

ATTACHMENT A

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

A. Patent Application No.(s):

Application File Date	Description	Serial Number
8/22/1994	Application "Observations from below a rough water surface to determine conditions of or above the surface waves"	08/294,241
4/30/2001	Application "Sensor and sensor system for liquid conductivity, temperature and depth"	09/562,849
9/9/1996	Application "Systems & methods with identity verification by comparison & interpretation of skin patterns such as fingerprints"	08/382,220
12/6/2001	New Application "Sensor and sensor system for liquid conductivity, temperature and depth" (prior docket xAA-69) - CTD Sensor divisional	09/562,849
11/14/1995	Application "Confocal-reflection streak lidar apparatus with strip-shaped photocathode, for application at a wide range of scales"	PCT/US95/15491
12/7/2001	New Continuation Application "Sensor and sensor system for liquid conductivity, temperature and depth" (prior docket xAA-69) - CTD Sensor Continuation	09/562,849
9/9/1996	Application "Economical skin-pattern-acquisition apparatus for access control; systems controlled thereby" - print widget	08/709,785
10/4/2002	Application "Microfluidic pump system for chemical or biological agents"	10/265,278
10/4/2002	Application "Circulating microfluidic pump system for chemical or biological agents"	10/265,277
6/13/2002	Application "Wide-angle or panoramic imager"	60/388,932
5/30/2002	Application "Misfolded Protein Sensor Method" - Prior PCT	PCT/US02/17212
1/15/2003	Application "Near-Infrared to Visible Wavelength Converter for Use in Streak Tube Imaging Lidars"	60/440,303
2/19/1997	Application "Mast-mounted lidar, with streak-tube imaging, for detection of mines and other obstacles from a ship"	60/038,227

Application File Date	Description	Serial Number
4/11/1997	Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like" -Streamlined analyzer	08/843,219
6/18/1998	Application "Biosensor"	09/100,526
4/9/2002	Application "Biosensor apparatus"	10/120,154
12/16/1997	Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby" - weapon divisional	08/382,220
11/6/2002	Application "Sensor orientation, circuit-board construction, remote devices, and interactive enrollment in skin-pattern print acquisition	08/382,220
11/6/2002	Nitrate Sensor	10/290,108
5/31/2001	Application "Catalytic conformational sensor" - Prior Expired, see next entry	60/295,456
5/30/2002	Application "Misfolded protein sensor method in body fluids" - Prior	10/161,061
8/10/1998	Application "Confocal-reflection streak lidar apparatus with strip-shaped photocathode, for application at a wide range of scales" - Lidar follow-on	09/125,258
9/3/1999	Application "Lidar with Streak-tube imaging, including hazard detection in marine applications; related optics" - Shipshield "Jumbo"	09/390,487
4/25/2001	Application "Very fast time resolved imaging in multiparameter measurement space" - Multislit Lidar	PCT/US01/13489
10/28/2002	Application "Very fast time resolved imaging in multiparameter measurement space" - Multislit Lidar	10/258,917
6/8/2000	Application "Tubular-waveguide gas sample chamber for optical spectrometer, and related methods" - Gas Analyzer	09/590,321
6/8/2001	PCT Application "Tubular-waveguide gas sample chamber for optical spectrometer, and related methods" - Gas Analyzer (PCT)	PCT/US01/18513
5/28/1999	Application "Systems and methods with identity verification by comparison and interpretation of skin patterns such as fingerprints" continuation	09/321,678
6/23/1999	Application "Economical skin-pattern-acquisition apparatus for access control; systems controlled thereby" - print widget divisional	09/651,636

Application File Date	Description	Serial Number
7/24/2001	Application "Method for measuring water depths using visible images of shoaling ocean waves" - Aross geolocation	60/307,653
8/29/2000	Application "Economical skin-pattern-acquisition and analysis apparatus for access control; systems controlled thereby" - Widget divisional #2 door handles	09/651,636
5/7/2002	Non-provisional Application "High-speed, low-power optical modulation apparatus and method"	10/142,654
5/17/2002	Application "Micro Electro Mechanical System (MEMS)"	60/381,286
11/26/2002	Application "Molecular Sensing Array"	10/306,899
12/4/2001	Sensor apparatus and method for using in imaging features of an object	10/005,028
12/4/2001	Reference No. 6013.103PCT	PCT/US01/46377


B. Patent No.:

Issue Date	Description	Issued Patent Number
6/10/2003	Sensor and Sensor System for Liquid Conductivity, Temperature and Depth	6,577,134
6/4/2003	Tubular-Waveguide Gas Sample Chamber for Optical Spectrometer, and Related Methods	6,527,398
6/11/2002	Sensor and Sensor System for Liquid Conductivity, Temperature and Depth	6,404,204
6/4/2002	Displaced-Beam Confocal-Reflection Streak Linde Apparatus with Strip-shaped Photocathode, for Imaging Very Small Volumes and Objects Therein	6,400,396
9/5/2000	Economical Skin-Pattern-Acquisition and Analysis Apparatus for Access Control, Systems Controlled Thereby	6,115,484
10/5/1999	Economical Skin-Pattern-Acquisition and Analysis Apparatus for Access Control; Systems Controlled Thereby	5,963,657
8/17/1999	Fingerprint-Acquisition Apparatus for Access Control; Personal Weapon and Other Systems Controlled Thereby	5,937,577
6/1/1999	Systems and Methods with Identity Verification by Comparison and Interpretation of Skin Patterns Such as Fingerprints	5,909,501

Issue Date	Description	Issued Patent Number
9/22/1998	Fingerprint--Acquisition Apparatus for Access Control; Personal Weapon and Other Systems Controlled Thereby	5,812,252
6/18/1996	Observations from Below a Rough Water Surface to Determine Conditions of or Above the Surface Waves	5,528,493
11/14/1995	Underwater Imaging in Real Time, Using Substantially Direct Depth-to-Display-Height Lidar Streak Mapping	5,467,122

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Form PTO-1585 (Rev. 10/02)		RECORDATION FORM COVER SHEET PATENTS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
OMB No. 0651-0027 (exp. 6/30/2005)					
Tab settings → → → ▼ ▼ ▼ ▼ ▼ ▼ ▼ ▼					
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy them if.					
1. Name of conveying party(ies): ARETE ASSOCIATES, a CALIFORNIA corporation			2. Name and address of receiving party(ies) Name: <u>BANK OF THE WEST</u> Internal Address: _____ _____ _____ Street Address: <u>300 SOUTH GRAND AVE.</u> _____ City: <u>LOS ANGELES</u> State: <u>CA</u> Zip: <u>90071</u>		
Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____			Execution Date: _____		
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) <u>SEE ATTACHED</u> B. Patent No.(s) <u>SEE ATTACHED</u> _____ Additional numbers attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>PAULINE M. STEVENS</u> Internal Address: _____ <u>MORRISON & FOERSTER LLP</u> _____ Street Address: <u>555 W. FIFTH STREET</u> _____ City: <u>LOS ANGELES</u> State: <u>CA</u> Zip: <u>900113</u>			6. Total number of applications and patents involved: <u>56</u> 7. Total fee (37 CFR 3.41)..... <u>\$2,640</u> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account <u>03-1952</u> 8. Deposit account number: <u>03-1952</u>		
DO NOT USE THIS SPACE					
9. Signature: <u>Pauline Stevens</u>  <u>5-21-04</u> Name of Person Signing Signature Date					
Total number of pages including cover sheet, attachments, and documents: <input type="checkbox"/>					

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

SECURITY AGREEMENT

(Patents)

THIS SECURITY AGREEMENT (Patents) (the "Patent Security Agreement") is made and dated as of the 12th day of December, 2003 by and between ARETÉ ASSOCIATES, a California corporation (the "Borrower"), and BANK OF THE WEST, a California banking corporation (the "Lender").

RECITALS

A. Pursuant to that certain Credit Agreement dated as of December 12th, 2003 between Lender and Borrower (as amended, modified or waived, the "Credit Agreement"), Lender extended or agreed to extend credit to or for the benefit of Borrower on the terms and conditions and subject to the conditions set forth therein.

B. In connection therewith, Borrower agreed, among other things, to execute and deliver in favor of Lender, (i) that certain Security Agreement dated as of December 12, 2003 (as amended, modified or waived, the "Security Agreement") between Borrower and Lender, and (ii) certain supplemental documents, including, without limitation, this Patent Security Agreement.

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Grant of Security Interest. As collateral security for the Obligations (as defined in the Security Agreement), Borrower hereby mortgages, assigns, grants and conveys to Lender a security interest, pledge, assignment and mortgage in all of Borrower's right, title and interest in the following (the "Patent Collateral"):

(a) All now existing or hereafter created or acquired, patents, letters patents, inventions, patent applications and rights and works protectable by patent, and, except to the extent prohibited by the terms thereof, all agreements in respect of patents owned by third parties, including, without limitation, the patents specifically described on Schedule I attached hereto, as the same may be amended or replaced from time to time;

(b) All now existing and hereafter arising registrations and applications for registration relating to any of the foregoing, all renewals and extensions thereof throughout the world in perpetuity, and all rights to make such applications and to renew and extend the same;

(c) All now existing and hereafter arising rights and licenses to make, have made, use and/or sell the inventions disclosed and claimed by any of the foregoing;

(d) All now existing and hereafter arising right (but not the obligation) to register claims under any state, federal or foreign patent law or regulation;

(e) All now existing and hereafter arising rights, claims and interests under licensing or other contracts pertaining to any of the foregoing;

(f) All now existing and hereafter arising specifications as to and quality control manuals used in connection with the operations utilizing any of the foregoing;

- foregoing:
- (h) All now existing and hereafter arising goodwill associated with any of the foregoing;
 - (i) All now existing and hereafter arising right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of Lender for past, present and future infringements of any of the foregoing; and
 - (j) All products and proceeds of any of the foregoing.

2. Additional Representation and Warranty and Covenant. In addition to all representations and warranties, covenants and agreements set forth in the Credit Agreement, Security Agreement and any other document, Borrower hereby:

(a) Represents and warrants that Schedule I attached hereto sets forth an accurate and complete list of all patents owned by Borrower which are registered with the United States Patent and Trademark Office; and

(b) Agrees promptly to notify Lender in writing of any additional patents of which Borrower becomes the owner, and to deliver to Lender an amended Schedule I reflecting such additional patents. Lender is hereby authorized to cause such amended Schedule I to be filed and recorded in amendment of this Patent Security Agreement.

3. No Present Assignment. Neither the Credit Agreement, this Patent Security Agreement, the Security Agreement nor any other document, instrument or agreement creates or is intended to create a present assignment of the Patent Collateral. Subject to the rights of Lender, it is the intention of the parties hereto that Borrower continue to own the Patent Collateral.

4. Relationship to Other Documents. The Patent Collateral shall constitute Collateral for all purposes of the Credit Agreement, the Security Agreement and the other documents executed in connection therewith, and Lender shall have all rights, powers and remedies with respect to the Patent Collateral to the same extent as it has with respect to other Collateral.

5. MISCELLANEOUS.

(a) All covenants and other agreements contained in this Patent Security Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns.

(b) Any provision of this Patent Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

(c) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person.

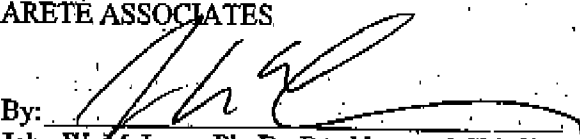
(d) This Patent Security Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

(e) This Patent Security Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of California excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed on and as of the day and year first above written.


BORROWER:

ARETE ASSOCIATES

By: 
John W. McLean, Ph. D., President and Chief Executive Officer

LENDER:

BANK OF THE WEST

By: 
Jason Horstman, Vice President

SCHEDULE I
TO PATENT SECURITY AGREEMENT

Arété Issued Patents

<i>Patent #</i>	<i>Issue Date</i>	<i>Description</i>	<i>Authors</i>
6,577,134	6/10/2003	Sensor and Sensor System for Liquid Conductivity, Temperature and Depth	Farruggia, Fraser
6,527,398	6/4/2003	Tubular-Waveguide Gas Sample Chamber for Optical Spectrometer, and Related Methods	Fetzer
6,404,204	6/11/2002	Sensor and Sensor System for Liquid Conductivity, Temperature and Depth	Farruggia, Fraser
6,400,396	6/4/2002	Displaced-Beam Confocal-Reflection Streak Linde Apparatus with Strip-shaped Photocathode, for Imaging Very Small Volumes and Objects Therein	Bowker, Lubard
6,115,484	9/5/2000	Economical Skin-Pattern-Acquisition and Analysis Apparatus for Access Control; Systems Controlled Thereby	Bowker, Lubard, Wartman, Bolton, Miller
5,963,657	10/5/1999	Economical Skin-Pattern-Acquisition and Analysis Apparatus for Access Control; Systems Controlled Thereby	Bowker, Miller, Lubard, Wartman, Bolton
5,937,577	8/17/1999	Fingerprint-Acquisition Apparatus for Access Control; Personal Weapon and Other Systems Controlled Thereby	Bowker, Lubard
5,909,501	6/1/1999	Systems and Methods with Identity Verification by Comparison and Interpretation of Skin Patterns Such as Fingerprints	Thebaud
5,812,252	9/22/1998	Fingerprint-Acquisition Apparatus for Access Control; Personal Weapon and Other	Bowker, Lubard

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1a-696987

PATENT
REEL: 014468 FRAME: 0904

		Systems Controlled Thereby	
5,528,493	6/18/1996	Observations from Below a Rough Water Surface to Determine Conditions of or Above the Surface Waves	Potter
5,467,122	11/14/1995	Underwater Imaging in Real Time, Using Substantially Direct Depth-to-Display-Height Lidar Streak Mapping	Bowker, Lubard

Application File Date	Description	Serial #	Author(s)
	General business matters		
8/22/1994	Application "Observations from below a rough water surface to determine conditions of or above the surface waves"	08/294,241	Potter
4/30/2001	Application "Sensor and sensor system for liquid conductivity, temperature and depth"	09/562,849	Farruggia, Fraser
9/9/1996	Application "Systems & methods with identity verification by comparison & interpretation of skin patterns such as fingerprints"	08/382,220	Thebaud
12/6/2001	New Application "Sensor and sensor system for liquid conductivity, temperature and depth" (prior docket xAA-69) - CTD Sensor divisional	09/562,849	Farruggia, Fraser
11/14/1995	Application "Confocal-reflection streak lidar apparatus with strip-shaped photocathode, for application at a wide range of scales"	PCT/US95/15491	Bowker, Lubard, McLean
12/7/2001	New Continuation Application "Sensor and sensor system for liquid conductivity, temperature and depth" (prior docket xAA-69) - CTD Sensor Continuation	09/562,849	Farruggia, Fraser
9/9/1996	Application "Economical skin-pattern-acquisition apparatus for access control; systems controlled thereby" - print widget	08/709,785	Bowker, Lubard, Wartman, Bolton, Miller
10/4/2002	Application "Microfluidic pump system for chemical or biological agents"	10/265,278	Kane
10/4/2002	Application "Circulating microfluidic pump system for chemical or biological agents"	10/265,277	Kane, McGruer
6/13/2002	Application "Wide-angle or panoramic imager"	60/388,932	Sitter

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PATENT
REEL: 014468 FRAME: 0905

5/30/2002	Application "Misfolded Protein Sensor Method" - Prion PCT	PCT/US02/ 17212	Orser, Grosset, Davidson
1/15/2003	Application "Near-Infrared to Visible Wavelength Converter for Use in Streak Tube Imaging Lidars	60/440,303	Fetzer, Sitter, Gugler, Ryder, Griffis, Miller, Gelbart, Bybee-Dryscoll
2/19/1997	Application "Mast-mounted lidar, with streak-tube imaging, for detection of mines and other obstacles from a ship"	60/038,227	Lubard, McLean Widhopf
4/11/1997	Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like" - Streamlined analyzer	08/843,219	Harkless, Potter, Morro, Thebaud
11/25/2002	Australian Application "Very fast time resolved imaging in multiparameter measurement space" - Multislit Lidar	2001282850	Gleckler
3/20/1997	European Application "Observations from below a rough water surface"	95927061.2	Potter
12/6/2002	European Application "Very fast time resolved imaging in multiparameter measurement space" - Multislit Lidar	99623409.3	Gleckler
6/18/1998	Application "Biosensor"	09/100,526	Alberte
1/1/1999	Brazilian Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby.	9607597	Bowker, Lubard
1/1/1999	European Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby.	96906314.8	Bowker, Lubard
1/1/1999	Japanese Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby.	524, 391	Bowker, Lubard
1/1/1999	Canadian Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby.	2,211,910	Bowker, Lubard
4/9/2002	Application "Biosensor apparatus"	10/120,154	Alberte, Farnuggia, Morris
12/16/1997	Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby" - weapon divisional	08/382,220	Bowker, Lubard
11/6/2002	Application "Sensor orientation, circuit-board construction, remote devices, and interactive enrollment in skin-pattern print acquisition	08/382,220	Harkless, Gittelsohn
11/6/2002	Nitrate Sensor	10/290,108	Orser, Pillouci

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PATENT
REEL: 014468 FRAME: 0906

5/31/200 1	Application "Catalytic conformational sensor" - Prion Expired, see next entry	60/295,456	Orser, Crosset
5/30/200 2	Application "Misfolded protein sensor method in body fluids" - Prion	10/161,061	Orser, Grosset, Davidson
6/1/1998	Australian Application "Displaced-beam confocal-reflection streak lidar apparatus with strip-shaped photocathode, for imaging very small volumes ...	721425	Bowker, Lubard
6/1/1998	Canadian Application "Displaced-beam confocal-reflection streak lidar apparatus with strip-shaped photocathode, for imaging very small volumes and objects ...	2,237,894	Bowker, Lubard
6/1/1998	European Application "Displaced-beam confocal-reflection streak lidar apparatus with strip-shaped photocathode, for imaging very small volumes ...	95944823.4	Bowker, Lubard
8/10/199 8	Application "Confocal-reflection streak lidar apparatus with strip-shaped photocathode, for application at a wide range of scales" - Lidar follow-on	09/125,258	Bowker, Lubard, McLean
9/3/1999	Application "Lidar with Streak-tube imaging, including hazard detection in marine applications; related optics" - Shipshield "Jumbo"	09/390,487	Lubard, McLean, Sitter, Bowker, Gleckler
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10/28/20 02	Application "Very fast time resolved imaging in multiparameter measurement space" - Multislit Lidar	10/258,917	Gleckler
6/8/2000	Application "Tubular-waveguide gas sample chamber for optical spectrometer, and related methods" - Gas Analyzer	09/590,321	Fetzer
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2/1/1999	Australian Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	69656/98	Harkless, Potter, Monroe, Thebaud
2/1/1999	Canadian Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	2,264,867	Harkless, Potter, Monroe, Thebaud
2/1/1999	Chinese Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	98,800,809	Harkless, Potter, Monroe, Thebaud

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PATENT
REEL: 014468 FRAME: 0907

2/1/1999	European Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	98,915,481	Harkless, Potter, Monro, Thebaud
3/1/1999	Canadian Application "Economical skin-pattern-acquisition and analysis apparatus for access control; systems controlled thereby."	2,265,581	Bowker, Miller, Lubard, Wartman, Bolton
3/1/1999	Canadian Application "Systems and methods with identity verification by comparison and interpretation of skin patterns such as fingerprints."	2,265,575	Thebaud
3/1/1999	European Application "Systems and methods with identity verification by comparison and interpretation of skin patterns such as fingerprints."	98073256.8	Thebaud
3/1/1999	Mexican Application "Economical skin-pattern-acquisition and analysis apparatus for access control; systems controlled thereby."	993420	Bowker, Miller, Lubard, Wartman, Bolton
5/28/1999	Application "Systems and methods with identity verification by comparison and interpretation of skin patterns such as fingerprints" continuation	09/321,678	Thebaud
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5/30/2002	Application "Misfolded Protein Sensor Method" - Prion PCT.	PCT/US02/ 17212	Orser, Grosset, Davison
1/15/2003	Application "Near-Infrared to Visible Wavelength Converter for Use in Streak Tube Imaging Lidars"	60/440,303	Fetzer, Sitter, Gugler, Ryder, Griffin, Miller, Gelbar, Bybee-Dryscoll
2/18/1999	Application "Mast-mounted lidar, with streak-tube imaging, for detection of mines and other obstacles from a ship"	60/038,227	Lubard, McLean Widhopf
4/11/1999	Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like" -Streamlined analyzer	08/843,219	Harkless, Potter, Moiro, Thebaud
11/25/2002	Australian Application "Very fast time resolved imaging in multiparameter measurement space" - Multiflit Lidar	2001282850	Glecker
3/20/1999	European Application "Observations from below a rough water surface"	95927061.2	Potter
12/6/2002	European Application "Very fast time resolved imaging in multiparameter measurement space" - Multiflit Lidar	99623409.3	Glecker
8/18/1999	Application "Biosensor"	09/100,528	Alberte
1/1/1999	Brazilian Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby."	9607587	Bowker, Lubard
1/1/1999	European Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby."	98908314.8	Bowker, Lubard
1/1/1999	Japanese Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby."	524, 391	Bowker, Lubard
1/1/1999	Canadian Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby."	2,211,910	Bowker, Lubard
4/9/2002	Application "Biosensor apparatus"	10/120,154	Alberte, Faruggia, Morris
12/16/1997	Application "Fingerprint-acquisition apparatus for access control; personal weapon and other systems controlled thereby" - weapon divisional	08/382,220	Bowker, Lubard
11/6/2002	Application "Sensor orientation, circuit-board construction, remote devices, and interactive enrollment in skin-pattern print acquisition"	08/382,220	Harkless, Gittelson
11/6/2002	Nibate Sensor	10/290,108	Orser, Pilioud

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5/31/200 1	Application "Catalytic conformational sensor" - Prion Expired, see next entry	60/295,456	Orser, Grosset
5/30/200 2	Application "Misfolded protein sensor method in body fluids" - Prion	10/161,061	Orser, Grosset, Davidson
6/1/1998	Australian Application "Displaced-beam confocal-reflection streak lidar apparatus with strip-shaped photocathode, for imaging very small volumes ..."	721425	Bowker, Lubard
6/1/1998	Canadian Application "Displaced-beam confocal-reflection streak lidar apparatus with strip-shaped photocathode, for imaging very small volumes and objects ..."	2,237,894	Bowker, Lubard
6/1/1998	European Application "Displaced-beam confocal-reflection streak lidar apparatus with strip-shaped photocathode, for imaging very small volumes ..."	95944823.4	Bowker, Lubard
8/10/199 8	Application "Confocal-reflection streak lidar apparatus with strip-shaped photocathode; for application at a wide range of scales" - Lidar follow-on	09/125,258	Bowker, Lubard; McLean
9/3/1999	Application "Lidar with Streak-tube imaging, including hazard detection in marine applications; related optics" - Shipshield "Jumbo"	09/390,487	Lubard, McLean, Siler, Bowker, Gleckler
4/25/200 1	Application "Very fast time resolved imaging in multiparameter measurement space" - Multifit Lidar	PCT/US01/19489	Gleckler
10/28/20 02	Application "Very fast time resolved imaging in multiparameter measurement space" - Multifit Lidar	10/256,917	Gleckler
5/8/2000	Application "Tubular-waveguide gas sample chamber for optical spectrometer, and related methods" - Gas Analyzer	09/590,321	Fetzer
6/8/2001	PCT Application "Tubular-waveguide gas sample chamber for optical spectrometer, and related methods" - Gas Analyzer (PCT)	PCT/US01/18513	Fetzer
2/1/1999	Australian Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	69856/98	Harkless, Potter, Munro, Thebaud
2/1/1999	Canadian Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	2,264,867	Harkless, Potter, Munro, Thebaud
2/1/1999	Chinese Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	98,800,809	Harkless, Potter, Munro, Thebaud

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2/1/1999	European Application "Systems & methods with identity verification by streamlined comparison & interpretation of fingerprints & the like"	98,915,481	Harkless, Potter, Mourro, Thebaud
3/1/1999	Canadian Application "Economical skin-pattern-acquisition and analysis apparatus for access control; systems controlled thereby."	2,265,581	Bowker, Miller, Lubard, Wartman, Bolton
3/1/1999	Canadian Application "Systems and methods with identity verification by comparison and interpretation of skin patterns such as fingerprints."	2,265,575	Thebaud
3/1/1999	European Application "Systems and methods with identity verification by comparison and interpretation of skin patterns such as fingerprints."	98073258.8	Thebaud
3/1/1999	Mexican Application "Economical skin-pattern-acquisition and analysis apparatus for access control; systems controlled thereby."	993420	Bowker, Miller, Lubard, Wartman, Bolton
5/28/1999	Application "Systems and methods with identity verification by comparison and interpretation of skin patterns such as fingerprints" continuation	09/321,678	Thebaud
6/23/1999	Application "Economical skin-pattern-acquisition apparatus for access control; systems controlled thereby" - print widget divisional	09/651,638	Bowker, Miller, Lubard, Wartman, Bolton
7/24/2000	Application "Method for measuring water depths using visible images of shoaling ocean waves" - Aross geolocation	60/307,653	Dugan, Piotrowski
8/28/2000	Application "Economical skin-pattern-acquisition and analysis apparatus for access control; systems controlled thereby" - Widget divisional #2 door handles	09/651,638	Bowker, Miller, Lubard, Wartman, Bolton
5/7/2002	Non-provisional Application "High-speed, low-power optical modulation apparatus and method"	10/142,654	Kane, McGruer
5/17/2002	Application "Micro Electro Mechanical System (MEMS)"	60/381,286	Kane, Ullathorne
11/1/2000	Canadian Application "Sensor orientation, circuit-board construction, remote devices, and interactive enrollment in skin-pattern print acquisition"	2,289,432	Harkless, Gittelsohn
11/26/2002	Application "Molecular Sensing Array"	10/308,889	Harmon
12/4/2001	Sensor apparatus and method for using in imaging features of an object	10/005,028	Griffis
12/4/2001	Reference No. 6013.103PCT	PCT/US01/46377	Griffis

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SECURITY AGREEMENT
(Patents)

THIS SECURITY AGREEMENT (Patents) (the "Patent Security Agreement") is made and dated as of the 12th day of December, 2003, by and between ARETE ASSOCIATES, a California corporation (the "Borrower"), and BANK OF THE WEST, a California banking corporation (the "Lender").

RECITALS

A. Pursuant to that certain Credit Agreement dated as of December 12th, 2003 between Lender and Borrower (as amended, modified or waived, the "Credit Agreement"), Lender extended or agreed to extend credit to or for the benefit of Borrower on the terms and conditions and subject to the conditions set forth therein.

B. In connection therewith, Borrower agreed, among other things, to execute and deliver in favor of Lender, (i) that certain Security Agreement dated as of December 12, 2003 (as amended, modified or waived, the "Security Agreement") between Borrower and Lender, and (ii) certain supplemental documents, including, without limitation, this Patent Security Agreement.

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Grant of Security Interest. As collateral security for the Obligations (as defined in the Security Agreement), Borrower hereby mortgages, assigns, grants and conveys to Lender a security interest, pledge, assignment and mortgage in all of Borrower's right, title and interest in the following (the "Patent Collateral"):

- (a) All now existing or hereafter created or acquired, patents, letters patents, inventions, patent applications and rights and works protectable by patent, and, except to the extent prohibited by the terms thereof, all agreements in respect of patents owned by third parties, including, without limitation, the patents specifically described on Schedule I attached hereto, as the same may be amended or replaced from time to time;
- (b) All now existing and hereafter arising registrations and applications for registration relating to any of the foregoing, all renewals and extensions thereof throughout the world in perpetuity, and all rights to make such applications and to renew and extend the same;
- (c) All now existing and hereafter arising rights and licenses to make, have made, use and/or sell the inventions disclosed and claimed by any of the foregoing;
- (d) All now existing and hereafter arising right (but not the obligation) to register claims under any state, federal or foreign patent law or regulation;
- (e) All now existing and hereafter arising rights, claims and interests under licensing or other contracts pertaining to any of the foregoing;
- (f) All now existing and hereafter arising specifications as to and quality control manuals used in connection with the operations utilizing any of the foregoing;

(h) All now existing and hereafter arising goodwill associated with any of the foregoing.

(i) All now existing and hereafter arising right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of Lender for past, present and future infringements of any of the foregoing; and

(j) All products and proceeds of any of the foregoing.

2. Additional Representation and Warranty and Covenant. In addition to all representations and warranties, covenants and agreements set forth in the Credit Agreement, Security Agreement and any other document, Borrower hereby:

(a) Represents and warrants that Schedule I attached hereto sets forth an accurate and complete list of all patents owned by Borrower which are registered with the United States Patent and Trademark Office; and

(b) Agrees promptly to notify Lender in writing of any additional patents of which Borrower becomes the owner, and to deliver to Lender an amended Schedule I reflecting such additional patents. Lender is hereby authorized to cause such amended Schedule I to be filed and recorded in amendment of this Patent Security Agreement.

3. No Present Assignment. Neither the Credit Agreement, this Patent Security Agreement, the Security Agreement nor any other document, instrument or agreement creates or is intended to create a present assignment of the Patent Collateral. Subject to the rights of Lender, it is the intention of the parties hereto that Borrower continue to own the Patent Collateral.

4. Relationship to Other Documents. The Patent Collateral shall constitute Collateral for all purposes of the Credit Agreement, the Security Agreement and the other documents executed in connection therewith, and Lender shall have all rights, powers and remedies with respect to the Patent Collateral to the same extent as it has with respect to other Collateral.

5. MISCELLANEOUS.

(a) All covenants and other agreements contained in this Patent Security Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns.

(b) Any provision of this Patent Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

(c) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person.


(d) This Patent Security Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

(e) This Patent Security Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of California excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed on and as of the day and year first above written.

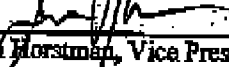
BORROWER:

ARETÉ ASSOCIATES

By: 
John W. McLean, Ph.D., President and Chief Executive Officer

LENDER:

BANK OF THE WEST

By: 
Jason Horstman, Vice President