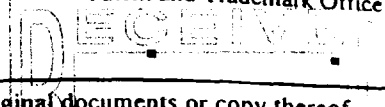


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Tab Settings

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

1. Name of conveying party(ies):

Churchill Downs Incorporated
Churchill Downs Management Company
Churchill Downs Investment Company
Racing Corporation of America
Ellis Park Race Course, Inc.

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

Additional names of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other: _____

Execution Date: April 23, 1999

2. Name and address of receiving party(ies):

Name: PNC Bank, National Association

Internal Address: _____

Street Address: 249 Fifth Avenue

City: Pittsburgh State: PA ZIP: 15222

- Individual(s) citizenship: _____
- Association: _____
- General Partnership: _____
- Limited Partnership: _____
- Corporation-State: _____
- Other: bank

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 registration number(s):

A. Trademark Application No.(s)

See attached schedule

B. Trademark registration No.(s)

See attached schedule

Additional numbers attached? Yes No

5. Name and address of party to whom concerning document should be mailed:

Name: Michael L. Dever

Internal Address: Buchanan Ingersoll, P.C.

Street Address: 301 Grant Street

20th Floor

City: Pittsburgh State: PA ZIP: 15219

6. Total number of applications and registrations involved:

15

7. Total fee (37 CFR 3.41): \$ 390.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

05/20/1999 MTHAI1 00000228 75409875

01 FC:481
02 FC:482

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 L. Dever

Name of Person Signing

Signature

5/11/99

Date

Total number of pages comprising cover sheet: 17

SCHEDULE OF TRADEMARKS

<u>Mark</u>	<u>Serial No.</u>
JUNIOR JOCKEY CLUB	75/409,875
HOOSIER DOWNS	75/503,822
HOOSIER DOWNS	75/503,834
DESIGN ONLY	75/484,995

<u>Mark</u>	<u>Registration No.</u>
CHURCHILL DOWNS	1,557,889
CHURCHILL DOWNS	1,011,127
THE KENTUCKY DERBY	1,534,197
THE KENTUCKY DERBY	997,385
CHURCHDOWNS SPORTS SPECTRUM	1,843,896
KENTUCKY OAKS	1,713,541
TWINS SPIRES AND DESIGN	1,367,101
CHURCHILL CHARLIE	2,222,444
DESIGN ONLY	2,231,670
THE WORLD'S MOST LEGENDARY RACETRACK	2,071,030

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated April 23, 1999, is entered into among CHURCHILL DOWNS INCORPORATED, a Kentucky corporation, CHURCHILL DOWNS MANAGEMENT COMPANY, a Kentucky corporation, CHURCHILL DOWNS INVESTMENT COMPANY, a Kentucky corporation, RACING CORPORATION OF AMERICA, a Delaware corporation, and ELLIS PARK RACE COURSE, INC., a Kentucky corporation, (being collectively referred to herein as the "Assignors" and each as an "Assignor"), and PNC BANK, NATIONAL ASSOCIATION, in its capacity as agent for the Banks under the Credit Agreement referred to below (the "Assignee").

WHEREAS, pursuant to that certain Credit Agreement (as may be amended, restated, modified or supplemented from time to time, the "Credit Agreement") of even date herewith by and between, inter alia, Churchill Downs Incorporated, (as Borrower), the Guarantors, and Assignee, as Agent for the Banks, the Banks have agreed to provide certain loans to the Borrower and the Assignors have agreed, among other things, to grant to the Assignee a security interest in, and upon the occurrence of an Event of Default (as that term is defined in the Credit Agreement) to conditionally assign to the Assignee for the benefit of the Banks, certain patents, trademarks and copyrights.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings given to them in the Credit Agreement.
2. To secure the payment and performance of all indebtedness and other obligations of each of the Assignors now or hereafter existing under (i) the Credit Agreement and the other Loan Documents, including, without limitation, principal, interest, fees, expenses, reasonable costs and expenses of enforcement, reasonable attorney's fees and expenses, and obligations under indemnification provisions in the Loan Documents and (ii) a Permitted Secured Interest Rate Protection Agreement, including, without limitation fees, expenses, reasonable costs and expenses of enforcement, reasonable attorney's fees and expenses, and obligations under indemnification provisions in the documents governing the same (collectively, the "Secured Obligations"), each Assignor hereby grants to the Assignee, its successors and assigns, a security interest in, and subject to Sections 8 and 9 hereof, assigns and conveys to Assignee all of its right, title and interest of such Assignor in and to all patent applications, patents, federal and state trademark applications (except those applications filed on an intent-to-use basis), registered and common law trademarks and logos, servicemarks, tradenames, copyright registrations and copyrights now owned by such Assignor in the United States, including, without limitation, those listed on Schedule A hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions,

continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the foregoing relate (collectively, the "Patents, Trademarks and Copyrights").

3. Each Assignor covenants and warrants that, except as set forth in Schedule B:
 - (a) to the best of such Assignor's knowledge, the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;
 - (b) to the best of such Assignor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;
 - (c) except for Permitted Liens, such Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patents, Trademarks and Copyrights owned by it, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by each Assignor not to sue third persons with respect to such Patents, Trademarks and Copyrights;
 - (d) such Assignor has the corporate power and authority to enter into this Agreement and perform its terms;
 - (e) no written claim has been made to such Assignor or, to the knowledge of such Assignor, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the intellectual property rights of any third party; and
 - (f) such Assignor has used, and will continue to use for the duration of this Agreement, materially consistent standards of quality in its manufacture of products which use or display the Patents, Trademarks and Copyrights; and
 - (g) such Assignor in all material respects has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights.

4. Except as set forth in Section 6 hereof, each Assignor agrees that, until all of the Secured Obligations shall have been satisfied in full, it will not enter into any agreement which is inconsistent with such Assignor's obligations under this Agreement, without the Assignee's prior written consent which shall not be unreasonably withheld.

5. If, before the Secured Obligations shall have been satisfied in full, any Assignor shall own any new U.S. applications for any Patents, Trademarks or Copyrights such Assignor shall diligently prosecute such applications. The provisions of this Agreement shall automatically apply to any such registration or patents which are issued to such Assignor in

connection with such new applications, and such Assignor shall give to Assignee prompt notice thereof in writing. Assignors and Assignee agree to modify this Agreement by amending Schedule A to include any such future patents, trademark registrations, or copyrights and the provisions of this Agreement shall apply thereto. Any expenses incurred in connection with such an application shall be borne by such Assignor.

6. No Assignor shall abandon any Patent, Trademark or Copyright without the consent of Assignee, which shall not be unreasonably withheld.

7. Each Assignor agrees not to assign or sell (except as set forth on Schedule C) its interests in any of its Patents, Trademarks and Copyrights without the prior written consent of Assignee which shall not be unreasonably withheld. Unless there shall have occurred and be continuing an Event of Default, each Assignor shall have the right to grant any license under any of its Patents, Trademarks and Copyrights in the ordinary course of such Assignor's business. Assignee reserves the right upon reasonable notice during normal business hours to inspect the operations and facilities of each Assignor from time to time for the purpose of ensuring that the use of such Assignor's Patents, Trademarks and Copyrights are consistent with Assignor's obligations under the Credit Agreement and hereunder; provided that such inspection is not disruptive of such Assignor's business.

8. If and during the period that the Secured Obligations are declared due and payable pursuant to Section 8.2.1 of the Credit Agreement, Assignee shall have the right, in addition to all other rights and remedies given it by this Agreement, the Credit Agreement, those allowed by Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be registered to transfer or assign, in good faith and without negligence or willful misconduct, all or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which such Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including reasonable fees and expenses for brokers and attorneys) relating to such sale or disposition, shall apply the remainder of such proceeds toward the payment of the Secured Obligations as the Assignee, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to such Assignor and this Agreement shall terminate. Notwithstanding the foregoing, notice of any transfer or assignment or other disposition of the Patents, Trademarks and Copyrights shall be given to such Assignor at least thirty (30) days before the time that any intended public or private transfer or assignment or other disposition of the Patents, Trademarks and Copyrights is to be made, which each Assignor hereby agrees shall be reasonable notice of such sale or other disposition, and during which period each Assignor will have the right to pay to Assignee the amount of Secured Obligations due and payable plus any reasonable expenses incurred by Assignee in connection with any such proposed transfer, assignment or disposition, and upon such payment Assignee will release all interest in the Patents, Trademarks and Copyrights, and this Agreement will terminate. At any such transfer or assignment or other disposition, Assignee may, to the extent permissible under applicable Law, purchase the whole or

any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of any Assignor, which right is hereby waived and released.

9. Subject to Section 10 hereof, if any Event of Default shall have occurred and be continuing, each Assignor hereby authorizes and empowers Assignee to make, constitute and appoint any officer or agent of Assignee, as Assignee may select in its exclusive discretion, as such Assignor's true and lawful attorney-in-fact, with the power to endorse such Assignor's name on all applications, documents, papers and instruments necessary for Assignee to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Assignee to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third Person. Each Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof other than acts or omissions which are grossly negligent or constitute willful misconduct. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.

10. At such time as Assignors shall have indefeasibly paid in full all of the Secured Obligations and the Commitments shall have terminated, this Agreement shall terminate and Assignee shall execute and deliver to Assignors all deeds, assignments and other instruments as may be necessary or proper as reasonably requested by each Assignor to release the security interest created hereby and to reassign to Assignors any and all rights granted to the Assignee in and to the Patents, Trademarks and Copyrights, pursuant to this Agreement.

11. Assignor shall preserve and maintain all rights in the Patents, Trademark and Copyrights, including without limitation the payment of all maintenance fees, renewal fees or taxes. Assignor may elect not to preserve or maintain its rights in certain Patents, Trademarks and Copyrights provided such election is with the prior consent of Assignee, which consent will not be unreasonably withheld.

12. All rights and powers to direct or control the maintenance or disposition of the Patents, Trademark and Copyrights as between the holders of the Secured Indebtedness, both before and after an Event of a Default, and the application of proceeds upon such disposition, shall be subject to and governed by Section 8.2.5 [Application of Proceeds; Collateral Sharing] of the Credit Agreement notwithstanding anything herein to the contrary. The terms of this Agreement are subject to all of other provisions of such Section 8.2.5.

13. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorney's fees and reasonable expenses incurred by Assignee in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights (in the event that Assignors fail to discharge their duty pursuant to Section 10 or

otherwise), or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by Assignors within thirty (30) days of demand by Assignee, and if not paid within such time, shall be added to the principal amount of the Secured Obligations and shall bear interest at the highest rate prescribed in the Credit Agreement.

14. Each Assignor shall have the right, with the consent of Assignee, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Assignee shall cooperate with such Assignor, at such Assignor's reasonable request and expense, in the prosecution or defense of any suit, action or proceeding with respect to the Patents, Trademarks and Copyrights. Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all damages, costs and expenses, including reasonable legal fees, incurred by Assignee at the request of Assignor as a result of such suit.

15. No course of dealing between any Assignor and Assignee, nor any failure to exercise nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Credit Agreement or other Loan Documents shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

16. All of Assignee's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Credit Agreement or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

20. This Agreement shall be governed by and construed in accordance with the internal Laws of the Commonwealth of Kentucky without regard to its conflicts of law principles.


21. EACH ASSIGNOR HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF THE CIRCUIT COURT OF JEFFERSON COUNTY, KENTUCKY AND THE UNITED STATES DISTRICT COURT FOR THE WESTERN

DISTRICT OF KENTUCKY, AND EACH ASSIGNOR WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT TO THE FULL EXTENT PERMITTED BY LAW.

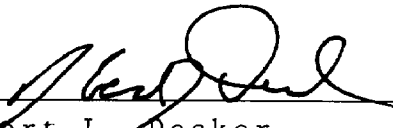
[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

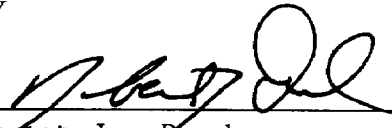
CHURCHILL DOWNS INCORPORATED

By: 
Name: Robert L. Decker
Title: Executive Vice President and CFO


CHURCHILL DOWNS MANAGEMENT
COMPANY

By: 
Name: Robert L. Decker
Title: Vice President and Treasurer


CHURCHILL DOWNS INVESTMENT
COMPANY

By: 
Name: Robert L. Decker
Title: President

RACING CORPORATION OF AMERICA

By: 
Name: Robert L. Decker
Title: Treasurer

ELLIS PARK RACE COURSE, INC.

By: 
Name: Robert L. Decker
Title: Treasurer

SCHEDULE A
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

LIST OF PATENTS, TRADEMARKS,
TRADENAMES AND COPYRIGHTS

Churchill Downs Incorporated

Churchill Downs and Design - Kentucky Registration Nos. 8,678, 8,679, 8,680 and 8,681

Churchill Downs - Federal Registration No. 1,557,889; renewed, Federal Registration No. 1,011,127

The Kentucky Derby - Federal Registration No. 1,534,197; renewed, Federal Registration No. 997,385

Churchill Downs Sports Spectrum and Design - Federal Registration No. 1,843,896

Kentucky Oaks - Federal Registration No. 1,713,541; Kentucky Registration No. 9,681

Twin Spires and Design - Federal Registration No. 1,367,101

Churchill Charlie - Federal Registration No. 2,222,444

Design only - Federal Registration No. 2,231,670

Dawn at the Downs and Design - Kentucky Registration No. 10852

Run for the Roses and Design - Kentucky Registration No. 08682

Kentucky Sampler and Design - Kentucky Registration No. 09309

Junior Jockey Club - Federal Registration Pending

The World's Most Legendary Racetrack - Federal Registration No. 2,071,030

Centennial Celebration Twin Spires 1895 Churchill Downs 1995 and Design - Kentucky Registration Nos. 10,668 and 10,669

Hoosier Downs - Federal Registration Pending (Serial No. 75/503,822)

Hoosier Downs - Federal Registration Pending (Serial No. 75/503,834)

Kentucky Derby 113 - Federal Copyright Registration No. VA256465

Kentucky Derby 114 - Federal Copyright Registration No. VA300797

Kentucky Derby 115 - Federal Copyright Registration No. VA318109

Kentucky Derby 116 - Federal Copyright Registration No. VA388760

Kentucky Derby 117 - Federal Copyright Registration No. VA432815

Kentucky Derby 118 - Federal Copyright Registration No. VA487209

Kentucky Derby 119 - Federal Copyright Registration No. VA528216

Kentucky Derby 120 - Federal Copyright Registration No. VA637781

Kentucky Derby 121 - Federal Copyright Registration No. VA680014

Kentucky Derby 122 - Federal Copyright Registration No. VA760665

Kentucky Derby 123 - Federal Copyright Registration No. VA846345

Kentucky Derby 124 - Federal Copyright Registration No. VA911899

Churchill Downs Incorporated holds a license issued by the Kentucky Racing Commission to conduct live thoroughbred races in 1999. The application for a license to conduct live thoroughbred races in 2000 will be submitted by October 1, 1999.

Churchill Downs Management Company

Churchill Downs Management Company does not own any patents, trademarks, servicemarks, etc.

Churchill Downs Investment Company

Churchill Downs Investment Company does not own any patents, trademarks, servicemarks, etc.

Ellis Park Race Course, Inc.

Ellis Racing & Entertainment Park and Design - Kentucky Registration Nos. 9,131 and 9,132

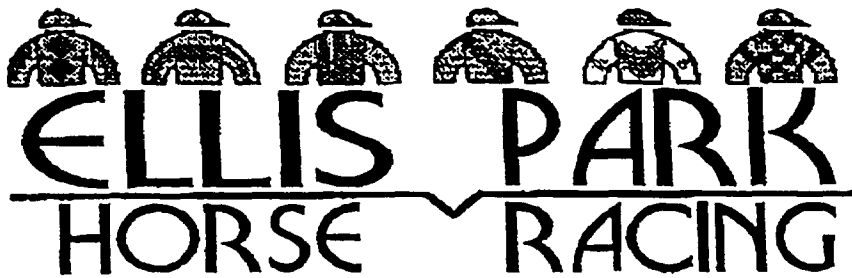
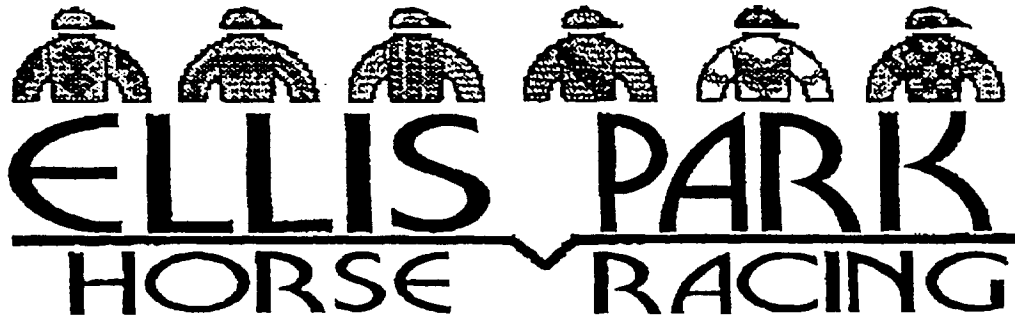
Ellis Park Race Course, Inc. has an unregistered common law trademark for the attached logos.

Racing Corporation of America

Racing Corporation of America has an unregistered common law trademark for “KHC” and the attached logos.

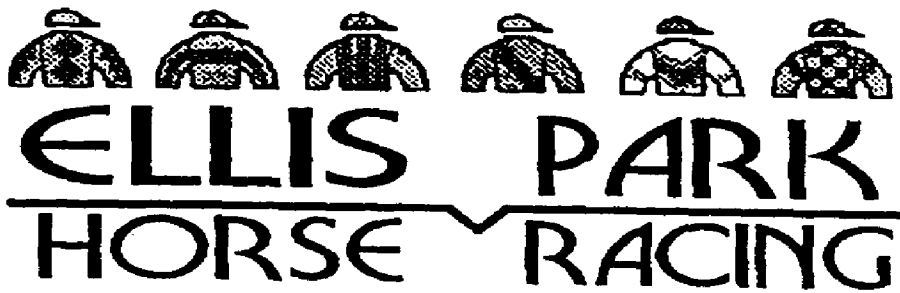
Racing Corporation of America, Inc. and Design - Kentucky Registration Nos. 9,059 and 9,060

Telebet (stylized letters) - Kentucky Registration Nos. 9,296 and 9,297





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KENTUCKY HORSE CENTER
3380 Paris Pike, Lexington, KY 40511
Office 606-293-1853 Fax 606-299-1284

TRADEMARK
REEL: 001901 FRAME: 0979

SCHEDULE B
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

LIST OF LIENS, CHARGES AND ENCUMBRANCES
OTHER THAN PERMITTED LIENS

Licensing Agreements

1. Action (NASCAR) - Mobile One Race Car-Jeremy Mayfield
2. All Pro - Merchandise
3. Brown-Forman (Korbel) - Champagne
4. Early Times - Mint Julep Mix
5. Festival Gallery - Artwork
6. Ford - Vehicles
7. Horse Star Cards - Trading cards
8. Kentucky Lottery - Game
9. Meachams Hams - Hams
10. Miller Brewing Company - Contest
11. Nicole Miller - Silk ties and scarves
12. Penske (NASCAR) - Mobile One Race Car-Jeremy Mayfield
13. Ruth Hunt - Candies
14. Today Delivery - Delivery Service
15. Tricon (Pizza Hut, KFC & Taco Bell) - Fast food
16. TWA - Airlines
17. Woodford Reserve - Bourbon

SCHEDULE C
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

PERMITTED SALES

Design only - Federal Registration Pending
Serial No. 75/484,995

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RECORDED: 05/13/1999

TRADEMARK
REEL: 001901 FRAME: 0981