

07-09-2001

FORM PTO-1594

(Rev. 6-93)

OMB No. 0651-001 (exp. 4/94)



HEET

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

101769656

To the Honorable Commissioner of Patent.

al documents or copy thereof.

1. Name of conveying party(ies):  
Commerce.TV Corporation  
325 Wood Road  
Braintree, MA 02184

Association  
 Limited Partnership  
 Corporation-State: Delaware  
 Other

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

2. Name and address of receiving party(ies):  
Name: OpenTV US Investments, Inc.  
Internal Address: as Secured Parties  
Street Address: 401 East Middlefield Road  
City: Mountain View State: CA Zip: 94043

Individual(s) citizenship  
 Association  
 General Partnership  
 Limited Partnership  
 Corporation-State: Delaware 2 2001  
 Other

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

Execution Date: June 19, 2001

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

4. Application number(s) or trademark number(s):  
A. Trademark Application No.(s)  
See attached sheet

B. Trademark Registration No.(s)

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Michael Bevilacqua, Esquire  
Internal Address: Hale and Dorr LLP  
Street Address: 60 State Street  
City: Boston State: MA ZIP: 02109

6. Total number of applications and registration involved:  
24

7. Total fee (37 CFR 3.41).....\$615.00  
 Enclosed  
 Authorized to be charged to deposit account  
Charge any additional fees associated with this paper or during the pendency of this application, or credit any overpayment, to deposit account.

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

07/06/2001 DBYRNE 00000062 75742661  
01 FC:441 40.00 DP  
02 FC:442 575.00 DP

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.*

Michael Bevilacqua, Esquire [Signature] 6/28/01  
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 30

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

108924.115  
Hale and Dorr LLP Docket Number

TRADEMARK  
REEL: 002325 FRAME: 0049

**2. Names & Addresses of Receiving Parties**

Insight Communications Company, Inc.  
810 7th Ave  
41st Floor  
New York, NY 10019  
A Delaware Corporation

Citicorp  
399 Park Avenue  
14th Floor  
New York, NY 10043  
A Delaware Corporation

Motorola, Inc.  
101 Tournament Drive  
Horsham, PA 19044  
A Delaware Corporation

Adelphia Communications Corporation  
Water at Main Street  
Coudersport, PA 16915  
A Delaware Corporation

Jeffrey A. Laughlin  
48 Constellation Wharf  
Charlestown, MA 02129  
An Individual  
Citizen of The United States of America

Meridian Carbontronics LLC  
1266 Furnace Brook Parkway  
Quincy, MA 02169-4624  
A Delaware Limited Liability Company

**4. A. TRADEMARK APPLICATION NUMBERS:**

75/742661  
75/692532  
75/692526  
75/692527  
75/829560  
75/829097  
75/828532  
75/829400  
75/839184  
76/001216  
76/055059  
76/055060  
76/055058  
76/054027  
76/104363  
76/104366  
76/104364  
76/104828  
76/102888  
76/102690  
76/102348  
76/102696  
76/114704  
76/115771

# SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of June 19, 2001 ("*Security Agreement*"), is made by Commerce.TV Corporation, a Delaware corporation ("*Grantor*"), in favor of the individuals and entities listed on Exhibit A hereto (collectively referred to herein as the "*Secured Parties*").

## RECITALS

WHEREAS, Secured Parties have made and have agreed to make certain advances of money to Grantor as evidenced by those certain 10% Convertible Secured Notes (the "*Notes*") dated of even dated herewith executed by Grantor in favor of Secured Parties (collectively, the "*Loans*").

WHEREAS, Secured Parties are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall have executed and delivered to Secured Parties this Security Agreement.

## AGREEMENT

NOW, THEREFORE, in order to induce Secured Parties to make the Loans and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Grantor and Secured Parties hereby agree as follows:

1. **DEFINED TERMS.** When used in this Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"*Collateral*" shall have the meaning assigned to such term in Section 2 of this Security Agreement.

"*Contracts*" means all contracts, undertakings, franchise agreements or other agreements in or under which Grantor now holds or hereafter acquires any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

"*Copyright License*" means any written agreement, in which Grantor now holds or hereafter acquires any interest, granting any right in or to any Copyright or Copyright registration (whether Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which Grantor has obtained the exclusive right to use a copyright owned by a third party.

"*Copyrights*" means all of the following in which Grantor now holds or hereafter acquires any interest: (a) all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or any other country; (b) registrations, applications, recordings and proceedings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (c) any continuations,

renewals or extensions thereof; (d) any registrations to be issued in any pending applications; (e) prior versions of works covered by copyright and all works based upon, derived from or incorporating such works; (f) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to copyrights, including, without limitation, damages, claims and recoveries for past, present or future infringement; (g) rights to sue for past, present and future infringements of any copyright; and (h) any other rights corresponding to any of the foregoing rights throughout the world.

**“Event of Default”** means (i) any breach by Grantor of any material covenant, representation, warranty, term or condition set forth herein or, with respect to any monetary obligation of Grantor hereunder, Grantor’s failure to fully satisfy such obligation within three (3) days after the same becomes due and payable and (ii) any “default” as described in Section 5 of the Notes.

**“License”** means any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by Grantor.

**“Lien”** means any mortgage, lien, deed of trust, charge, pledge, security interest, license or other encumbrance.

**“Material Adverse Effect”** means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect upon the validity or enforceability of any provision of this Security Agreement or the Notes, (b) is or could reasonably be expected to be material and adverse to the condition (financial or otherwise) or business operations of Grantor, (c) materially impairs or could reasonably be expected to impair the ability of Grantor, to perform its obligations hereunder or under the Notes, (d) impairs or could reasonably be expected to materially impair the value or priority of Secured Parties’ security interest in any Collateral or (e) materially impairs or could reasonably be expected to materially impair the ability of Secured Parties to enforce any of their legal remedies pursuant to this Security Agreement or the Notes.

**“Patent License”** means any written agreement, in which Grantor now holds or hereafter acquires any interest, granting any right in or with respect to any Patent or any invention or technology on which a Patent is in existence (whether Grantor is the licensee or the licensor thereunder).

**“Patents”** means all of the following in which Grantor now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations-in-part or extensions thereof; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue in any such applications; (e) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages,

claims and recoveries for past, present or future infringement; and (f) rights to sue for past, present and future infringements of any patent.

**“Permitted Lien”** means: (a) any Liens existing on the date of this Security Agreement and set forth on Schedule A attached hereto; (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided the same have no priority over any of Secured Parties’ security interests; (c) Liens incurred or existing after the date hereof (i) upon or in any Equipment acquired or held by Grantor to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition of such Equipment or (ii) existing on such Equipment at the time of its acquisition, provided that the Lien is confined solely to the Equipment so acquired, improvements thereon and the Proceeds of such Equipment; (d) leases or subleases and licenses or sublicenses granted to others in the ordinary course of Grantor’s business if such are otherwise permitted under this Security Agreement and do not interfere in any material respect with the business and operations of Grantor; (e) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar Liens affecting real property not interfering in any material respect with the ordinary conduct of the business and operations of Grantor; (f) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (g) Liens arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; (h) Liens securing capital lease obligations on assets subject to such capital leases including sale and lease-back transactions otherwise permitted under this Security Agreement and Liens on equipment leased by Grantor pursuant to an operating lease in the ordinary course of Grantor’s business (including proceeds thereof and accessions thereto), all incurred solely for the purpose of financing the lease of such equipment (including Liens arising from UCC financing statements regarding such leases); and (i) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens for equipment financing of the type described in clauses (a) and (c) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase.

**“Secured Obligations”** means (a) the obligation of Grantor to repay Secured Parties all of the unpaid principal amount of, and accrued interest on (including any interest that accrues after the commencement of bankruptcy), the Loans, (b) the obligation of Grantor to pay any fees, costs and expenses of any of the Secured Parties under the Notes or under Section 7(b) hereof and (c) all other indebtedness, liabilities and obligations of Grantor to any of the Secured Parties, whether now existing or hereafter incurred in connection with the Notes or this Security Agreement.

**“Trademark License”** means any written agreement, in which Grantor now holds or hereafter acquires any interest, granting any right in and to any Trademark or Trademark registration (whether Grantor is the licensee or the licensor thereunder).

**“Trademarks”** means any of the following in which Grantor now holds or hereafter acquires any interest: (a) any trademarks, tradenames, corporate names, company names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country (collectively, the **“Marks”**); (b) any reissues, extensions or renewals thereof; (c) the goodwill of the business symbolized by or associated with the Marks; (d) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (e) rights to sue for past, present and future infringements of the Marks.

**“UCC”** means the Uniform Commercial Code as the same may, from time to time, be in effect in the Commonwealth of Massachusetts; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Secured Parties’ security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the Commonwealth of Massachusetts, the term **“UCC”** shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of priority and for purposes of definitions related to such provisions.

In addition, capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the UCC.

## **2. GRANT OF SECURITY INTEREST.**

(a) As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce Secured Parties to cause the Loans to be made, Grantor hereby mortgages, pledges, and hypothecates to Secured Parties, and hereby grants to Secured Parties, a security interest in all of Grantor’s right, title and interest in, to and under the following, whether now owned or hereafter acquired, (all of which being collectively referred to herein as the **“Collateral”**):

- (i) All Accounts of Grantor;
- (ii) All Chattel Paper of Grantor;
- (iii) All Contracts of Grantor;
- (iv) All Deposit Accounts of Grantor;
- (v) All Documents of Grantor;
- (vi) All Equipment of Grantor;

(vii) All Financial Assets of Grantor;

(viii) All Fixtures of Grantor;

(ix) All General Intangibles of Grantor, including, without limitation, all Copyrights, Patents, Trademarks, Licenses, designs, drawings, technical information, marketing plans, customer lists, trade secrets, proprietary or confidential information, inventions (whether or not patentable), procedures, know-how, models and data, and all goodwill associated with any of the foregoing;

(x) All Instruments of Grantor;

(xi) All Inventory of Grantor;

(xii) All Investment Property of Grantor;

(xiii) All property of Grantor held by Secured Parties, or any other party for whom Secured Parties are acting as agent hereunder, including, without limitation, all property of every description now or hereafter in the possession or custody of or in transit to Secured Parties or such other party for any purpose, including, without limitation, safekeeping, collection or pledge, for the account of Grantor, or as to which Grantor may have any right or power;

(xiv) All other goods and personal property of Grantor, wherever located, whether tangible or intangible, and whether now owned or hereafter acquired, existing, leased or consigned by or to Grantor; and

(xv) To the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

### **3. REVISED ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE.**

(a) The parties acknowledge and agree to the following provisions of this Security Agreement in anticipation of the possible application, in one or more jurisdictions, to the transactions contemplated hereby of the revised Article 9 of the UCC in the form or substantially in the form approved by the American Law Institute and the National Conference of Commissioners on Uniform State Law and contained in the 1999 official text of Revised Article 9 ("Revised Article 9").

(b) In applying the law of any jurisdiction in which Revised Article 9 is in effect, the Collateral shall be and include all assets of the Grantor, whether or not within the scope of Revised Article 9. In addition to the grant of a security interest set forth in Section 2 hereof, Grantor hereby grants to Secured Parties a security interest in all of the assets of Grantor, including, without limitation, the Collateral (as modified by the first sentence of this Section 3(b)) and the following categories of assets (as defined in Revised Article 9) belonging to Grantor or in which Grantor has any rights: goods (including inventory, equipment and any



accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), supporting obligations and any and all proceeds of any thereof, wherever located, whether now owned and hereafter acquired. If Grantor shall at any time, whether or not Revised Article 9 is in effect in any particular jurisdiction, acquire a commercial tort claim, as defined in Revised Article 9, Grantor shall immediately notify Secured Parties in a writing signed by Grantor of the brief details thereof and grant to Secured Parties in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance satisfactory to all of the Secured Parties.

(c) Any Secured Party may at any time and from time to time file financing statements, continuation statements and amendments thereto on behalf of all the Secured Parties that describe the Collateral as all assets of Grantor or words of similar effect and which contain any other information required by Part 5 of Revised Article 9 for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether Grantor is an organization, the type of organization and any organization identification number issued to Grantor. Grantor agrees to furnish any such information to Secured Parties promptly upon request. Any such financing statements, continuation statements or amendments may be signed by a Secured Party on behalf of Grantor and may be filed at any time in any jurisdiction whether or not Revised Article 9 is then in effect in that jurisdiction. For all such purposes, each Secured Party shall be deemed to be an attorney-in-fact of Grantor, and Grantor acknowledges that it grants such power of attorney to each Secured Party, which power of attorney shall be deemed to be coupled with an interest.

(d) Grantor shall at all times and from time to time, whether or not Revised Article 9 is in effect in any particular jurisdiction, take such steps as any Secured Party may reasonably request for Secured Parties (a) to obtain an acknowledgement, in form and substance satisfactory to Secured Parties, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for Secured Parties, (b) to obtain "control" of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper (as such terms are defined in Revised Article 9 with corresponding provisions in Sections 9-104, 9-105, 9-106 and 9-107 of Revised Article 9 relating to what constitutes "control" for such items of Collateral), with any agreements establishing control to be in form and substance satisfactory to Secured Parties, and (c) otherwise to insure the continued perfection and priority of Secured Parties' security interest in any of the Collateral and of the preservation of their rights therein, whether in anticipation and following the effectiveness of Revised Article 9 in any jurisdiction.

Nothing contained in this Section shall be construed to narrow the scope of Secured Parties' security interest in any of the Collateral or the perfection or priority thereof or to impair or otherwise limit any of the rights, powers, privileges or remedies of Secured Parties hereunder except (and then only to the extent) mandated by Revised Article 9 to the extent then applicable.

#### 4. RIGHTS OF SECURED PARTIES; COLLECTION OF ACCOUNTS.

(a) Notwithstanding anything contained in this Security Agreement to the contrary, Grantor expressly agrees that it shall remain liable under each of its Contracts and each of its Licenses to observe and perform all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract or License (collectively, the "**Performance Obligations**"); provided that Grantor shall not be required to comply with the Performance Obligations so long as non-compliance would not have a Material Adverse Effect upon its financial condition, operations or business as now conducted. Secured Parties shall not have any obligation or liability under any Contract or License by reason of or arising out of this Security Agreement or the granting to Secured Parties of a lien therein or the receipt by Secured Parties of any payment relating to any Contract or License pursuant hereto, nor shall Secured Parties be required or obligated in any manner to perform or fulfill any of the obligations of Grantor under or pursuant to any Contract or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) Secured Parties may at any time, upon the occurrence and during the continuance of any Event of Default, without notifying Grantor of their intention to do so, notify Account Debtors of Grantor, parties to the Contracts of Grantor, obligors in respect of Instruments of Grantor and obligors in respect of Chattel Paper of Grantor that the Accounts and the right, title and interest of Grantor in and under such Contracts, Instruments and Chattel Paper have been assigned to Secured Parties and that payments shall be made directly to Secured Parties, pro rata as their interests may appear. Upon the request of Secured Parties, Grantor shall so notify such Account Debtors, parties to such Contracts, obligors in respect of such Instruments and obligors in respect of such Chattel Paper. Upon the occurrence and during the continuance of any Event of Default, Secured Parties may, in their name or in the name of others, communicate with such Account Debtors, parties to such Contracts, obligors in respect of such Instruments and obligors in respect of such Chattel Paper to verify with such parties, to Secured Parties' satisfaction, the existence, amount and terms of any such Accounts, Contracts, Instruments or Chattel Paper.

5. **REPRESENTATIONS AND WARRANTIES.** Grantor hereby represents and warrants to Secured Parties that:

(a) Except for the security interest granted to Secured Parties under this Security Agreement and Permitted Liens, Grantor is the sole legal and equitable owner of each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto, free and clear of any and all Liens.

(b) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral

exists, except such as may have been filed by Grantor in favor of Secured Parties pursuant to this Security Agreement and except for Permitted Liens.

(c) This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which Grantor now has rights. Upon the filing of appropriate UCC-1 financing statements with the appropriate filing jurisdictions and the filing of appropriate documentation with the United States Copyright Office and/or Patent and Trademark Office, as applicable, with respect to items of intellectual property pledged hereunder, Secured Parties will have a fully perfected first priority security interest in all of the Collateral in which Grantor now has rights subject only to Permitted Liens. This Security Agreement will create a legal and valid and fully perfected first priority security interest in the Collateral in which Grantor later acquires rights, when Grantor acquires those rights subject only to Permitted Liens and additional filings to be made with the United States Copyright Office and/or Patent and Trademark Office as are necessary to perfect Secured Parties' security interest in subsequent ownership rights and interests of Grantor in Copyrights, Patents, Trademarks and Licenses.

(d) Grantor's chief executive office, principal place of business and the place where Grantor maintains its records concerning the Collateral are presently located at the address set forth on the signature page hereof. The Collateral is presently located at such address and at such additional addresses set forth on Schedule B attached hereto.

(e) All Copyrights (which have been applied for with the United States Copyright Office), Copyright Licenses (excluding, however, licenses granted to Grantor by third party vendors of software for the right to use such software), Patents, Patent Licenses, material Trademarks and Trademark Licenses now owned, held or in which Grantor otherwise has any interest are listed on Schedule C attached hereto.

**6. COVENANTS.** Grantor covenants and agrees with Secured Parties that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

**6.1 Disposition of Collateral.** Grantor shall not sell, lease, transfer or otherwise dispose of any of the Collateral, or attempt or contract to do so, other than (a) the sale of Inventory, (b) the granting of non-exclusive Licenses and (c) the disposal of worn-out or obsolete Equipment, all of the foregoing in the ordinary course of Grantor's business.

**6.2 Relocation of Business or Collateral.** Grantor shall not relocate its chief executive office, principal place of business or its records, or allow the relocation of any Collateral (except as allowed pursuant to Section 6.1 immediately above or with respect to moveable equipment which is being used in the ordinary course of business for a period not to exceed 30 consecutive days) from such address(es) provided to Secured Parties pursuant to Section 5(d) above without twenty (20) days prior written notice to Secured Parties.

**6.3 Limitation on Liens on Collateral.** Grantor shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such

other action as is necessary to remove, any Lien on the Collateral, except (a) Permitted Liens and (b) the Lien granted to Secured Parties under this Security Agreement.

**6.4 Condition of Collateral.** Grantor shall cause all of the Collateral used in the conduct of its business to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted).

**6.5 Insurance.** Grantor shall maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to Grantor.

**6.6 Taxes, Assessments, Etc.** Grantor shall pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment, Fixtures or Inventory, except to the extent the validity thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

**6.7 Maintenance of Records.** Grantor shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral.

**6.8 Notification Regarding Changes in Intellectual Property.** Grantor shall promptly advise Secured Parties of any subsequent ownership right or interest of the Grantor in or to any material Copyright, Patent, Trademark or License not specified on Schedule C hereto and shall permit Secured Parties to amend such Schedule, as necessary, to reflect any addition or deletion to such ownership rights.

**6.9 Defense of Intellectual Property.** Grantor shall (i) protect, defend and maintain the validity and enforceability of the Copyrights, Patents and Trademarks, (ii) use commercially reasonable efforts to detect infringements of the Copyrights, Patents and Trademarks and promptly advise Secured Parties in writing of material infringements detected and (iii) not allow any Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public without the written consent of Secured Parties unless reasonable business practice would determine that any such abandonment is appropriate.

**6.10 Further Assurances; Pledge of Instruments.** At any time and from time to time, upon the written request of Secured Parties, and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Secured Parties may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, facilitating the filing of UCC-1 Financing Statements in all applicable jurisdictions and this Security Agreement (and any amendment hereto) with the United States Copyright Office and/or Patent and Trademark Office, as applicable.

## 7. RIGHTS AND REMEDIES UPON DEFAULT.

(a) After any Event of Default shall have occurred and while such Event of Default is continuing, each Secured Party or the agent of such Secured Parties may exercise in addition to all other rights and remedies granted to it under this Security Agreement, all rights and remedies of a secured party under the UCC. After any Event of Default, the holders of a majority of the outstanding principal amount of the Notes may appoint an agent to act on behalf of all of the Secured Parties, and all agents fees and expenses shall be payable by the Company. Such agent may take such action on behalf of the Secured Parties to exercise all powers of such Secured Parties hereunder or under the UCC or other applicable law. For all such purposes, such agent shall be deemed to be an attorney-in-fact of the Secured Parties, and the Secured Parties acknowledge that they grant such power of attorney to such agent, which power of attorney shall be deemed to be coupled with an interest.

(b) Grantor also agrees to pay all reasonable fees, costs and expenses of Secured Parties, including, without limitation, reasonable attorneys' fees of one legal counsel of Secured Parties, incurred in connection with the enforcement of any of their rights and remedies hereunder.

(c) Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(d) The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral by any of the Secured Parties shall be distributed by Secured Parties in the following order of priorities:

**FIRST**, to Secured Parties, on a pari passu basis, in an amount sufficient to pay in full the reasonable costs and expenses of Secured Parties in connection with such sale, disposition or other realization, including all reasonable fees, costs, expenses, liabilities and advances incurred or made by Secured Parties in connection therewith, including, without limitation, reasonable attorneys' fees;

**SECOND**, to Secured Parties, on a pari passu basis, in an amount equal to the then unpaid Secured Obligations; and

**FINALLY**, upon payment in full of the Secured Obligations, to Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

8. **INDEMNITY.** Grantor agrees to defend, indemnify and hold harmless Secured Parties and their officers, employees, and agents against (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Security Agreement and (b) all losses or reasonable expenses in any way suffered, incurred, or paid by Secured Parties as a result of or in any way arising out of, following or consequential to transactions between Secured Parties and Grantor, under this Security

Agreement or the Notes (including without limitation, reasonable attorneys fees and expenses), except for losses arising from or out of Secured Parties' gross negligence or willful misconduct.

**9. LIMITATION ON SECURED PARTIES' DUTY IN RESPECT OF COLLATERAL.** A Secured Party shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it takes such action as Grantor requests in writing, but failure of Secured Parties to comply with any such request shall not in itself be deemed a failure to act reasonably, and no failure of a Secured Party to do any act not so requested shall be deemed a failure to act reasonably.

**10. REINSTATEMENT.** This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

**11. MISCELLANEOUS.**

**11.1 No Waiver; Cumulative Remedies.**

(a) Secured Parties shall not by any act, delay, omission or otherwise be deemed to have waived any of their respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

(b) The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

(c) None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and Secured Parties who are the holders of at least 50% of the principal amount of the Notes then outstanding.

**11.2 Termination of this Security Agreement.** Subject to Section 10 hereof, this Security Agreement shall terminate upon the payment and performance in full of the Secured Obligations or the conversion of all of the Notes into shares of capital stock of the Grantor in accordance with the terms of the Notes, provided, however that the provisions of Sections 8 and 10 shall survive any such termination of this Agreement.

**11.3 Successor and Assigns.** This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor, and shall, together with the rights and remedies of Secured Parties hereunder, inure to the benefit of Secured Parties, any future holder of any of the indebtedness and their respective successors and assigns, provided, however, Grantor may not transfer or assign its rights or obligations hereunder without the express written consent of Secured Parties, and any Grantor transfer or assignment without Secured Parties' written consent shall be null and void. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the lien granted to Secured Parties hereunder.

**11.4 Governing Law.** In all respects, including all matters of construction, validity and performance, this Security Agreement and the Secured Obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws.

**11.5 UCC-1 Financing Statements.** The Company shall file UCC-1 financing statements in all requisite jurisdictions and the Company will take all reasonable steps to perfect Secured Parties' security interest .

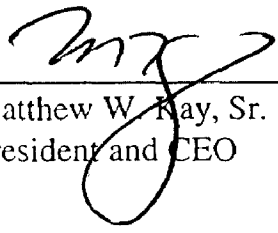
*[The remainder of this page has intentionally been left blank]*

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

ADDRESS OF GRANTOR:

COMMERCE.TV CORPORATION

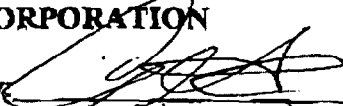
325 Wood Road  
Braintree, Massachusetts 02184

By:   
\_\_\_\_\_  
Matthew W. Ray, Sr.  
President and CEO

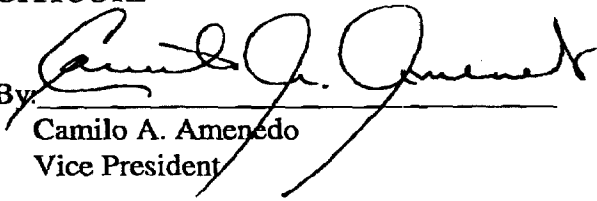


**SECURED PARTIES:**

**ADELPHIA COMMUNICATIONS  
CORPORATION**

By:   
Name: Colin H. Higgin  
Title: Assistant Secretary

**CITICORP**

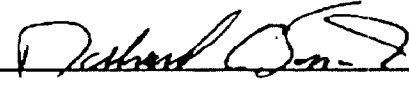
By   
Camilo A. Amenedo  
Vice President

**INSIGHT COMMUNICATIONS  
COMPANY, INC.**

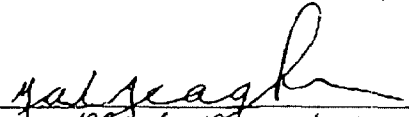
By: *Elliot Brecher*  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ELLIOT BRECHER  
SENIOR VICE PRESIDENT  
& GENERAL COUNSEL**

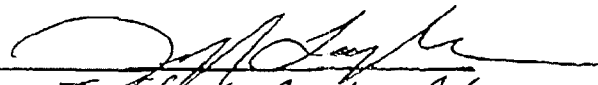
**MOTOROLA, INC.**

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OPENTV US INVESTMENTS, INC.

By:   
 Name: Mark O'Reagher  
 Title: VP & Treasurer

Jeffrey A. Laughlin

By:   
Name: Jeffrey A. Laughlin  
Title: Individual

Meridian Carbontronics, LLC

By: Michael V. Udeud  
Name: ~~Michael V. Udeud~~ Michael V. Udeud  
Title: Pres/manager

**EXHIBIT A**  
**LIST OF SECURED PARTIES**

OpenTV US Investments, Inc.

Insight Communications Company, Inc.

Citicorp

Motorola, Inc.

Adelphia Communications Corporation

Jeffrey A. Laughlin

Meridian Carbontronics LLC



**SCHEDULE A**

**EXISTING LIENS ON THE DATE OF THIS SECURITY AGREEMENT**

<b>UCC File</b>	<b>Filing Date</b>	<b>Secured Party</b>
200100013670	2/20/01	CIT VENTURE LEASING FUND, LLC 650 CIT DR. LIVINGSTON NJ 07039
00764553	12/21/00	SUN MICROSYSTEMS FINANCE 1400 COMPUTER DR. WESTBORO MA 01581
00719369	5/25/00	SUN MICROSYSTEMS FINANCE 1400 COMPUTER DRIVE WESTBORO MA 01581
99674490	11/12/99	ROCKFORD INDUSTRIES, INC. 1851 E. FIRST ST., SUITE 600 SANTA ANA CA 92705
00724954	6/20/00	DELL FINANCIAL SERVICES, L. P. 14050 SUMMIT DRIVE, BUILDING A, STE. 101 AUSTIN TX 78758
00737235	8/14/00	DELL FINANCIAL SERVICES, L. P. 14050 SUMMIT DR., BUILDING A, SUITE 101 AUSTIN TX 78758
00724956	6/20/00	DELL FINANCIAL SERVICES, L. P. 14050 SUMMIT DRIVE, BUILDING A, STE. 101 AUSTIN TX 78758
01767873	1/2/01	CISCO SYSTEMS CAPITAL, CORPORATION 170 WEST TASMAN DR. SAN JOSE CA 95134
00693082	2/3/00	COMPAQ FINANCIAL SERVICES, CORP. 101 FIELDCREST AVE., SUITE 500 EDISON NJ 08837
00732230	7/24/00	DELL FINANCIAL SERVICES, L. P. 14050 SUMMIT DR., BUILDING A, SUITE 101 AUSTIN TX 78758
00731787	7/20/00	BOSTON FINANCIAL & EQUITY CORPORATION 20 OVERLAND ST. BOSTON MA 02215
781	12/28/00	SUN MICROSYSTEMS FINANCE 1400 COMPUTER DRIVE WESTBORO MA 01581
361	6/21/00	DELL FINANCIAL SERVICES, L.P. 14050 SUMMIT DR., BUILDING A, SUITE 101 AUSTIN, TX 78758
421	7/20/00	BOSTON FINANCIAL & EQUITY CORPORATION 20 OVERLAND ST. BOSTON, MA 02215
436	7/27/00	DELL FINANCIAL SERVICES, L.P. 14050 SUMMIT DR., BUILDING A, SUITE 101 AUSTIN, TX 78758
478	8/15/00	DELL FINANCIAL SERVICES, L.P. 14050 SUMMIT DR., BUILDING A, SUITE 101 AUSTIN, TX 78758
487	8/17/00	CIT TECHNOLOGY FINANCING SERVICES, INC. 650 CIT DRIVE P.O. BOX 1638 LIVINGSTON, NJ 07039

**SCHEDULE B**

**LOCATION OF COLLATERAL**

**ENTITY**

**ADDRESS**

Commerce.TV Corporation

325 Wood Road, Braintree, MA 02184\*  
980 Washington St., Suites 328 & 330, Dedham, MA 02026

Sprint

120 N. Broadway St., Akron, OH 44304  
114 W 10<sup>th</sup> St., Cheyenne, WY 82007  
4200 W 40<sup>th</sup>, Chicago, IL 60632  
1320 3<sup>rd</sup> St., Detroit, MI 48226  
831 North Hampton Ave., Fairfax, SC 29827  
15201 W 99<sup>th</sup> St., Lenexa, KS 66219-1253  
338 Woodcrest Ave., Nashville, TN 37210  
3140 Eads St., New Orleans, LA 70122  
111 8<sup>th</sup> St., New York, NY 10011  
4101 Maple Ave., Pennsauken, NJ 08110  
401 W Harrison, Phoenix, AZ 85003-2433  
282 S Sycamore Ave., Rialto, CA 92376  
204 Spring St., Roachdale, IN 46172  
8902 Point Six Circle Dr., Houston, TX 77095  
400 Taylor St., Springfield, MA 01105  
847 Earl St., St. Paul, MN 55106  
3807 Coronado Ave., Stockton, CA 95204  
2210 S 35th St., Tacoma, WA 98409

1050 Connecticut Ave. NW, Washington, DC 20036

400 Australian Ave., West Palm Beach, FL 33404

Susquehanna Communications

410 Penn St., Williamsport, PA 17701  
2005 South Queen St., York, PA 17403

Insight Communications

2544 Palumbo Dr., Lexington, KY 40509

Adelphia Communications  
Corporation

11050 North Lake Blvd., West Palm Beach, FL 33412  
9689 Palomino Drive, Lake Worth, FL 33467

Scientific Atlanta

5030 Sugarloaf Pkwy., Lawrenceville, GA 30042

\* Corporate Headquarters

**SCHEDULE C**

**INTELLECTUAL PROPERTY**

**Pending Patent Applications:**

<b>Serial Number</b>	<b>Title</b>	<b>Inventors</b>	<b>Filing Date</b>
09/384,182	Television Commerce System	M. Kay M. Laughlin C. Campbell	08/27/99
09/644,890	Video Distribution System and Method	M. Kay M. Laughlin C. Campbell	08/24/00
09/644,659	Servicing Real Time Request via a Network	M. Kay M. Laughlin C. Campbell	08/24/00
09/644,656	Automating Commerce on a Broadcast Programming Distribution Network	M. Kay M. Laughlin C. Campbell	08/24/00
09/645/600	On-Screen User Interface for Conducting Commerce on a Broadcast Programming Network	M. Kay M. Laughlin C. Campbell	08/25/00
09/645,601	Apparatus and Method for Saving Commerce Related Information in a Broadcast Programming Network	M. Kay M. Laughlin C. Campbell	08/25/00
09/648,551	Interface for Purchasing Products in a Broadcast Programming Network	M. Kay M. Laughlin C. Campbell	08/28/00
09/648,550	On-Screen Buyers Guide for use in a Broadcast Programming Network	M. Kay M. Laughlin C. Campbell	08/28/00
US0023569	Electronic Commerce System Architecture	M. Kay M. Laughlin C. Campbell	PCT
US00/23563	Video Distribution System and Method	M. Kay M. Laughlin C. Campbell	PCT
US 00/23564	Servicing Real Time Request via a Network	M. Kay M. Laughlin C. Campbell	PCT
US00/23571	On-Screen User Interface for Conducting Commerce on a	M. Kay M. Laughlin	PCT

	Broadcast Programming Network	C. Campbell	
US00/23572	Apparatus and Method for Saving Commerce Related Information in a Broadcast Programming Network	M. Kay M. Laughlin C. Campbell	PCT

**Pending Trademark Applications:**

Serial Number	Trademark Name	Filing Date	Int'l Class	Country
75/742661	COMMERCE.TV	June 30, 1999	9	USA
1038500	COMMERCE.TV	December 6, 1999	N/A	Canada
1414465	COMMERCE.TV	December 8, 1999	9	EC
75/692532	COMMERCE-TV	April 27, 1999	9	USA
1028168	COMMERCE-TV	September 8, 1999	N/A	Canada
75/692526	COMMERCETV	April 27, 1999	9	USA
75/692527	COMMERCE TV	April 27, 1999	9	USA
75/829560	COMMERCE TRANSFER POINT	October 21, 1999	9	USA
75/829097	I WANT MY CTV!	October 21, 1999	9	USA
75/828532	BOLDLY TAKING SHOPPING WHERE IT'S NEVER GONE BEFORE	October 21, 1999	9	USA
1048929	BOLDLY TAKING SHOPPING WHERE IT'S NEVER GONE BEFORE	March 2, 2000	N/A	Canada
1533439	BOLDLY TAKING SHOPPING WHERE IT'S NEVER GONE BEFORE	March 1, 2000	9	EC
75/829400	A WHOLE NEW WAY TO CTV!	October 21, 1999	9	USA
75/839184	[Commerce.TV Logo]	November 3, 1999	9	USA
1051590	[Commerce.TV Logo]	March 21, 2000	N/A	Canada
1605823	[Commerce.TV Logo]	April 7, 2000	9	EC
76/001216	Ready. Aim. Buy.	March 15, 2000	9	USA
	Ready. Aim. Buy.	TBD		Canada
	Ready. Aim. Buy.	TBD		EC
76055059	CABLE WALLET	May 23, 2000	9	USA
76055060	CABLE WALLET	May 23, 2000	42	USA
76055058	WALLET.TV	May 23, 2000	9	USA
760540027	WALLET.TV	May 23, 2000	42	USA
76104363	.TVSELECT	August 7, 2000	9	USA
76104366	.TVSELECT	August 7, 2000	42	USA
76104364	SELECTV	August 7, 2000	9	USA

76104828	SELECTV	August 7, 2000	42	USA
76102888	.TVBACKOFFICE	August 3, 2000	9	USA
76102690	.TVBACKOFFICE	August 3, 2000	42	USA
76102348	.TVSTUDIO	August 3, 2000	9	USA
76102696	.TVSTUDIO	August 3, 2000	42	USA
76114704	TRANSACTION GATEWAY	August 23, 2000	9	USA
76115771	TRANSACTION GATEWAY	August 23, 2000	42	USA