

SECURITY AGREEMENT

This Security Agreement, dated July 3, 2003 (this "Agreement") is made by Amiga, Inc. (the "**Borrower**") located at 24403 256th Avenue SE, P.O. Box 887 Ravensdale, WA 98051 and Itec LLC (the "**Lender**") located at 102 Prince Street, New York, NY 10012.

The Lender has loaned and will loan certain sums to the Borrower pursuant to a Loan Facility Agreement dated May 22, 2003. The parties agree that the Borrower will grant the Lender a Security Interest in and to all Intellectual Property (as defined below) of the Borrower as collateral to each and all monies advanced pursuant to the Loan Facility Agreement, including accrued interest on such monies. The total of all monies advanced inclusive of accrued interest is called the "Note". The parties further agree as follows:

1. Assignment and Grant of Security Interest

Borrower hereby grants to Lender a security interest in the following assets (the "Intellectual Property"):

- (a) The Brand name Amiga, the Logo of Amiga, and all trademarks of Amiga in all countries, as summarized in exhibit A, the attached document, "Amiga, Inc. Trademark Status Report, 14.24.2003".
- (b) All domain names, including but not limited to www.amiga.com and www.amiga.net
- (c) All software owned by Amiga Inc., meaning all versions of the Amiga Operating System, and all Amiga Inc. owned tools and utilities and Software for which Amiga Inc. holds U.S. copyright registrations, as listed in exhibit B.
- (d) All software developed since the signing of the Software Acquisition Agreement on December 28, 1999 by and between Amino Development corporation and Amiga Development LLC, consisting of Software listed in exhibit C as of July 3, 2003.
- (e) All rights to the use of certain patents by Amiga Inc., pursuant to the Non-Exclusive Patent License Agreement of December 1999 by and between Amiga Development LLC and Amino Development Corporation. The patents are listed in exhibit D.
- (f) All other assets pertaining to software, new software products, hardware designs and applications, as well as ideas, plans, sketches and designs of the same.
- (g) All web sites, developer support sites, e-commerce sites and the underlying enabling technology, design and implementation.

2. Protection Documentation of Intellectual Property

The Borrower will use best efforts to keep diligent records of all documentation on its intellectual property, exercises proper control of the possession and access to source codes, documentation of software, and any trade and business secrets. To the extent the Borrower's financial capability allows it to do so, the Borrower will also use best efforts to pay all patent fees, registration fees, and legal fees to maintain all forms of

legal protection such as patents, trademarks, domain names, and copyrights current and in force in all countries where such IP assets are currently protected.

3. UCC Filing Lender's Security Interests

The Lender may at anytime register its security interests in the Intellectual Property of the Borrower by means of UCC Filing without any further notice to the Borrower.

4. No Liens, Encumbrances, or Transfers

The Borrower warrants and represents that except as set forth on Schedule 1 hereto, there are no liens or encumbrances on the Intellectual Property, and agrees not to put any further liens or encumbrances on, or sell or transfer the same without a written authorization by the Lender.

5. Default on the Security Agreement

The occurrence of any of the following shall constitute an "Event of Default Under the Security Agreement":

- (a) the breach of any material condition or obligation under the Security Agreement and the continuation of such breach for 30 days after receipt of notice thereof, or
- (b) the filing of a petition by or against the Borrower under any provision of the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or recodified from time to time, or under any similar law relating to bankruptcy, insolvency or other relief for debtors; or appointment of a receiver, trustee, custodian or liquidator of or for all or any part of the assets or property of the Borrower or the making of a general assignment for the benefit of creditors by the Borrower.
- (c) **Remedies on Borrower Default on the Security Agreement.** After an Event of Default, the interest rate on all amounts due and owing on the Note shall be 16% per annum. Upon the occurrence of any Event of Default, the Lender, at its option, May (a) by notice to the Borrower, declare the unpaid principal amount of this Note, all interest accrued and unpaid hereon and all other amounts payable hereunder to be immediately due and payable, whereupon the unpaid principal amount of this Note, all such interest and all such other amounts shall become immediately due and payable, without presentment, demand, protest or further notice of any kind, provided that if an Event of Default shall occur, the result which would otherwise occur only upon giving of notice by the Lender to the Borrower as specified above shall occur automatically, without the giving of any such notice; and (b) whether or not the actions referred to in clause (i) have been taken, exercise any or all of the Lender's rights and remedies available to the Lender under the Security Agreement and applicable law.

6. Default on Loan Payment

If the borrower does not pay the full amount owed on or before May 22, 2004, it is agreed that the Lender can at its sole discretion foreclose on all the assets that secure the loan pursuant to the Loan Facility Agreement and the Security Agreement. If the Lender decides to foreclose, it will notify all secured creditors, as listed on Schedule 1, of its intent to do so.

7. Penalty Interest

If the loan is not fully paid with interest on May 22, 2004, it is agreed that the amount owed, including accrued interest as of May 22, 2004 accrues interest at a penalty rate of 16 percent annual to be computed daily (based on a year of 365 days) until paid in full or satisfied. On or before June 22, 2004, Borrower will make best efforts to provide Lender with a complete, documented accounting of the use of funds loaned by the Lender.

7. Maximum Interest

Notwithstanding any other provisions of this Note, interest, fees and charges payable by reason of the indebtedness evidenced hereby shall not exceed the maximum, if any, permitted by governing law.

8. Indemnification

It is recognized that in making the Loan Facility Agreement and the Security Agreement, the lender relies on warrants and representations of the Borrower with respect to all issues relevant to the Loan Facility Agreement and the Security Agreement.

9. Transferability

It is further agreed that Itec LLC may, at its sole discretion, freely transfer or sell the loan to another entity with all the terms, conditions and provisions of the Loan Facility Agreement and the Security Agreement remaining in full force and enforceable by the entity to which Itec LLC has transferred or sold the loan, the Loan Facility Agreement and the Security Agreement.

10. Other

It is further agreed that the Loan Facility Agreement and the Security Agreement are not affected and remain in full force, if Itec LLC enters other agreements with Amiga Inc., or any other party or contractor affiliated with Amiga Inc., and that any assistance by Itec LLC to suggest and help to secure permanent funding for Amiga Inc. cannot and is not construed as changing or modifying the Loan Facility Agreement or the Security Agreement in any way or form in any of its provisions.

11. Applicable Law

This Agreement is made with reference to and is to be construed in accordance with the laws of the State of Washington, without regard to that state's choice of law rules. Borrower agrees that the venue of any action in connection herewith may be laid in or transferred to King County, Washington, at the option of the Lender.


NOTICE; ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT ARE NOT TO BE ENFORCEABLE UNDER WASHINGTON LAW.

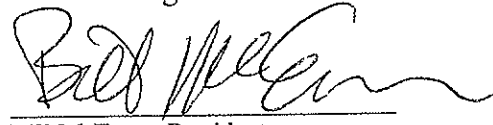
Lender :

Borrower:

Itec LLC

Amiga Inc.


Dr. Pentti Kouri, Managing Member


Bill McEwen, President