

06-06-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)



102466861

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies) Centaur Colorado, LLC
Individual(s) Association
General Partnership Limited Partnership
Corporation-State
Other Limited Liability Company Delaware
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: HWC Investors, LLC
Internal c/o Mercantile Casino Management, LLC
Address: Suite 104A
Street Address: 702 West Street
City: Wilmington State: DE Zip:
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
Other Delaware Limited Liability Company
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

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: May 22, 2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s) 1,943,187
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Scott B. Schwartz
Internal Address: Cozen O'Connor
Street Address: 1900 Market Street
City: Philadelphia State: PA Zip: 19103

6. Total number of applications and registrations involved: 1
7. Total fee (37 CFR 3.41)..... 40.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number: 50-1275
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
Scott B. Schwartz Name of Person Signing
Signature Date 2 June 2003
number of pages involving cover sheet, attachments, and document: 3

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

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TRADEMARK REEL: 002747 FRAME: 0267

SECURITY INTEREST IN TRADEMARKS

This **SECURITY INTEREST IN TRADEMARKS** (the "**Security Interest**") is made effective as of this 2nd day of May 2003, by and between Centaur Colorado, LLC, a Delaware limited liability company having a principal office c/o Centaur, Inc., 10 W. Market Street, Suite 200, Indianapolis, IN (the "**Grantor**") and HWC Investors, LLC, a Delaware limited liability company having its principal office c/o Mercantile Casino Management, LLC, 702 West Street, Suite 104A, Wilmington, DE (the "**Lender**").

BACKGROUND

A. Pursuant to the Senior Term Loan Agreement dated of even date herewith, by and among Grantor and Centaur Wagon Wheel, LLC as the borrowers and the Lender as the lender (as it may be amended, modified or supplemented, the "**Loan Agreement**"), Lender has agreed to provide to the Grantor a senior term loan of Seven Million Four Hundred Thousand Dollars (\$7,400,000).

B. The Loan Agreement provides, inter alia, that Grantor will grant to and in favor of Lender a security interest in certain collateral of the Grantor, to secure Grantor's obligations under the Senior Loan Term Agreement.

C. Pursuant to the Loan Agreement, Grantor, Centaur Wagon Wheel, LLC and Assignee have entered into a Security Agreement dated of even date herewith (the "**Security Agreement**") to secure, among other things, Grantor's obligations under the Loan Agreement.

D. As further assurance of (i) Grantor's prompt, indefeasible payment and performance of all Obligations (as defined in the Security Agreement) and (ii) Lender's security interest in the Grantor's certain intellectual property of the Grantor, the Grantor and the Lender have agreed to enter into this Security Interest.

TERMS

NOW THEREFORE, in consideration of the preceding background, the covenants and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantor and Lender agree as follows:

1. Reference to Loan Agreement. Capitalized terms not specifically defined herein have that meaning given to such terms under the Loan Agreement (whether or not the Loan Agreement is then in effect).

2. UCC Security Interest. To secure the complete and timely payment and satisfaction of all Obligations, Grantor hereby grants a continuing first priority security interest in all of Grantor's right, title and interest in and to all of its intellectual property now owned or existing or filed and hereafter acquired or arising or filed, including:

a. service marks, trademarks, service mark and trademark registrations, trade names and trademark applications, including, without limitation, the service marks and trademarks and registrations and applications listed on Exhibit A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world except as to those to which an unaffiliated third party has a reversionary interest (all of the foregoing service marks, trademarks, service mark and trademark registrations, service mark and trade names and applications together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

b. the goodwill of Grantor's business connected with and symbolized by the Trademarks.

3. Restrictions on Future Agreements. Except as set forth in the License Agreement and the Software License Agreement both entered into by and between Grantor and Harveys' Casino Resorts of even date herewith, Grantor agrees that until all Obligations shall have been satisfied in full, Grantor will not, without Lender's prior written consent, enter into any agreement (including, without limitation, any license or royalty agreement) which is inconsistent with Grantor's obligations under this Security Interest or which is prohibited under the terms of the Loan Agreement or the Security Agreement, and Grantor further agrees that it will not take any action, or knowingly permit any action to be taken by others, subject to its control, including licensees, or knowingly fail to take any action, which would affect the validity or enforcement of the rights of the Lender under this Security Interest.

4. New Trademarks. Grantor represents and warrants that the Trademarks listed on Exhibit A constitute all of the Trademarks and applications now owned by Grantor. If, before all Obligations shall have been satisfied in full, Grantor shall (i) obtain rights to any new trademarks, trademark registrations, or trade names, or (ii) become entitled to the benefit of any trademark application, trademark, or trademark registration, the provisions of Section 2 above shall automatically apply thereto and Grantor shall give to Lender prompt written notice thereof. The parties may modify this Security Interest by amending Exhibit A to include any future trademarks, trademark registrations, trademark applications and trade names, which are Trademarks under Section 2 above or under this Section 4.

5. Royalties; Term. Grantor hereby agrees that the use by Lender of all Trademarks as described above following and during the continuation of an Event of Default under the Security Agreement shall be, for all U.S. federal registrations, the United States and its territories and possessions; and for all state registrations and common law marks, the applicable state and common law territory, and without any liability to Grantor for royalties or other related charges from Lender. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Trademarks assigned hereunder, or (ii) the date on which all Obligations have been paid in full.

6. Lender's Right to Inspect. Until all Obligations have been paid in full, Lender shall have the reasonable right, at any time during regular business hours and from time to time, to inspect Grantor's premises, subject to all applicable law, and to examine Grantor's books, records and operations, including, without limitation, Grantor's quality control processes. Until all Obligations have been paid in full, Grantor agrees (i) not to sell or assign its interest in, or grant any license under the Trademarks without the prior written consent of Lender, except in the ordinary course of business; (ii) to maintain the quality of any and all products and materials in connection with which the Trademarks are used, consistent with quality of said products and materials as of the date hereof, (iii) not to materially adversely change the quality of said products and materials without Lender's express written consent, which consent shall not be unreasonably withheld or delayed; and (iv) to provide Lender, upon request, with a certificate of an officer of Grantor certifying Grantor's compliance with the foregoing.

7. Instruments Confirming Title. This Security Interest is made for collateral purposes only and Lender's rights hereunder as Lender shall arise only upon the occurrence and continuation of an Event of Default (as defined in the Security Agreement). Upon payment in full of all Obligations, Lender shall execute and deliver to Grantor all deeds, assignments and other instruments as may be necessary or proper to confirm in Grantor full title to the Trademarks subject to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to the Loan Agreement or Security Agreement.

8. Duties of Grantor. Grantor shall have the duty using commercially reasonable efforts (i) to prosecute diligently any trademark application pending as of the date hereof or thereafter until all Obligations shall have been paid in full and (ii) to preserve and maintain all rights in trademark applications, trademarks and trademark registrations of the Trademarks. Any expenses incurred in connection with such applications shall be borne by Grantor. Grantor shall not abandon any Trademark without the consent of Lender which consent shall not be unreasonably withheld or delayed.

9. Lender's Rights. Upon and during the continuance of an Event of Default (as defined in the Security Agreement), Lender shall have the right following not less than thirty (30) business days' prior notice to Grantor, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks, and, if Lender shall commence any such suit, Grantor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 9.

10. Waivers. No course of dealing between Grantor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement or Security Agreement shall operate as a waiver thereof; 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.

11. Severability. The provisions of this Security Interest are severable, and if any clause or provision shall be 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 other clause or provision of this Security Interest in any jurisdiction.

12. Modification. This Security Interest cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by the parties hereto.

13. Cumulative Remedies. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Agreement or Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

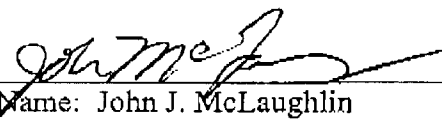
14. Power of Attorney: Effect on Loan Agreement. Grantor hereby authorizes Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) during the continuation of an Event of Default (as defined in the Security Agreement), endorse Grantor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the use by Lender or its successors or assigns of the Trademarks, or (ii) take any other actions with respect to the Trademarks as the Lender reasonably deems in the best interest of the Lender, (iii) during the continuation of an Event of Default (as defined in the Security Agreement), grant or issue of any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) during the continuation of an Event of Default (as defined in the Security Agreement), assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone, including Lender. Lender may act under such power of attorney to take the actions referenced in Section 14 hereof. Lender hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Obligations shall have been paid in full. Grantor acknowledges and agrees that this Security Interest is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement or Security Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Interest, all rights and remedies 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 Trademarks may be located.

15. Binding Effect: Benefits. This Security Interest shall be binding upon the Grantor and its successors and assigns, and shall inure to the benefit of the Lender, its nominees, successors and assigns.

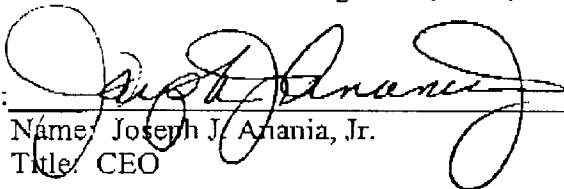
16. Governing Law. This Security Interest shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to any rules or principles regarding conflicts of laws or any rule or canon of construction, that interprets agreements against the draftsman.

IN WITNESS WHEREOF, the parties have caused this Security Interest to be signed and sealed on the day and year first above written.

GRANTOR:
CENTAUR COLORADO, LLC

By: 
Name: John J. McLaughlin
Title: CEO

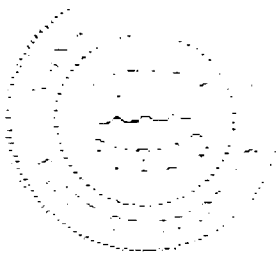
LENDER:
HWC INVESTORS, LLC
By: Mercantile Casino Management, LLC, its Manager

By: 
Name: Joseph J. Anania, Jr.
Title: CEO

STATE OF COLORADO :
 :
 : SS
COUNTY OF Denver :

On this, the 22nd day of May, 2001, before me, the undersigned officer, personally appeared Joseph J. Anania, Jr., known or satisfactorily proven to be the Chief Executive Officer of Mercantile Casino Management, LLC, and person whose name is signed on the foregoing Security Interest, who acknowledged that he executed the Security Interest for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



[Signature]
Notary Public
My Commission Expires: 12/28/03

(Notary Seal)

STATE OF COLORADO :
 :
 : SS
COUNTY OF Denver :

On this, the 22nd day of May, 2003, before me, the undersigned officer, personally appeared John J. McLaughlin, known or satisfactorily proven to be the CEO of Centaur Colorado, LLC and the person whose name is signed on the foregoing Security Interest, who acknowledged that he/she executed the Security Interest for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



[Signature]
Notary Public
My Commission Expires: 12/28/03

(Notary Seal)

EXHIBIT A

U.S./State	Mark	Registration Number	Registration Date
U.S.	Wagon Wheel	1943187	12/19/1995
Colorado	Platinum Elite Club	20021269558	09/30/2002
Colorado	Colorado Thunder	19951012513	02/01/1995
Colorado	Wild Card	Common Law	Common Law

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