

02-27-2002



RE 101993989 ET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New 2.11.02

Resubmission (Non-Recordation)
Document ID #

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year

Merger

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name Arlington Park Racecourse, LLC

Execution Date
Month Day Year
12 31 01

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other Limited Liability Company

Citizenship/State of Incorporation/Organization Illinois

Receiving Party

Mark if additional names of receiving parties attached

Name PNC Bank, National Association

DBA/AKA/TA

Composed of

Address (line 1) 249 Fifth Avenue

Address (line 2)

Address (line 3) Pittsburgh

Pennsylvania

15222

Individual General Partnership Limited Partnership

Corporation Association

Other Bank

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

02/26/2002 DBYRNE 00000206 76035210

01 FC:481 40.00 DP
02 FC:482 750.00 DP

TRADEMARK
REEL: 002449 FRAME: 0623

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="76/035,210"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,977,761"/>	<input type="text" value="1,955,925"/>	<input type="text" value="1,643,067"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,955,931"/>	<input type="text" value="1,972,394"/>	<input type="text" value="1,922,590"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,933,051"/>	<input type="text" value="1,969,474"/>	<input type="text" value="1,967,951"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Michael L. Dever

1/24/02

Name of Person Signing

Signature

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name Arlington Management Services, LLC

12 31 01

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other Limited Liability Company

Citizenship State of Incorporation/Organization Illinois

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership
 Corporation Association

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Other

Citizenship/State of Incorporation/Organization

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

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<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

<u>1,933,055</u>	<u>1,952,705</u>	<u>2,437,269</u>
<u>1,957,400</u>	<u>1,928,105</u>	<u>1,980,602</u>
<u>1,957,401</u>	<u>1,977,762</u>	<u>1,473,710</u>
<u>1,952,704</u>	<u>1,643,068</u>	<u>1,852,805</u>
<u>1,986,605</u>	<u>1,643,066</u>	<u>2,415,761</u>
<u>1,975,924</u>	<u>1,696,540</u>	<u>2,000,456</u>
<u>1,955,926</u>	<u>1,665,281</u>	<u>1,829,644</u>

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), is made and entered into as of the 31st day of December, 2001, effective as of January 1, 2002, among ARLINGTON PARK RACECOURSE, LLC, an Illinois limited liability company, and ARLINGTON MANAGEMENT SERVICES, LLC, an Illinois limited liability company, (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 previously amended and as may be amended, restated, modified or supplemented from time to time, the "Credit Agreement") dated as of April 23, 1999 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 the 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.

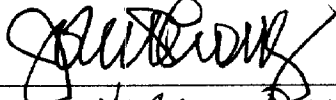
21. EACH ASSIGNOR HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF THE CIRCUIT COURT OF JEFFERSON COUNTY, KENTUCKY AND THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF KENTUCKY, AND EACH ASSIGNOR WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT TO THE FULL EXTENT PERMITTED BY LAW.

[SIGNATURES BEGIN ON NEXT PAGE]

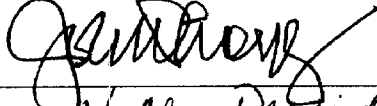
[PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]
[SIGNATURE PAGE 1]

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.

ARLINGTON PARK RACECOURSE, LLC

By: 
Title: Vice President

ARLINGTON MANAGEMENT SERVICES, LLC

By: 
Title: Vice President

SCHEDULE A
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

LIST OF PATENTS, TRADEMARKS,
TRADENAMES AND COPYRIGHTS

Arlington Park Racecourse, LLC

RACE TRADEMARKS

NAME OF RACE	REGISTRATION NO.	USING IN 2001
American Derby	1977761	Yes
Arlington-Washington Futurity	1955931	Yes
Arlington-Washington Lassie	1933051	Yes
Arlington-Classic	1955925	Yes
Arlington Handicap	1972394	Yes
Arlington Matron Handicap	1969474	Yes
Arlington Million	1643067	Yes
Beverly D.	1922590	Yes
Hanshin Handicap ***	1967951	Yes
Isaac Murphy Handicap ***	1933055	Yes
Modesty Handicap	1957400	Yes
Pucker Up Stakes	1957401	Yes
Round Table Stakes	1952704	Yes
Secretariat	1986605	Yes

Springfield Stakes	1975924	Yes
Stars & Stripes Breeders Cup Turf Handicap ***	1955926	Yes
Washington Park Handicap	1952705	Yes
Arlington Sprint	No	Yes
Cardinal Handicap	No	Yes
Chicago Breeders= Cup Handicap	No	Yes
Lincoln Heritage Handicap	No	Yes
Purple Violet Stakes	No	Yes
Spectacular Bid Stakes	No	Yes
Top Flight Stakes	No	Yes
White Oak Handicap	No	Yes
Sea O=Erin Handicap ***	1928105	Yes
Windy City Stakes ***	1977762	Yes

***** Differences between Race Names and Trademark Names**

Race Name for 2001 Season

Trademarked As

White Oaks

Arlington Heights Oaks

Isaac Murphy Handicap

Isaac Murphy Stakes

Stars and Stripes Breeders Cup Turf

Stars and Stripes Handicap

The Sea O'Erin Breeders' Cup Mile

Sea O'Erin Handicap

The Hanshin Cup

Hanshin Handicap

The Windy City Dash

Windy City Stakes

Arlington Park Racecourse, LLC

TRADEMARKS

TRADEMARK NAME**TRADEMARK CURRENT;
REGISTRATION NO.**

A and Design	Yes; 1643068
A-Club	76035210
Arlington and Design	Yes; 1643066
Arlington International	75476426
Arlington International Racecourse and Design	Yes; 1696540
Arlington Million X and Design	Yes; 1665281
Arlington Park	75872671
Inside Rail	Yes; 2437269
International Festival of Racing	Yes; 1980602; 1473710
Mud Bug	Yes; 1852805
Mud Bug	76070362
Mud Bug OTB Chicago and Design	2415761
Mud Bug OTB Chicago Ya Bet!	76070363
Quad Cities Betting Parlor	Yes; 2000456
Saddles & Silks	Yes; 1829644

Arlington International Racecourse, Inc., has a license from the Illinois Racing Board to operate its 2000 live race meet. It has applied for a license to operate a live meet in 2001.

SCHEDULE B
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

LIST OF LIENS, CHARGES AND ENCUMBRANCES
OTHER THAN PERMITTED LIENS

None

SCHEDULE C
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

PERMITTED SALES

None