96	96-07068			Filed	05012 PAT'97
Nicaragua	NETLOCK AND DESIGN	9	09-Aug-96	96-07067			Filed	05012 PAT'97

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Norway	NETLOCK AND DESIGN	9.16	05-Aug-96	964689	05-Jun-97	102533	Registered	05412-1A17m.1
Paraguay	NETLOCK AND DESIGN	9	16-Aug-96	16845			Filed	05412-1A17m.1
Paraguay	NETLOCK AND DESIGN	16	16-Aug-96	16844			Filed	05412-1A17m.1
Peru	NETLOCK AND DESIGN	9	08-Aug-96	17989			Abandoned	05412-1A17m.1
Peru	NETLOCK AND DESIGN	16	08-Aug-96	17990			Abandoned	05412-1A17m.1
Philippines	NETLOCK AND DESIGN	9					Proposed	05412-1A17m.1
Philippines	NETLOCK AND DESIGN	16					Proposed	05412-1A17m.1
Poland	NETLOCK AND DESIGN	9.16	12-Aug-96	2.103101			Filed	05412-1A17m.1
Qatar	NETLOCK AND DESIGN	16	07-Aug-96	15576			Filed	05412-1A17m.1
Qatar	NETLOCK AND DESIGN	9	07-Aug-96	15577			Filed	05412-1A17m.1
South Arabia	NETLOCK AND DESIGN	9	03-Aug-96	35163			Abandoned	05412-1A17m.1
South Arabia	NETLOCK AND DESIGN	16	03-Aug-96	35164	23-Jun-97	4107100	Registered	05412-1A17m.1
Singapore	NETLOCK AND DESIGN	9	07-Aug-96	5025676			Filed	05412-1A17m.1
Singapore	NETLOCK AND DESIGN	16	07-Aug-96	5025796			Filed	05412-1A17m.1
South Africa	NETLOCK AND DESIGN	9	02-Aug-96	9610591			Filed	05412-1A17m.1
South Africa	NETLOCK AND DESIGN	16	02-Aug-96	9610592			Filed	05412-1A17m.1
Switzerland	NETLOCK AND DESIGN	9.16	02-Aug-96	54031996	02-Aug-96	479423	Registered	05412-1A17m.1
Syria	NETLOCK AND DESIGN	9.16					Abandoned	05412-1A17m.1

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Taiwan	NETLOCK AND DESIGN	9	29-Aug-96	(85)M3303		Filed	05402-0A12m
Taiwan	NETLOCK AND DESIGN	9,16	21-Nov-96	11499	20-Mar-98	Registered	05402-0A12m
Thailand	NETLOCK AND DESIGN	9	23-Sep-96	318045		Filed	05402-0A12m
Thailand	NETLOCK AND DESIGN	16	23-Aug-96	318046	23-Sep-96	Registered	05402-0A12m
Turkey	NETLOCK AND DESIGN	9,16	06-Sep-96	13145		Published	05402-0A12m
United Arab Emirates	NETLOCK AND DESIGN	9,16				Proposed	05402-0A12m
United Kingdom	NETLOCK AND DESIGN	9,16	03-Jun-96	2102221		Abandoned	05402-0A12m
United States of America	NETLOCK AND DESIGN	9	03-Nov-96	75793,499		Abandoned	05402-0A12m
United States of America	NETLOCK AND DESIGN	9	22-Jun-98	75796,404		Filed	05402-0A12m
United States of America	NETLOCK AND DESIGN	9	24-Mar-94	74994,733		Abandoned	05402-0A12m
Uruguay	NETLOCK AND DESIGN	9,16	12-Aug-96	200970	20-Aug-97	Registered	05402-0A12m
Venezuela	NETLOCK AND DESIGN	16	12-Aug-96	1-96-12891		Published	05402-0A12m
Venezuela	NETLOCK AND DESIGN	9	12-Aug-96	1-96-12892		Published	05402-0A12m
Virgin	NETLOCK AND DESIGN	9	18-Sep-96	30406	02-Dec-97	Registered	05402-0A12m
Wisconsin	NETLOCK AND DESIGN	16	18-Sep-96	30407	02-Dec-97	Registered	05402-0A12m
Yugoslavia	NETLOCK AND DESIGN	9,16	10-Sep-96	7-1009106		Filed	05402-0A12m
United States	NETLOCK	9	12-Mar-96	75/074,705	1-Dec-98	2,206,331	reg.

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