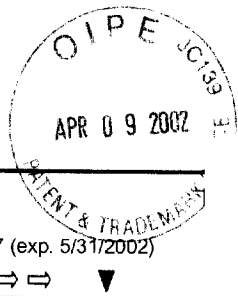


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To the Honorable Commissioner of Patents and Trademarks, please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies):</p> <p>TVN Entertainment Corporation</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association</p> <p><input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership</p> <p><input checked="" type="checkbox"/> Corporation-State</p> <p><input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		<p>2. Name and address of receiving party(ies)</p> <p>Name: <u>Alan Mcrelli</u></p> <p>Internal Address: _____</p> <p>Street Address: <u>200 Mantua Road</u> <u>Pacific</u></p> <p>City: <u>Palisades</u> State: <u>CA</u> Zip: <u>90272</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____</p> <p><input type="checkbox"/> Association _____</p> <p><input type="checkbox"/> General Partnership _____</p> <p><input type="checkbox"/> Limited Partnership _____</p> <p><input checked="" type="checkbox"/> Corporation-State <u>California</u></p> <p><input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment)</p> <p>Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger</p> <p><input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name</p> <p><input type="checkbox"/> Other _____</p> <p>Execution Date: <u>03/26/02</u></p>			
<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) _____</p> <p>_____</p> <p>B. Trademark Registration No.(s) _____</p> <p>_____</p> <p>Additional number(s) attached <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>			
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>Matthew S. Meza</u></p> <p>Internal Address: _____</p> <p><u>Milbank, Tweed, Hadley & McCloy LLP</u></p> <p>_____</p> <p>Street Address: <u>601 South Figueroa Street</u></p> <p><u>30th Floor</u></p> <p>City: <u>Los Angeles</u> State: <u>CA</u> Zip: <u>90017</u></p>		<p>6. Total number of applications and registrations involved: 7</p> <p>7. Total fee (37 CFR 3.41).....\$ <u>190.00</u></p> <p><input checked="" type="checkbox"/> Enclosed</p> <p><input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____</p>	
DO NOT USE THIS SPACE			
<p>9. Signature.</p> <p><u>Matthew S. Meza</u></p> <p>Name of Person Signing</p>		<p></p> <p>Signature</p> <p><u>4/8/02</u></p> <p>Date</p> <p>Total number of pages including cover sheet, attachments, and document: 23</p>	

Mail documents to be recorded with required cover sheet information to:
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TRADEMARK
REEL: 002483 FRAME: 0065

Mark: Digital Deli
Registration No. 2,151,068
Registration Date: 4/14/98

Mark: Digital Delicatessen
Registration No. 2,189,516
Registration Date: 9/15/98

Mark: Digital Satellite TV Without the Dish
Registration No. 2,058,468
Registration Date: 4/29/97

Mark: SkyMail
Registration No. 1,955,206
Registration Date: 2/6/96

Mark: TVN
Registration No. 1,686,954
Registration Date: 5/12/92

Mark: WHERE THE FUTURE IS NOW PLAYING
Registration No. 1,781,763
Registration Date: 7/13/93

Mark: Miscellaneous Design
Registration No. 1,722,505
Registration Date: 10/6/92

SECURITY AGREEMENT

Dated as of March 26, 2002

between

TVN ENTERTAINMENT CORPORATION

and

ALAN E. MORELLI



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SECURITY AGREEMENT

This SECURITY AGREEMENT (this "Agreement") dated as of March 26, 2002 is made between TVN ENTERTAINMENT CORP., a Delaware corporation (the "Obligor") and ALAN E. MORELLI (the "Secured Party").

In connection with the proposed settlement of certain litigation between the Obligor and the Secured Party (the "Settlement"), the Obligor has agreed (i) to pay the Secured Party the sum of \$3,489,715.37, of which \$1,282,840.50 is to be paid concurrently with the execution of this Agreement and the balance of which is to be evidenced by a promissory note of even date with this Agreement made by the Obligor to the order of the Secured Party (the "Note") and (ii) to enter into a Repayment Agreement, dated as of even date with this Agreement (the "Repayment Agreement") with the Secured Party.

To induce the Secured Party to (a) enter into the Settlement and (b) accept payment over time as evidenced by the Note and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Obligor agrees to pledge and grant to the Secured Party a security interest in the Collateral as security for the Secured Obligations. Accordingly, the Obligor agrees with the Secured Party as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Certain Defined Terms. Unless otherwise defined, each capitalized term used in this Agreement that is not defined herein (or the definition for which is incorporated by reference in) shall have the meaning assigned to that term in the Repayment Agreement. In addition, the term:

"Accounts" has the meaning assigned to the term "accounts" in the Uniform Commercial Code.

"Certificated Security" has the meaning assigned to the term "certificated security" in the Uniform Commercial Code.

"Chattel Paper" has the meaning assigned to the term "chattel paper" in the Uniform Commercial Code.

"Collateral" has the meaning assigned to that term in Section 2.01.

"Copyright Collateral" means all Copyrights, whether now owned or in the future acquired by the Obligor.

"Copyrights" means, collectively, (a) all copyrights, copyright registrations and applications for copyright registrations, (b) all renewals and extensions of all copyrights, copyright registrations and applications for copyright registration and (c) all rights, now existing or in the future coming into existence, (i) to all income, royalties, damages and other payments

(including in respect of all past, present or future infringements) now or in the future due or payable under or with respect to any of the foregoing, (ii) to sue for all past, present and future infringements with respect to any of the foregoing and (iii) otherwise accruing under or pertaining to any of the foregoing throughout the world.

"Deposit Accounts" has the meaning assigned to the term "deposit accounts" in the Uniform Commercial Code.

"Documents" has the meaning assigned to the term "documents" in the Uniform Commercial Code.

"Electronic Chattel Paper" has the meaning assigned to the term "electronic chattel paper" in the Uniform Commercial Code.

"Equipment" has the meaning assigned to the term "equipment" in the Uniform Commercial Code.

"Fixtures" has the meaning assigned to the term "fixtures" in the Uniform Commercial Code.

"General Intangibles" has the meaning assigned to the term "general intangibles" in the Uniform Commercial Code.

"Goods" has the meaning assigned to the term "goods" in the Uniform Commercial Code.

"Instruments" has the meaning assigned to the term "instruments" in the Uniform Commercial Code.

"Intellectual Property" means all Copyright Collateral, all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets; (b) all licenses or user or other agreements granted to the Obligor with respect to any of the foregoing, in each case whether now or in the future owned or used; (c) all information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs; (d) all field repair data, sales data and other information relating to sales or service of products now or in the future manufactured; (e) all accounting information and all media in which or on which any information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of that information, knowledge, records or data; (f) all governmental approvals now held or in the future obtained by the Obligor in respect of any of the foregoing; and (g) all causes of action, claims and warranties now owned or in the future acquired by the Obligor in respect of any of the foregoing. The term "Intellectual Property" includes all of the foregoing owned or acquired by the Obligor on a worldwide basis.

"Inventory" has the meaning assigned to the term "inventory" in the Uniform Commercial Code.

"Investment Property" has the meaning assigned to the term "investment property" in the Uniform Commercial Code.

"Issuers" means, collectively, each corporation, limited liability company, partnership, association or other entity (a) the accounts of which would be consolidated with those of the Obligor in consolidated financial statements prepared in accordance with GAAP as of any date of determination, (b) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of any date of determination, owned, controlled or held by the Obligor or (c) that is, as of any date of determination, otherwise controlled, directly or indirectly by the Obligor."

"Letter-of-Credit Rights" has the meaning assigned to the term "letter-of-credit rights" in the Uniform Commercial Code.

"Motor Vehicles" means motor vehicles, tractors, trailers and other like property, whether or not the title to any such property is governed by a certificate of title or ownership.

"Ownership Collateral" means any Investment Property representing any interest in any Issuer.

"Patent Collateral" means all Patents, whether now owned or in the future acquired by the Obligor.

"Patents" means, collectively, (a) all patents and patent applications, (b) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of all patents or patent applications and (c) all rights, now existing or in the future coming into existence, (i) to all income, royalties, damages, and other payments (including in respect of all past, present and future infringements) now or in the future due or payable under or with respect to any of the foregoing, (ii) to sue for all past, present and future infringements with respect to any of the foregoing and (iii) otherwise accruing under or pertaining to any of the foregoing throughout the world, including all inventions and improvements described or discussed in all such patents and patent applications.

"Payment Intangible" has the meaning assigned to the term "payment intangible" in the Uniform Commercial Code.

"Proceeds" has the meaning assigned to the term "proceeds" in the Uniform Commercial Code.

"Secured Obligations" means (a) any and all obligations and liabilities of the Obligor under the Note, whether for principal, interest or other amounts and (b) any and all obligations and liabilities of the Obligor for the performance of its agreements, covenants and undertakings under or in respect of the Repayment Agreement and this Agreement.

"Software" has the meaning assigned to the term "software" in the Uniform Commercial Code.

"Trademark Collateral" means all Trademarks, whether now owned or in the future acquired by the Obligor. Notwithstanding the foregoing, the term "Trademark Collateral" does not include any Trademark that would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

"Trademarks" means, collectively, (a) all trade names, trademarks and service marks, logos, trademark and service mark registrations and applications for trademark and service mark registrations, (b) all renewals and extensions of any of the foregoing and (c) all rights, now existing or in the future coming into existence, (i) to all income, royalties, damages and other payments (including in respect of all past, present and future infringements) now or in the future due or payable under or with respect to any of the foregoing, (ii) to sue for all past, present and future infringements with respect to any of the foregoing and (iii) otherwise accruing under or pertaining to any of the foregoing throughout the world, together, in each case, with the product lines and goodwill of the business connected with the use of, or otherwise symbolized by, each such trade name, trademark and service mark.

"Uniform Commercial Code" means the Uniform Commercial Code as in effect in the State of California from time to time or, by reason of mandatory application, any other applicable jurisdiction.

Section 1.02 Interpretation. In this Agreement, unless otherwise indicated, the singular includes the plural and plural the singular; words importing any gender include the other gender; references to statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including," "includes" and "include" are to be deemed to be followed by the words "without limitation"; the words "shall" and "will" are used interchangeably to indicate an obligation; references to articles, sections (or subdivisions of sections), exhibits, annexes or schedules are to this Agreement; references to agreements and other contractual instruments include all subsequent amendments, extensions and other modifications to those instruments (without, however, limiting any prohibition on any such amendments, extensions or modifications by the terms of the Note or this Agreement); and references to persons include their respective successors and permitted assigns and, in the case of governmental authorities, persons succeeding to their respective functions and capacities.

ARTICLE II

COLLATERAL

Section 2.01 Grant. As collateral security for the prompt payment in full when due (whether at stated maturity, upon acceleration, on any optional or mandatory prepayment date or otherwise) and performance of the Secured Obligations, the Obligor hereby pledges and grants to the Secured Party, a security interest in all of the Obligor's right, title and interest in and to the following property, whether now owned or in the future acquired by the Obligor and whether now existing or in the future coming into existence (collectively, the "Collateral"):

- (a) all Ownership Collateral;

- (b) all Investment Property not covered by Section 2.01(a);
- (c) all Accounts and Deposit Accounts;
- (d) all Instruments;
- (e) all Documents;
- (f) all Chattel Paper, including all Electronic Chattel Paper;
- (g) all Inventory;
- (h) all Equipment;
- (i) all Fixtures;
- (j) all Goods not covered by the preceding clauses of this Section 2.01;
- (k) all Letter-of-Credit Rights;
- (l) all Intellectual Property;
- (m) all Payment Intangibles, Software and General Intangibles not covered by the preceding clauses of this Section 2.01;
- (n) all other tangible and intangible property of the Obligor, including all books, correspondence, credit files, records, invoices, tapes, cards, computer runs and other papers and documents in the possession or under the control of the Obligor or any computer bureau or service company from time to time acting for the Obligor and
- (o) all Proceeds and products in whatever form of all or any part of the other Collateral, including all rents, profits, income and benefits and all proceeds of insurance and all condemnation awards and all other compensation for any casualty with respect to all or any part of the other Collateral (together with all rights to recover and proceed with respect to the same), and all accessions to, substitutions for and replacements of all or any part of the other Collateral;

provided that the Collateral shall not include any Transponders, C-Band Transponders, Transponders on Galaxy Backup, Transponder Spares, Transponder Capacity, Replacement Satellite, any other satellite, transponder, transponder segment, transponder capacity, beam or any related equipment, documentation or specifications covered by leases or other agreements now existing or hereafter entered into between the Obligor and PanAmSat Corporation.

Section 2.02 Intellectual Property. For the purpose of enabling the Secured Party to exercise its rights, remedies, powers and privileges under Section 6.01 at such time or times as the Secured Party is lawfully entitled to exercise those rights, remedies, powers and privileges, and for no other purpose, the Obligor hereby grants to the Secured Party, to the extent assignable, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Obligor) to use, assign, license or sublicense any of the Intellectual Property

of the Obligor, together with reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of those items.

Section 2.03 Perfection. The Obligor authorizes the Secured Party to file such financing statements and continuation statements in such offices from time to time as are necessary or as the Secured Party may determine to be appropriate to create, perfect and establish the priority of the liens granted by this Agreement in any and all of the Collateral, to preserve the validity, perfection or priority of the liens granted by this Agreement in any and all of the Collateral or to enable the Secured Party to exercise its remedies, rights, powers and privileges under this Agreement. Concurrently with the execution and delivery of this Agreement, the Obligor shall (i) deliver to the Secured Party any and all certificates for all Certificated Securities representing Ownership Collateral, duly endorsed in blank or accompanied by undated stock powers duly executed in blank, (ii) cause the Secured Party (to the extent requested by the Secured Party) to be listed as the lienholder on all certificates of title or ownership relating to Motor Vehicles in the name of the Obligor and deliver to the Secured Party originals of all such certificates of title or ownership for the Motor Vehicles together with the odometer statements for each respective Motor Vehicle, (iii) cause the Secured Party to be listed as the lienholder on any certificate of title or ownership for any other Equipment covered by a certificate of title or ownership and (iv) take all such other actions, and authenticate or sign and file or record such other records or instruments, as are necessary or as the Secured Party may request to perfect and establish the priority of the liens granted by this Agreement in any and all of the Collateral or to enable the Secured Party to exercise its remedies, rights, powers and privileges under this Agreement.

Section 2.04 Preservation and Protection of Security Interests. The Obligor shall:

(a) upon the acquisition by the Obligor of any Certificated Securities representing any Ownership Collateral or of any Motor Vehicles or other Goods title to which is represented by a certificate of title or like document promptly (x) take such action with respect to that Collateral as a specified for that type of Collateral in Section 2.03 and (y) take all such other actions, and authenticate or sign and file or record such other records or instruments, as are necessary or as the Secured Party may request to create, perfect and establish the priority of the liens granted by this Agreement in any and all the Collateral, to preserve the validity, perfection or priority of the liens granted by this Agreement in any and all of the Collateral or to enable the Secured Party to exercise its remedies, rights, powers and privileges under this Agreement;

(b) whether with respect to Collateral as of the date of this Agreement or Collateral in which the Obligor acquires rights in the future, authorize, give, authenticate, execute, deliver, file or record any and all financing statements, notices, contracts, agreements or other records or instruments, obtain any and all governmental approvals, and take all such other actions, as are necessary or as the Secured Party may request to create, perfect and establish the priority of the liens granted by this Agreement in any and all the Collateral, to preserve the validity, perfection or priority of the liens granted by this Agreement in any and all of the Collateral or to enable the Secured Party to exercise its remedies, rights, powers and privileges under this Agreement.

Section 2.05 Attorney-in-Fact. Subject to the rights of the Obligor under Sections 2.06, 2.07 and 2.08, the Obligor hereby appoints the Secured Party its attorney-in-fact for the purpose of carrying out the provisions of this Agreement and taking any action and executing any records and instruments that the Secured Party may deem necessary or advisable to create, perfect and establish the priority of the liens granted by this Agreement in any and all the Collateral, to preserve the validity, perfection or priority of the liens granted by this Agreement in any and all of the Collateral or to enable the Secured Party to exercise its remedies, rights, powers and privileges under this Agreement. This appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Secured Party is entitled under this Agreement upon the occurrence and continuation of any Event of Default (i) to ask, demand, collect, sue for, recover, receive and give receipt and discharge for amounts due and to become due under and in respect of all or any part of the Collateral; (ii) to receive, endorse and collect any Accounts, Chattel Paper, Instruments or General Intangibles (including any draft or check representing the proceeds of insurance or the return of unearned premiums); (iii) to file any claims or take any action or proceeding that the Secured Party may deem necessary or advisable for the collection of all or any part of the Collateral, including the collection of any compensation due and to become due under any contract or agreement with respect to all or any part of the Collateral; and (iv) to execute, in connection with any sale or disposition of the Collateral under Section 6.01, any endorsements, assignments, bills of sale or other instruments of conveyance or transfer with respect to all or any part of the Collateral.

Section 2.06 Special Provisions Relating to Securities.

(a) So long as no Event of Default has occurred and is continuing, the Obligor shall have the right to exercise all voting, consensual and other powers of ownership pertaining to all Ownership Collateral included in the Collateral for all purposes, provided that the Obligor shall not vote any Ownership Collateral in any manner that is inconsistent with the terms of the Note or this Agreement; and the Secured Party shall, at the Obligor's expense, execute and deliver to the Obligor or cause to be executed and delivered to the Obligor all such proxies, powers of attorney, dividend and other orders and other instruments, without recourse, as the Obligor may reasonably request for the purpose of enabling the Obligor to exercise the rights and powers that it is entitled to exercise pursuant to this Section 2.06(a).

(b) So long as no Event of Default has occurred and is continuing, the Obligor shall be entitled to receive and retain any dividends on any Ownership Collateral included in the Collateral paid in cash and out of earned surplus.

(c) If any Event of Default has occurred and is continuing, and whether or not the Secured Party exercises any available right to declare any Secured Obligation due and payable or seeks or pursues any other right, remedy, power or privilege available to it under applicable law, this Agreement or the Note, all dividends and other distributions on all Ownership Collateral included in the Collateral shall be paid directly to the Secured Party and retained by it as part of the Collateral, subject to the terms of this Agreement, and, if the Secured Party so requests, the Obligor shall execute and deliver to the Secured Party appropriate additional dividend, distribution and other orders and instruments to that end, provided that if that Event of Default is cured, any such dividend or distribution paid to the Secured Party prior

to that cure shall, upon request of the Obligor (except to the extent applied to the Secured Obligations), be returned by the Secured Party to the Obligor.

Section 2.07 Instruments. So long as no Default has occurred and is continuing, the Obligor may retain for collection in the ordinary course of business any Instruments obtained by it in the ordinary course of business, and the Secured Party shall, promptly upon the request, and at the expense of, the Obligor, make appropriate arrangements for making any Instruments pledged by the Obligor available to the Obligor for purposes of presentation, collection or renewal. Any such arrangement shall be effected, to the extent deemed appropriate by the Secured Party, against a trust receipt or like document.

Section 2.08 Use of Collateral. So long as no Event of Default has occurred and is continuing, the Obligor is, in addition to its rights under Sections 2.06 and 2.07 in respect of the Collateral contemplated in those sections, entitled to use and possess the other Collateral and to exercise its rights, title and interest in all contracts, agreements, licenses and governmental approvals, subject to the rights, remedies, powers and privileges of the Secured Party under Articles III and VI and to that use, possession or exercise not otherwise constituting an Event of Default or any event that, with notice, lapse of time or both, would constitute an Event of Default.

Section 2.09 Rights and Obligations.

(a) The Obligor shall remain liable to perform its duties and obligations under the contracts and agreements included in the Collateral in accordance with their respective terms to the same extent as if this Agreement had not been executed and delivered. The exercise by the Secured Party of any right, remedy, power or privilege in respect of this Agreement shall not release the Obligor from any of its duties and obligations under those contracts and agreements. The Secured Party shall have no duty, obligation or liability under those contracts and agreements or in respect to any governmental approval included in the Collateral by reason of this Agreement or the Note nor shall the Secured Party be obligated to perform any of the duties or obligations of the Obligor under any such contract or agreement or any such governmental approval or to take any action to collect or enforce any claim (for payment) under any such contract or agreement or governmental approval.

(b) No lien granted by this Agreement in the Obligor's right, title and interest in any contract, agreement or governmental approval shall be deemed to be a consent by the Secured Party to any such contract, agreement or governmental approval.

(c) No reference in this Agreement to Proceeds or to the sale or other disposition of Collateral shall be deemed to authorize the Obligor to sell or otherwise dispose of any Collateral except to the extent otherwise expressly permitted by the terms of this Agreement.

(d) The Secured Party shall not be required to take steps necessary to preserve any rights against prior parties to any part of the Collateral.

Section 2.10 Termination. When all Secured Obligations have been indefeasibly paid in full, this Agreement shall terminate, and the Secured Party shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect of the Collateral, to or on the order of the Obligor and to be released, canceled and granted back all licenses and rights referred to in Section 2.02. The Secured Party shall also execute and deliver to the Obligor upon that termination such Uniform Commercial Code termination statements, certificates for terminating the liens on the Motor Vehicles and such other documentation as are reasonably requested by the Obligor to effect the termination and release of the liens granted by this Agreement on the Collateral.

ARTICLE III

NOTIFICATION OF ACCOUNT DEBTOR

Section 3.01 Notification. If any Event of Default or any event that, with notice, lapse of time or both, would constitute an Event of Default has occurred and is continuing, the Obligor shall, upon request of the Secured Party, promptly notify (and the Obligor hereby authorizes the Secured Party so to notify) each account debtor in respect of any Accounts, Chattel Paper and General Intangible and each obligor on Instruments that such Collateral has been assigned to the Secured Party under this Agreement and that any payments due or to become due in respect of that Collateral shall be made directly to the Secured Party. All such payments made to the Secured Party shall be applied to the Secured Obligation.

ARTICLE IV

REPRESENTATIONS

As of the date of this Agreement, the Obligor represents and warrants to the Secured Party as follows:

Section 4.01 Obligor Information.

- (a) Annex 1 correctly sets forth its full and correct legal name, type of organization, jurisdiction of organization, organizational ID number (if applicable), chief executive office and mailing address as of the date of this Agreement.
- (b) Annex 1 correctly sets forth each location at which its Goods (other than Motor Vehicles constituting Equipment and Goods in transit) of Obligor are located.
- (c) It has not (i) changed its location (as defined in Section 9307 of the Uniform Commercial Code), (ii) previously changed its name except as set forth on Annex 1 and (iii) previously become a "new debtor" (as defined in the Uniform Commercial Code) with respect to a currently effective security agreement entered into by another Person except as set forth on Annex 2.

Section 4.02 Title. The Obligor is the sole beneficial owner of the Collateral and the Collateral is free and clear of all Liens (other than Permitted Encumbrances and the Liens permitted under Sections 5.09 (b), (c) and (d) of the Repayment Agreement). The liens and security interests granted by this Agreement in favor of the Secured Party for the benefit of the Secured Party have attached and, except to the extent that any filings with the U.S. Patent and Trademark Office are required to perfect the security interest granted to Secured Party in the Intellectual Property, constitute a perfected security interest in all of the Collateral prior to all other Liens (other than Permitted Encumbrances and the Liens permitted under Section 5.09(b), (c) and (d) of the Repayment Agreement).

Section 4.03 Authority, Etc.

(a) Each of the Obligor and each Issuer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and is qualified to do business in, and is in good standing in, every jurisdiction where that qualification is required.

(b) The execution and delivery by the Obligor of, and the performance by of its obligations under, the Note and this Agreement and the entering into of the Settlement are within the Obligor's corporate powers and have been duly authorized by all necessary corporate (including, if required, stockholder) action. This Agreement and the Note have been duly executed and delivered by the Obligor, and each of this Agreement and the Note constitutes a legal, valid and binding obligation of the Obligor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) The execution and delivery by the Obligor of, and the performance by of its obligations under, the Note and this Agreement and the entering into of the Settlement (a) do not require any governmental approval of any governmental authority, except as have been obtained or made and are in full force and effect, (b) will not violate any applicable governmental rule or the charter, by-laws or other organizational documents of the Obligor or of any of the Issuers, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Obligor or any of the Issuers or its or any of the Issuers' property or give rise to a right under any such indenture, agreement or other instrument to require any payment to be made by the Obligor or any of the Issuers and (d) will not result in the creation or imposition of any lien on any property of the Obligor or any of the Issuers, other than the lien of this Agreement.

ARTICLE V

COVENANTS

Section 5.01 Books and Records. The Obligor shall:

(a) keep full and accurate books and records relating to the Collateral and stamp or otherwise mark those books and records in such manner as the Secured Party may

reasonably require in order to reflect the liens granted by this Agreement. Secured Party shall be entitled to inspect and copy such books and records in accordance with the terms of the Repayment Agreement.

Section 5.02 Changes, Etc. Without at least 30 days' prior written notice to the Secured Party, the Obligor shall not (a) change its location (as that term is defined in the Uniform Commercial Code) from that shown on Annex 1, (b) permit any Goods to be located anywhere other than at one of the locations identified in Annex 1 or in transit from one of those locations to another or (c) change its name from the name shown on Annex 1 as its current legal name.

Section 5.03 Sales and Other Liens. Without the prior written consent of the Secured Party or as permitted by the Repayment Agreement, the Obligor shall not (a) dispose of any Collateral, (b) create, incur, assume or suffer to exist any lien upon any Collateral, (c) file or suffer to be on file or authorize to be filed, in any jurisdiction, any financing statement or like instrument with respect to all or any part of the Collateral in which the Secured Party is not named or (d) permit any person other than the Secured Party to have Control of any Electronic Chattel Paper, Investment Property or Letter-of-Credit Right included in the Collateral.

Section 5.04 Ownership Collateral. The Obligor shall cause the Ownership Collateral to constitute at all times 100% of the total number of shares of each class of capital stock of each Issuer then outstanding. The Obligor shall cause all such shares to be duly authorized, validly issued, fully paid and nonassessable and to be free of any contractual restriction or any restriction under the charter or bylaws of the respective Issuer of that Ownership Collateral, upon the transfer of that Ownership Collateral (except for any such restriction contained in any Basic Document).

Section 5.05 Further Assurances. The Obligor shall, from time to time upon the written request of the Secured Party, execute and deliver such further documents and do such other acts and things as the Secured Party may reasonably request in order fully to effect the purposes of this Agreement.

Section 5.06. Additional Filings. Obligor shall, not later than March 29, 2002, make such filings with the U.S. Patent and Trademark Office as are necessary to perfect the security interest granted herein to Secured Party in the Intellectual Property.

ARTICLE VI

REMEDIES

Section 6.01 Events of Default, Etc. If any Event of Default has occurred and is continuing:

(a) The Secured Party in its discretion may require the Obligor to, and the Obligor shall, assemble the Collateral owned by it at such place or places, reasonably convenient to both the Secured Party and the Obligor, designated in the Secured Party's request;

(b) the Secured Party in its discretion may make any reasonable compromise or settlement it deems desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, all or any part of the Collateral;

(c) the Secured Party in its discretion may, in its name or in the name of the Obligor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for all or any part of the Collateral, but shall be under no obligation to do so;

(d) the Secured Party in its discretion may, upon 10 Business Days' prior written notice to the Obligor of the time and place, sell, lease or otherwise dispose of all or any part of the Collateral that is then or subsequently comes into the possession, custody or control of the Secured Party or any of its agents, at such place or places as the Secured Party deems best, for cash, for credit or for future delivery (without thereby assuming any credit risk) and at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place of any such sale (except such notice as is required above or by applicable statute and cannot be waived), and the Secured Party or any other person may be the purchaser, lessee or recipient of all or any part of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Obligor, and the Obligor hereby waives and releases any such demand, notice and right or equity. In the event of any sale, license or other disposition of any of the Trademark Collateral, the goodwill connected with and symbolized by the Trademark Collateral subject to that disposition shall be included, and the Obligor shall supply to the Secured Party or its designee, for inclusion in that sale, assignment or other disposition, all Intellectual Property relating to that Trademark Collateral. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and that sale may be made at any time or place to which the sale may be so adjourned; and

(e) the Secured Party shall have, and in its discretion may exercise, all of the rights, remedies, powers and privileges with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not the Uniform Commercial Code is in effect in the jurisdiction where any such rights, remedies, powers and privileges are asserted) and such additional rights, remedies, powers and privileges to which a secured party is entitled under the laws in effect in any jurisdiction where any rights, remedies, powers and privileges in respect of this Agreement or the Collateral may be asserted, including the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Secured Party were the sole and absolute owner of the Collateral (and the Obligor shall take all such action as may be appropriate to give effect to that right). The Proceeds of, and other realization upon, the Collateral by virtue of the exercise of remedies under this Section 6.01 and of the exercise of the license granted to the Secured Party in Section 2.02 shall be applied in accordance with Section 6.04.

Section 6.02 Deficiency. If the Proceeds of, or other realization upon, the Collateral by virtue of the exercise of remedies under Section 6.01 and of the exercise of the

license granted to the Secured Party in Section 2.02 are insufficient to cover the costs and expenses of that exercise and the payment in full of the other Secured Obligations, the Obligor shall remain liable for any deficiency.

Section 6.03 Private Sale.

(a) The Secured Party shall incur no liability as a result of the sale, lease or other disposition of all or any part of the Collateral at any private sale pursuant to Section 6.01 conducted in a commercially reasonable manner. The Obligor hereby waives any claims against the Secured Party that may arise by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Secured Party accepts the first offer received and does not offer the Collateral to more than one offeree.

(b) The Obligor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933 and applicable state securities laws, the Secured Party may be compelled to limit purchasers of all or any part of the Collateral to those who shall agree, among other things, to acquire that Collateral for their own account, for investment and not with a view to distribution or resale. The Obligor acknowledges that any such private sales may be at prices and on terms less favorable to the Secured Party than those obtainable through a public sale without those restrictions, and, notwithstanding those circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Secured Party shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the respective Issuer of that Collateral to register it for public sale.

Section 6.04 Application of Proceeds. Except as otherwise expressly provided in this Agreement, the Proceeds of, or other realization upon, all or any part of the Collateral by virtue of the exercise of remedies under Section 6.01 or of the exercise of the license granted in Section 2.02 and any other cash at the time held by the Secured Party under Section 3.01 or Section 6.01 shall be applied by the Secured Party:

First, to the payment of the costs and expenses of that exercise of remedies, including reasonable out-of-pocket costs and expenses of the Secured Party, the fees and expenses of its agents and counsel and all other expenses incurred and advances made by the Secured Party in that connection;

Next, to the payment in full of the remaining Secured Obligations; and

Finally, subject to the rights of the other holder of any lien in the relevant Collateral, to the payment to the Obligor or as a court of competent jurisdiction may direct of any surplus then remaining.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notices. All notices, requests and other communications provided for in this Agreement shall be given or made in writing and delivered by hand or courier service, mailed by certified or registered mail or sent by telecopy to the intended recipient as specified below or, as to any party, at such other address as is designated by that party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given or made upon receipt.

To the Obligor:

TVN Entertainment Corp.
2901 West Alameda Avenue, 7th Floor
Burbank, CA 91505
Telephone: (818) 526-5070
Telecopy: (818) 526-5007
Attention: Chief Financial Officer

To the Secured Party:

Alan Morelli
200 Mantua Road
Pacific Palisades, CA 90272
Telephone: (310) 395-2700
Telecopy: (310) 230-2526

Section 7.02 Expenses, Etc. The Obligor shall pay all out-of-pocket expenses (including reasonable counsels' fees and expenses) of the Secured Party in connection with any enforcement or collection proceeding (including any bankruptcy, reorganization, restructuring, "work out" or other similar proceeding) as to any of the obligations of the Obligor under this Agreement, the negotiation of any restructuring or "work out" (whether or not consummated) or the enforcement of this Section 7.02. All amounts due under this Agreement not paid when due shall bear interest until paid at a rate per annum equal to 10%.

Section 7.03 Waiver. No failure or delay by the Secured Party in exercising any remedy, right, power or privilege under this Agreement or the Note shall operate as a waiver of that remedy, right, power or privilege, nor shall any single or partial exercise of that remedy, right, power or privilege preclude any other or further exercise of that remedy, right, power or privilege or the exercise of any other remedy, right, power or privilege. The remedies, rights, powers and privileges provided by this Agreement are cumulative and not exclusive of any remedies, rights, powers or privileges provided by the Note or by law.

Section 7.04 Amendments, Etc. No provision of this Agreement may be waived, modified or supplemented except by an instrument in writing signed by the Obligor and the Secured Party. Any modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the written instrument effecting the same and shall be binding upon the Secured Party and the Obligor, and any such waiver shall be effective only in the specific instance and for the purpose for which given.

Section 7.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of its parties and their respective successors and assigns. The Obligor may not assign or transfer its rights or obligations under this Agreement without the prior written consent of the Secured Party.

Section 7.06 Survival. Each representation and warranty made, or deemed to be made by a notice of any extension of credit, in or pursuant to this Agreement shall survive the making or deemed making of that representation and warranty, and the Secured Party shall not be deemed to have waived, by reason of making any extension of credit, any Event of Default that may arise by reason of that representation or warranty proving to have been false or misleading, notwithstanding that the Secured Party may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time that extension of credit was made.

Section 7.07 Agreements Superseded. This Agreement supersedes all prior agreements and understandings, written or oral, among the parties with respect to the subject matter of this Agreement.

Section 7.08 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of that prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction.


Section 7.09 Captions. The table of contents, captions and section headings appearing in this Agreement are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

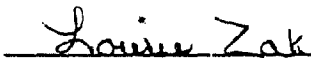
Section 7.10 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties to the Agreement may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page to this Agreement by hand or by telecopy shall be as effective as the delivery of a fully executed counterpart of this Agreement.

Section 7.11 Governing Law; Submission to Jurisdiction. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THE STATE OF CALIFORNIA.**

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the day and year first above written.

TVN ENTERTAINMENT CORPORATION
a Delaware corporation

By: 
Name: IAN AARON
Title: PRE / CEO

By: 
Name: _____
Title: _____


ALAN E. MORELLI

Filing Details

Current Legal Name (no trade names)	Type of Organization (limited liability company, corporation, etc.)	Jurisdiction of Organization	Organizational ID Number (if applicable)	Current Mailing Address	Place of Business or Location of Chief Executive Office	Location of Goods	Former Legal Names (if any)
TVN Entertainment Corporation, Inc.	Corporation	DE	C2176870	2901 W. Alameda Ave. Burbank, CA 91505	Same	Same	N/A

L.A.I.#6224195v7

New Debtor Events

Description of Event

Date of Event

N/A

N/A

LAI:#6224195v7