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

RECEIVED
FEB - 1 PM 3:13
OPR/FINANCE

1. Name of conveying Party(ies):
 UPSIDE MEDIA, INC.

Individual(s) Association
 General partnership Limited Partnership
 Corporation-State CA
 Other _____

2. Name and address of receiving Party(ies)
 Name: MCG FINANCE CORPORATION
 Internal Address: Suite 800
 Street Address: 1100 Wilson Boulevard
 City: Arlington State: VA ZIP: 22209

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

Individual(s) Citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State DE
 Other _____

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from Assignment)
 Additional name(s) & address(es) attached? Yes No

Execution Date: December 30, 1999

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 75/776604 75/726786
 75531207

B. Trademark Registration No's
 2202377 1653067

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Dana E. Stern, Esq.
 Internal Address: MCG Finance Corporation
 Suite 800
 Street Address: 1100 Wilson Boulevard
 City: Arlington State: VA ZIP: 22209

6. Total Number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41): \$ 140.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit Account number:
 (Attach) duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. State 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.
 Dana E. Stern January 28, 2000
 Name of Person Signing Signature Date

Total number of pages including this cover sheet and any attachments 12

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
 Box Assignments
 Washington, D.C. 20231

03/02/2000 DNGUYEN 00000107 75776604

01 FC:481
02 FC:482

40.00 OP
100.00 OP

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (as may be amended, supplemented and otherwise modified from time to time, "IP Security Agreement") is made and effective as of December 30, 1999, by **UPSIDE MEDIA, INC.** (including any successor or permitted assignee thereof, "Grantor"), in favor of **MCG FINANCE CORPORATION** (including any successor, participant, assignee or transferee thereof, "Lender").

RECITALS

WHEREAS, Grantor and certain related entities (each, a "Borrower"; collectively, the "Borrowers") desire and have applied to Lender for a credit facility consisting of a \$8.0 million term loan credit arrangement; and

WHEREAS, pursuant to that certain Credit Facility Agreement by and among Borrowers and Lender dated as of December 30, 1999 (as may be amended from time to time, "Credit Agreement"), a condition precedent to Lender's obligation to execute and perform under the Credit Agreement is that Grantor shall have executed and delivered that certain Security Agreement by and between Grantor and Lender dated as of December 30, 1999 (as may be amended from time to time, "Security Agreement") encumbering all of Grantor's tangible and intangible personal property assets in favor of Lender; and

WHEREAS, under the terms of the Security Agreement, Grantor has agreed to assign certain intellectual property to Lender for purposes of securing the obligations to Lender under the Credit Agreement and related Loan Documents; and

WHEREAS, Grantor has determined that it is in its best interest to execute this IP Security Agreement inasmuch as Grantor will derive substantial direct and indirect benefits from the funding of the Advances by Lender pursuant to the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantor and Lender hereby agree as follows:

1. Grant. Grantor hereby grants to Lender an absolute, present, unconditional, continuing first priority security interest in and to Grantor's entire right, title and interest in and to the following property and rights (collectively, the "Collateral")

(a) The U.S., state and foreign copyrights, associated copyright registrations and applications for copyright registration, and copyright licenses set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

(b) The U.S., state and foreign patents and patent applications, and patent licenses set forth on Schedule B attached hereto, including, without limitation,

improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"); and

(c) The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications, and trademark and service mark licenses set forth on Schedule C attached hereto (including all associated goodwill, collectively, the "Trademarks"); and

(d) Any and all claims and causes of action for past, present or future infringement of any of the Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Collateral; and

(e) Any and all licenses or rights granted under any of the Collateral, and all license fees and royalties arising from such licenses or rights, to the extent permitted by such licenses or rights; and

(f) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Collateral; and

(g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authorities to which this IP Security Agreement is submitted) to file and record this IP Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect Lender's interest in the Collateral.

3. Assignment. Upon the occurrence and during the continuance of an Event of Default (as defined in the Security Agreement), Grantor shall execute and deliver to Lender an absolute assignment transferring its entire right, title, and interest in and to the Collateral to Lender.

4. Power of Attorney. Grantor hereby irrevocably grants Lender a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Lender's discretion regardless of whether a Default or Event of Default is occurring:

(a) To modify or amend (in Lender's sole discretion and without first obtaining Grantor's approval of or signature thereto) Schedule A, Schedule B, and/or Schedule C hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by Grantor after the execution hereof or to delete any reference to any Collateral in which Grantor no longer has or claims any right, title or interest, and

(b) To execute, file and pursue (in Lender's sole discretion and without first obtaining Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect Lender's interest or Grantor's rights in the Collateral, including, without

limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) To execute any assignment or other document required to acknowledge, register or perfect Lender's interest in any part of the Collateral without the signature of Grantor unless prohibited by applicable law.

Grantor also hereby irrevocably grants Lender a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Lender's discretion after the occurrence and during the continuance of a Default or an Event of Default, to take any other action and to execute any other instrument which Lender may deem reasonably necessary or advisable to accomplish the purposes of the Security Agreement or this IP Security Agreement.

The foregoing power of attorney is coupled with an interest and is irrevocable.

5. Release. The security interest granted herein will terminate (and all rights to the Collateral will revert to Grantor) upon satisfaction of the following conditions:

(a) payment and performance in full of all the obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Credit Agreement (and the Facilities thereunder). Upon any such termination, Lender (at Grantor's request and sole expense) will execute and deliver to Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as Grantor may reasonably request and provide to Lender to evidence such termination.

6. Miscellaneous. This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to Lender under the Security Agreement. The rights and remedies of Grantor and Lender with respect to the security interest granted herein are in addition and without prejudice to those set forth in the Security Agreement and the Credit Agreement, all terms and provisions of which are hereby incorporated herein by reference. This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts together will constitute one and the same instrument. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Security Agreement or the Credit Agreement, the provisions of the Security Agreement or Credit Agreement shall govern.

[BALANCE OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

ATTEST:

By: Virginia Talmadge
Name: VIRGINIA TALMADGE
Title: PRESIDENT

UPSIDE MEDIA, INC.

(Grantor)

By: David Bunnell
Name: David Bunnell
Title: Chief Executive Officer

[CORPORATE SEAL]

Address: 731 Market Street, 2nd Floor
San Francisco, CA 94103

Telephone: (415) 489-5609

Facsimile: (415) 489-4400

WITNESS:

By: Caitlin de Guzman

**MCG FINANCE CORPORATION
(Lender)**

By: Jon A. Slabaugh
Jon A. Slabaugh, Managing Director

Address: 1100 Wilson Blvd.
Suite 800
Arlington, VA 22209

Telephone: (703)247-7500
Facsimile: (703)247-7505

ACKNOWLEDGMENT

STATE OF CALIFORNIA :
 : SS
COUNTY OF SAN FRANCISCO :

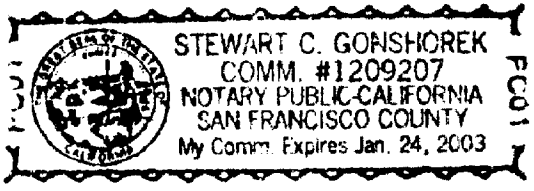
DECEMBER

Before me, the undersigned, a Notary Public, on this 21 day of ~~October~~, 1999, personally appeared David Bunnell and _____, to me known personally, who, being by me duly sworn, did each separately say that he/she is the Chief Executive Officer and _____ (respectively, as appropriate) of Upside Media, Inc., and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said Upside Media, Inc. by authority of its Board of Directors, and the said Chief Executive Officer and _____ each acknowledged said instrument to be his/her free act and deed.

[Handwritten Signature]

Notary Public

My Commission Expires: 1/24/2003



ACKNOWLEDGEMENT

STATE OF VIRGINIA

COUNTY OF Arlington

:
: SS
:

~~1999~~ ²⁰⁰⁰. Before me, the undersigned, a Notary Public, on this 19th day of ~~December~~ ^{January}, personally appeared Jon A. Slabaugh, to me known personally, who, being by me duly sworn, did say that he is the Managing Director of **MCG FINANCE CORPORATION**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said MCG Finance Corporation by authority of its Board of Directors (through its Credit Committee), and the said Jon A. Slabaugh acknowledged said instrument to be his free act and deed.

Janice A. Burch
Notary Public

My Commission Expires: May 31, 2002

175164

Schedule A

Copyright Collateral

Borrowers do not own any registered copyrights, however each magazine contains a copyright notice.

Schedule B
Patent Collateral

[None]

Schedule C

Trademark Collateral

I. Registered Trademarks

<u>Trademark Description</u>	<u>Country</u>	<u>Registration Number</u>
LAUNCH!	USA	75/776604
DIGITAL LIVING ROOM	USA	75/726786
SHOWCASE	USA	2,202,377
UPSIDE	USA	1,653,067

II. Pending Trademark Applications

<u>Trademark Description</u>	<u>Atty. Docket Number</u>	<u>Country</u>	<u>Serial Number</u>	<u>Filing Date</u>	<u>Status</u>
INTERNET SHOWCASE & DESIGN	18669-0001	USA	75/531,207	11/4/99	PENDING

The above-described trademarks are owned by Upside Media, Inc.

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12/30/99 12:01 pm (18669.0001)

Schedule C

Trademark Collateral

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SHOWCASE	USA	2,202,377
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