

12-13-2006

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/

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



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103347825

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

12.13.06

1. Name of conveying party(ies):

Greenwood Finance, Inc.

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) November 28, 2006

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

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Bear Stearns Corporate Lending Inc.,

as Administrative Agent

Street Address: 383 Madison Avenue

City: New York

State: New York

Country: USA Zip: 10179

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship Delaware
- Other _____ Citizenship _____

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

78412334; 78934160

B. Trademark Registration No.(s)

NONE

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Christina Ebert

Internal Address: Paul, Hastings, Janofsky & Walker

Street Address: 75 East 55th Street

City: New York

State: New York Zip: 10022

Phone Number: 212-318-6521

Fax Number: 212-230-5128

Email Address: christinaebert@paulhastings.com

6. Total number of applications and registrations involved:

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

- a. Credit Card Last 4 Numbers _____
Expiration Date _____
- b. Deposit Account Number _____
Authorized User Name _____

9. Signature:

Christina Ebert

12/06/2006

Signature

Date

12/13/2006 BYRNE 0000099 78412334

01 FC:8521
02 FC:8522

40-00-00
2500-00
Christina Ebert
Of Person Signing

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

53

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DEC 13 AH 8:37
ASSIGNMENT DIV

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

TRADEMARK
REEL: 003452 FRAME: 0521

GUARANTEE AND COLLATERAL AGREEMENT, dated as of November 28, 2006, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of BEAR STEARNS CORPORATE LENDING INC., as Administrative Agent (in such capacity, the "Administrative Agent") for the banks, financial institutions and other entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Greenwood Racing Inc., a Delaware corporation (the "Borrower"), the Lenders, Bear, Stearns & Co. Inc., as sole lead arranger and sole bookrunner (in such capacity, the "Arranger"), the Administrative Agent and CIT Lending Services Corporation and Commerce Bank, N.A., as co-documentation agents (in such capacity, the "Documentation Agents").

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement and the proceeds under the Specified Hedge Agreements will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement and the making of financial accommodations under the Specified Hedge Agreements; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement and of the Qualified Counterparties to provide financial accommodations under the Specified Hedge Agreements that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Agents and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, and to induce the Qualified Counterparties to enter into the Specified Hedge Agreements and provide financial accommodations thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Agents and the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and

the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Certificated Security, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Farm Products, General Intangibles, Goods, Instruments, Inventory, Letter-of-Credit Rights and Supporting Obligations.

(b) The following terms shall have the following meanings:

“Agreement”: this Guarantee and Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Borrower Credit Agreement Obligations”: the collective reference to the unpaid principal of and interest on the Term Loans and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Term Loans and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to any Agent or any Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, the other Loan Documents, the Letter of Credit, or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Agents or to the Secured Parties that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

“Borrower Hedge Agreement Obligations”: the collective reference to all obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in any Specified Hedge Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to any Qualified Counterparty or any affiliate of any Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, any Specified Hedge Agreement or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the relevant Secured Party or affiliate thereof that are required to be paid by the Borrower pursuant to the terms of any Specified Hedge Agreement).

“Borrower Obligations”: the collective reference to (i) the Borrower Credit Agreement Obligations, (ii) the Borrower Hedge Agreement Obligations and (iii) all other obligations and liabilities of the Borrower, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement (including, without limitation, all

fees and disbursements of counsel to the Agents or to the Secured Parties that are required to be paid by the Borrower pursuant to the terms of this Agreement).

“Collateral”: as defined in Section 3.

“Collateral Account”: any collateral account established by the Administrative Agent as provided in Section 6.1 or 6.4.

“Copyrights”: (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule 6), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

“Copyright Licenses”: any written agreement naming any Grantor as licensor or licensee (including, without limitation, those listed in Schedule 6), granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright but excluding any agreement entered into by any Grantor in the ordinary course of business relating to (i) use and exhibition of video and audio signals and programming from other pari-mutuel operators, (ii) software (other than unique customized software) licensed from third parties and (iii) other non-material licenses.

“Deposit Account”: as defined in the Uniform Commercial Code of any applicable jurisdiction and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depository institution but excluding the Excluded Accounts.

“Guarantor Obligations”: with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, Section 2) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Agents or to the Secured Parties that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document or any Specified Hedge Agreement).

“Guarantors”: the collective reference to each Grantor other than the Borrower.

“Intellectual Property”: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercompany Note”: any promissory note evidencing loans made by any Grantor to any Group Member.

“Investment Property”: the collective reference to (i) all “investment property” as such term is defined in Section 9-102(a)(49) of the New York UCC and (ii) whether or not constituting “investment property” as so defined, all Pledged Notes and all Pledged Stock.

“Issuers”: the collective reference to each issuer of any Investment Property.

“New York UCC”: the Uniform Commercial Code as from time to time in effect in the State of New York.

“Obligations”: (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

“Patents”: (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to in Schedule 6, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule 6, and (iii) all rights to obtain any reissues or extensions of the foregoing.

“Patent License”: all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including, without limitation, any of the foregoing referred to in Schedule 6.

“Pledged Notes”: all promissory notes listed on Schedule 2, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

“Pledged Stock”: the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Stock of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect, other than GS Park Services, LP, GS Park Racing, LP, FR Park Services, LP and FR Park Racing, LP.

“Proceeds”: all “proceeds” as such term is defined in Section 9-102(a)(64) of the New York UCC on the date hereof and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

“Receivable”: any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and

whether or not it has been earned by performance (including, without limitation, any Account).

“Securities Act”: the Securities Act of 1933, as amended.

“Trademarks”: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including, without limitation, any of the foregoing referred to in Schedule 6, and (ii) the right to obtain all renewals thereof.

“Trademark License”: any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, any of the foregoing referred to in Schedule 6 but excluding any agreement entered into by any Grantor in the ordinary course of business relating to the use of a Trademark in publication or video programming exhibited or distributed in connection with pari-mutuel wagering.

1.2. Other Definitional Provisions. (a) The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

SECTION 2. GUARANTEE

2.1. Guarantee. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Agents and the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of any Agent or any Secured Party hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until all the Borrower Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2 shall have been satisfied by payment in full, the Letter of Credit shall no longer be outstanding and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by any Agent or any Secured Party from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations are paid in full, the Letter of Credit shall no longer be outstanding and the Commitments are terminated.

2.2. Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.3. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Agents and the Secured Parties, and each Guarantor shall remain liable to the Agents and the Secured Parties for the full amount guaranteed by such Guarantor hereunder.

2.3. No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by any Agent or any Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of any Agent or any Secured Party against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by any Agent or any Secured Party for the payment of the Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Agents and the Secured Party by the Borrower on account of the Borrower Obligations are paid in full, the Letter of Credit shall no longer be outstanding and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Borrower Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Agents and the Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the

exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

2.4. Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by any Agent or any Secured Party may be rescinded by such Agent or such Secured Party and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Agent or any Secured Party, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the requisite Lenders or all Lenders, as the case may be, or, in the case of a Specified Hedge Agreement, the Qualified Counterparty) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Agent or any Secured Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Agent or Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.5. Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Agent or any Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Agents and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (1) the validity or enforceability of the Credit Agreement, any other Loan Document, any Specified Hedge Agreement, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Agent or any Secured Party, (2) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against any Agent or any Secured Party, or (3) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any

Agent or any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by any Agent or any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Agent or any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6. Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by any Agent or any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the Payment Office specified in the Credit Agreement.

SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Agents and the Secured Parties, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligation:

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Deposit Accounts;
- (d) all Documents;
- (e) all Equipment;
- (f) all General Intangibles;
- (g) all Instruments;

- (h) all Intellectual Property;
- (i) all Inventory;
- (j) all Investment Property;
- (k) all Letter-of-Credit Rights;
- (l) any Commercial Tort Claims;

(m) all Goods and other property not otherwise described above (except for any property specifically excluded from any clause in this section above, and any property specifically excluded from any defined term used in any clause of this section above);

(n) all books and records pertaining to the Collateral; and

(o) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, that notwithstanding any of the other provisions set forth in this Section 3, this Agreement shall not constitute a grant of a security interest in any property to the extent that such grant of a security interest is prohibited by any Requirements of Law of a Governmental Authority, requires a consent not obtained of any Governmental Authority pursuant to such Requirement of Law or is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property or, in the case of any Investment Property, Pledged Stock or Pledged Note, any applicable shareholder or similar agreement, except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law; provided, further, that in the event any such contract, license, agreement, instrument or other document, which has material value as collateral, provides for such a prohibition, a breach, default or termination upon such grant of a security interest, than Grantor shall use its commercially reasonable efforts to obtain the consent of the applicable third-party for such grant. As used in the foregoing sentence, commercially reasonable efforts shall mean that Grantor must request the third party to grant the consent but shall not require Grantor to provide any consideration or concession to the third party to obtain such consent, other than a nominal amount to cover the third party's costs of considering and issuing such consent and, provided, further, that Grantor shall not be required to request a consent from any person who is a lessor of real property to Grantor, a lessor of equipment or a lessor under a capital lease, a party to an agreement entered into by Grantor in the ordinary course of the pari-mutuel wagering operations of Grantor relating to simulcasting, co-mingled pools or similar wagering operations or a party which is a union or employee bargaining unit.

For the avoidance of doubt, notwithstanding any of the other provisions set forth in this Section 3, this Agreement shall not constitute a grant of a security interest in any Excluded Account.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, and to induce the Qualified Counterparties to enter into the Specified Hedge Agreements and to make financial accommodations thereunder, each Grantor hereby represents and warrants to the Administrative Agent and each Secured Party that:

4.1. Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in Section 5 of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct, and each Agent and each Secured Party shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 4.1, be deemed to be a reference to such Guarantor's knowledge.

4.2. Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the ratable benefit of the Agents and the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of the Agents and the Secured Parties, pursuant to this Agreement or as are permitted by the Credit Agreement. For the avoidance of doubt, it is understood and agreed that any Grantor may, as part of its business, grant licenses to third-parties to use Intellectual Property owned or developed by a Grantor. For purposes of this Agreement and the other Loan Documents, such licensing activity shall not constitute a "Lien" on such Intellectual Property. Each of the Administrative Agent and each Secured Party understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent to utilize, sell, lease or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

4.3. Perfected First Priority Liens. Upon the filing of the appropriate financing statements against each Grantor in the jurisdictions specified in Schedule 3 hereto and the filing of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office to the extent such filing can result in perfection, the security interests granted pursuant to this Agreement constitute valid perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and are prior to all other Liens on the Collateral in existence on the date hereof except for (i) unrecorded Liens permitted by the Credit Agreement which have priority over the Liens on the Collateral by operation of law and (ii) Liens described on Schedule 7.

4.4. Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization, identification number from the jurisdiction of organization

(if any), and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 4. Such Grantor has furnished to the Administrative Agent a certified charter, certificate of incorporation or other organization document and long-form good standing certificate as of a date which is recent to the date hereof.

4.5. Inventory and Equipment. On the date hereof, the Inventory and the Equipment (other than mobile goods) are kept at the locations listed on Schedule 5.

4.6. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.7. Investment Property. (a) The shares of Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Capital Stock of each Issuer owned by such Grantor.

(b) All the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable.

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

4.8. Receivables. (a) No amount payable to such Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Administrative Agent.

(b) None of the obligors on any Receivables is a Governmental Authority, except for those Receivables from (i) the New Jersey Racing Commission with respect to its special fund (i.e., supplemental payments from casino operators), (ii) the New Jersey Sports and Exhibition Authority or (iii) the New York City Off Track Betting Corporation, each arising from pari-mutuel wagering operations.

(c) The amounts represented by such Grantor to the Secured Parties from time to time as owing to such Grantor in respect of the Receivables will at such times be accurate.

4.9. Intellectual Property. (a) Schedule 6 lists all material Intellectual Property owned by such Grantor in its own name on the date hereof.

(b) On the date hereof, all material Intellectual Property of such Grantor described on Schedule 6 is valid, subsisting, unexpired and enforceable, has not been abandoned and to Grantor's knowledge does not infringe the intellectual property rights of any other Person.

(c) Except as set forth in Schedule 6, on the date hereof, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect.

(e) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (1) seeking to limit, cancel or question the validity of any Intellectual Property or such Grantor's ownership interest therein, or (2) which, if adversely determined, would materially affect the value of any Intellectual Property.

4.10. Commercial Tort Claims.

(a) On the date hereof, except to the extent listed in Section 3.1 above, no Grantor has rights in any Commercial Tort Claim with reasonably expected value in excess of \$100,000.

(b) Upon the filing of a financing statement covering any Commercial Tort Claim referred to in Section 5.11 hereof against such Grantor in the jurisdiction specified in Schedule 3 hereto, the security interest granted in such Commercial Tort Claim will constitute a valid perfected security interest in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase such Collateral from Grantor, which security interest shall be prior to all other Liens on such Collateral except for unrecorded liens permitted by the Credit Agreement which have priority over the Liens on such Collateral by operation of law.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Agents and the Secured Parties that, from and after the date of this Agreement until the Obligations shall have been paid in full, the Letter of Credit shall no longer be outstanding and the Commitments shall have terminated:

5.1. Covenants in Credit Agreement. In the case of each Guarantor, such Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

5.2. Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement.

5.3. Maintenance of Insurance. (a) Such Grantor will maintain, with financially sound and reputable companies, insurance policies (i) insuring the Real Estate (as defined in the Mortgage), Inventory and Equipment against loss by fire, explosion, theft and such other casualties as may be reasonably satisfactory to the Administrative Agent and (ii) insuring such Grantor, the Administrative Agent and the Secured Parties against liability for personal injury and property damage relating to such Real Estate, Inventory and Equipment, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Administrative Agent.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 10 days after receipt by the Administrative Agent of written notice thereof, (ii) name the Administrative Agent as insured party or loss payee, (iii) if reasonably requested by the Administrative Agent and reasonably available, include a breach of warranty clause and (iv) be reasonably satisfactory in all other respects to the Administrative Agent.

(c) The Borrower shall deliver to the Administrative Agent a report of a reputable insurance broker with respect to such insurance substantially concurrently with the delivery by the Borrower to the Administrative Agent of its audited financial statements for each fiscal year and such supplemental reports with respect thereto as the Administrative Agent may from time to time reasonably request.

5.4. Payment of Obligations. Such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto have been provided on the books of such Grantor and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein.

5.5. Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.3 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Such Grantor will furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the assets and property of such Grantor as the Administrative Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (1) the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (2) in the case of Investment Property, Deposit Accounts, Letter-of-Credit Rights and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

5.6. Changes in Locations, Name, etc. Such Grantor will not, except upon 15 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (1) all additional executed financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein and (2) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept:

change its jurisdiction of organization or the location of its chief executive office or sole place of business from that referred to in Section 4.4; or

change its name, identity or corporate structure to such an extent that any financing statement filed by the Administrative Agent in connection with this Agreement would become misleading.

5.7. Notices. Such Grantor will advise the Administrative Agent promptly, in reasonable detail, of:

(a) any Lien (other than security interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5.8. Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Agents and the Secured Parties, hold the same in trust for the

Agents and the Secured Parties and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Agents and the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor will not (i) vote to enable, or take any other action to permit, any Issuer to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) with respect to the Investment Property issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Investment Property issued by it.

5.9. Receivables. (a) Other than in the ordinary course of business consistent with its past practice, with respect to any Receivable in excess of \$1,000,000 such Grantor will not (i) grant any extension of the time of payment of such Receivable, (ii) compromise or settle such Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of such Receivable, (iv) allow any credit or discount whatsoever on such

Receivable or (v) amend, supplement or modify such Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

5.10. Intellectual Property. (a) Such Grantor (either itself or through licensees) will (i) continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent, for the ratable benefit of the Agents and the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not knowingly permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

(b) Such Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) will employ each material Copyright as necessary for its business and (ii) will not (and will not knowingly permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired. Such Grantor will not (either itself or through licensees) do any act whereby any material Copyright may fall into the public domain.

(d) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(e) Such Grantor will notify the Administrative Agent immediately if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any material Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office

or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Administrative Agent within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may reasonably request to evidence the Agents' and the Secured Parties' security interest in any material Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third-party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and in its reasonable business judgment sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

5.11. Commercial Tort Claims. (a) If such Grantor shall obtain an interest in any Commercial Tort Claim with a reasonably expected value in excess of \$100,000, such Grantor shall within 30 days of obtaining such interest sign and deliver documentation acceptable to the Administrative Agent granting a security interest under the terms and provisions of this Agreement in and to such Commercial Tort Claim. Upon the filing of a financing statement covering such Commercial Tort Claim against such Grantor in the jurisdiction specified in Schedule 3 hereto, the security interest granted in such Commercial Tort Claim will constitute a valid perfected security interest in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase such Collateral from Grantor, which security interest shall be prior to all other Liens on such Collateral except for unrecorded liens permitted by the Credit Agreement which have priority over the Liens on such Collateral by operation of law.

SECTION 6. REMEDIAL PROVISIONS

6.1. Certain Matters Relating to Receivables. (a) If an Event of Default has occurred and is continuing, the Administrative Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may reasonably require in connection with such test verifications. If an Event of Default has occurred and is continuing, at any time and from time to time, upon the Administrative Agent's request

and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Administrative Agent's direction and control, and the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent pursuant to, and in accordance with, a Control Agreement, subject to withdrawal by the Administrative Agent for the account of the Secured Parties only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) Upon the occurrence of and during the continuance of an Event of Default, at the Administrative Agent's request, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

6.2. Communications with Obligors; Grantors Remain Liable. (a) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables.

(b) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables that the Receivables have been assigned to the Administrative Agent for the ratable benefit of the Agents and the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Agent or Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by any Agent or any Secured Party of any payment relating thereto, nor shall any Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise

thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3. **Pledged Stock.** (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Stock and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate rights with respect to the Investment Property; provided, however, that no vote shall be cast or corporate or other organizational right exercised or other action taken which, in the Administrative Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in the order set forth in Section 6.5, and (ii) any or all of the Investment Property shall be registered in the name of the Administrative Agent or its nominee, as pledgee, and the Administrative Agent or its nominee may thereafter exercise (1) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (2) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (1) states that an Event of Default has occurred and is continuing and (2) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly

permitted hereby, pay any dividends or other payments with respect to the Investment Property directly to the Administrative Agent.

6.4. Proceeds to be Turned Over to Administrative Agent. In addition to the rights of the Agents and the Secured Parties specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Agents and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5. Application of Proceeds. All cash proceeds received by the Administrative Agent during the continuance of an Event of Default from the enforcement of the Guarantees in Section 2 or as Proceeds of Collateral from the exercise of any of the remedies set forth in Section 6.6 or elsewhere in this Agreement shall be applied in the following order:

First, to pay incurred and unpaid fees and expenses of the Agents under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, to the Administrative Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties; and

Fourth, any balance of such Proceeds remaining after the Obligations shall have been paid in full, the Letter of Credit shall no longer be outstanding, the net termination liability under or in respect of any Specified Hedge Agreements shall have been cash collateralized or paid in full and the Commitments shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

For this purpose, the Administrative Agent may rely conclusively, and without further inquiry, on its own records as to the amount of Secured Obligations outstanding to each Secured Party and may suspend payments or seek relief in the form of interpleader or other similar relief as it may determine to be appropriate.

6.6. Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement

securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing to the fullest extent permitted by applicable law, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, license, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Any Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may be required by Section 6.5 above, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-615(a)(3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Agent or any Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.7. Registration Rights. (a) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 6.6, and if in the opinion of the Administrative Agent it is necessary or advisable to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Administrative Agent, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Administrative Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules

and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Administrative Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Stock, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Agents and the Secured Parties, that the Agents and the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement.

6.8. Waiver; Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Secured Party to collect such deficiency.

SECTION 7. THE ADMINISTRATIVE AGENT

7.1. Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and

right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

- (i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;
- (ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Agents' and the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;
- (iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;
- (iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and
- (v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem

appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1 (a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Eurodollar Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2. Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Agents and the Secured Parties hereunder are solely to protect the Agents' and the Secured Parties' interests in the Collateral and shall not impose any duty upon any Agent or any

Secured Party to exercise any such powers. The Agents and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7.3. Execution of Financing Statements. Pursuant to any applicable law, each Grantor authorizes the Administrative Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Administrative Agent determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. Each Grantor authorizes the Administrative Agent to use the collateral description "all assets" in any such financing statements. Each Grantor hereby ratifies and authorizes the filing by the Administrative Agent of any financing statement with respect to the Collateral made prior to the date hereof.

7.4. Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Agents and the Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Agents and the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each affected Grantor and the Administrative Agent, provided that any provision of this Agreement imposing obligations on any Grantor may be waived by the Administrative Agent in a written instrument executed by the Administrative Agent in accordance with Section 11.1 of the Credit Agreement; provided that no such waiver, amendment, supplement or modification shall require the consent of any Qualified Counterparty except as expressly provided in Section 11.1 of the Credit Agreement.

8.2. Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 11.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

8.3. No Waiver by Course of Conduct; Cumulative Remedies. No Agent or Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have

acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Agent or any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Agent or any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Administrative Agent or such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4. Enforcement Expenses; Indemnification. (a) Each Guarantor agrees to pay, or reimburse each Secured Party and Agent for, all its costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Secured Party and of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Agents and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Guarantor agrees to pay, and to save the Agents and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 11.5 of the Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.5. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

8.6. Set-Off. Each Grantor hereby irrevocably authorizes each Agent and each Secured Party at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Agent or such Secured

Party to or for the credit or the account of such Grantor, or any part thereof in such amounts as such Agent or such Secured Party may elect, against and on account of the obligations and liabilities of such Grantor to such Agent or such Secured Party hereunder and claims of every nature and description of such Agent or such Secured Party against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as such Agent or such Secured Party may elect, whether or not any Agent or any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Agent and each Secured Party shall notify such Grantor promptly of any such set-off and the application made by such Agent or such Secured Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Agent and each Secured Party under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Agent or such Secured Party may have.

8.7. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

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

8.9. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10. Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Agents and the Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Agent or any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

8.12. Submission To Jurisdiction; Waivers. Each Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 8.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13. Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Agent or Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Agents and Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties.

8.14. Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 7.9 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

8.15. Releases. (a) At such time as the Term Loans and the other Obligations (other than Borrower Hedge Agreement Obligations) shall have been paid in full, the Commitments have been terminated and the Letter of Credit shall no longer be outstanding, and the net termination liability under or in respect of, and other amounts due and payable under, Specified Hedge Agreements at such time shall have been paid in full or secured in the manner provided in such Specified Hedge Agreements or by a collateral arrangement satisfactory to the relevant Qualified Counterparty in its sole discretion, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any

Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Borrower, a Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Administrative Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

8.16. WAIVER OF JURY TRIAL. EACH GRANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, EACH AGENT AND EACH SECURED PARTY, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.17. Third-Party Beneficiaries. Each Qualified Counterparty is an express third-party beneficiary of this Agreement and shall have the right to enforce all of the agreements and obligations of the parties hereto.

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

GREENWOOD RACING INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

ACRA SERVICES, INC.

By: Marrison W Hayes
Name: Marrison W Hayes
Title: Secretary / Treasurer

ACRA TURF CLUB, LLC

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

BENSALEM PARK MAINTENANCE, LTD.

By: Marrison W Hayes
Name: Marrison W Hayes
Title: Secretary / Treasurer

BENSALEM RACING ASSOCIATION, INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

BENSTONE PARTNERS

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

BETTOR TECHNOLOGY, INC.

By: Matthew W Hayes
Name: Matthew W Hayes
Title: Secretary / Treasurer

CASINO FOOD SERVICES, INC.

By: Matthew W Hayes
Name: Matthew W Hayes
Title: Treasurer

BRANDYWINE TURF CLUB, INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

GREEN RACING MANAGEMENT COMPANY

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

GREENWOOD ACRA INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

GREENWOOD CONDO HOLDINGS INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

GREENWOOD FINANCE, INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

GREENWOOD G & E HOLDING, INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

GREENWOOD GAMING AND ENTERTAINMENT, INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

GREENWOOD GAMING SERVICES CO.

By: Matthew W Hayes
Name: Matthew W Hayes
Title: Treasurer

GREENWOOD LIMITED JERSEY, INC.

By: Anthony Ricci
Name: ANTHONY RICCI
Title: TREASURER

KEYSTONE PARK SERVICES COMPANY

By: Matthew W Hayes
Name: Matthew W Hayes
Title: Secretary / Treasurer

KEYSTONE TURF CLUB, INC.

By: Anthony R
Name: ANTHONY RICCI
Title: TREASURER

NORTHEAST PHILADELPHIA TURF CLUB, INC.

By: Anthony R
Name: ANTHONY RICCI
Title: TREASURER

RACETRACK FOOD SERVICES, INC.

By: Matthew W Hayes
Name: Matthew W Hayes
Title: Secretary / Treasurer

SOUTH PHILADELPHIA TURF CLUB, INC.

By: Anthony R
Name: ANTHONY RICCI
Title: TREASURER

SPRINGFIELD TURF CLUB, INC.

By: Anthony R
Name: ANTHONY RICCI
Title: TREASURER

THE RACING CHANNEL INC.

By: Anthony R
Name: ANTHONY RICE
Title: TREASURER

THOROUGHBRED SERVICES, INC.

By: Matthew W Hayes
Name: Matthew W Hayes
Title: Secretary / Treasurer

TURF CLUB SERVICES, INC.

By: Matthew W Hayes
Name: Matthew W Hayes
Title: Secretary / Treasurer

VALLEY FORGE TURF CLUB, INC.

By: Anthony R
Name: ANTHONY RICE
Title: TREASURER

NOTICE ADDRESS OF GUARANTORS

Greenwood Racing Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
ACRA Services, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
ACRA Turf Club, LLC	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Bensalem Park Maintenance Ltd.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Bensalem Racing Association, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Benstone Partners	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Bettor Technology, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Brandywine Turf Club, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Casino Food Services, Inc.	Philadelphia Park, 3001 Street Road Bensalem, PA 19020
Green Racing Management Company	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Greenwood ACRA Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Greenwood Condo Holdings, Inc	Philadelphia Park, 3001 Street Road Bensalem, PA 19020
Greenwood Finance, Inc.	Philadelphia Park, 3001 Street Road Bensalem, PA 19020
Greenwood G & E Holding, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Greenwood Gaming and Entertainment, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Greenwood Gaming Services Co.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Greenwood Limited Jersey, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Keystone Park Services Company	Philadelphia Park , 3001 Street Road Bensalem, PA 19020

NOTICE ADDRESS OF GUARANTORS

Keystone Turf Club, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Northeast Philadelphia Turf Club, Inc.	Philadelphia Park, 3001 Street Road Bensalem, PA 19020
Racetrack Food Services, Inc.	Philadelphia Park, 3001 Street Road Bensalem, PA 19020
South Philadelphia Turf Club, Inc.	Philadelphia Par, 3001 Street Road Bensalem, PA 19020
Springfield Turf Club, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
The Racing Channel Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Thoroughbred Services, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Turf Club Services, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020
Valley Forge Turf Club, Inc.	Philadelphia Park , 3001 Street Road Bensalem, PA 19020

DESCRIPTION OF INVESTMENT PROPERTY

Pledged Stock:

Issuer	Class of Stock	Stock Certificate	No. Shares
ACRA Services, Inc.	Common	3	5
Bensalem Park Maintenance, Ltd.	Common	1	1
Bensalem Racing Association, Inc.	Common	1	5
Bettor Technology, Inc.	Common	1	1
Brandywine Turf Club, Inc.	Common	1	100
Casino Food Services, Inc.	Common	1	5
Green Racing Management Company	Common	1	1
Greenwood ACRA Inc.	Common	1	100
Greenwood Condo Holdings, Inc.	Common	1	5
Greenwood Finance, Inc.	Common	1	100
Greenwood G & E Holding, Inc.	Common	2	100
Greenwood Gaming and Entertainment, Inc.	Common	2	100
Greenwood Gaming Services Co.	Common	1	5
Greenwood Limited Jersey, Inc.	Common	1	1
Keystone Park Services Company	Common	2	100
Keystone Turf Club, Inc.	Common	1	5
Northeast Philadelphia Turf Club, Inc.	Common	1	5
Racetrack Food Services, Inc.	Common	1	1
South Philadelphia Turf Club, Inc.	Common	1	100
Springfield Turf Club, Inc.	Common	1	5
The Racing Channel Inc.	Common	2	1
Thoroughbred Services, Inc.	Common	1	100
Turf Club Services, Inc.	Common	1	1
Valley Forge Turf Club, Inc.	Common	1	100

Pledged Notes:

Issuer	Payee	Principal Amount
FR Park Racing, LP	Greenwood Finance, Inc.	\$11,250,000
Robert W. Green	Greenwood Finance, Inc.	\$600,000

**FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERSTS**

Uniform Commercial Code Filings

<u>Borrower/ Grantor</u>	<u>Jurisdiction</u>	<u>County</u>
Greenwood Racing Inc.	Delaware	
ACRA Services, Inc.	New Jersey	
ACRA Turf Club, LLC	New Jersey	
Bensalem Park Maintenance, Ltd.	Pennsylvania	
Bensalem Racing Association, Inc.	Pennsylvania	Buck, PA
Benstone Partners	Pennsylvania	
Bettor Technology, Inc.	Pennsylvania	
Brandywine Turf Club, Inc.	Delaware	Delaware, PA
Casino Food Services, Inc	Pennsylvania	
Green Racing Management Company	Pennsylvania	
Greenwood ACRA Inc.	New Jersey	Atlantic, NJ
Greenwood Condo Holdings, Inc.	Pennsylvania	Philadelphia, PA
Greenwood Finance, Inc.	Delaware	
Greenwood G & E Holding, Inc.	Delaware	
Greenwood Gaming and Entertainment, Inc.	Delaware	
Greenwood Gaming Services Co.	Pennsylvania	
Greenwood Limited New Jersey, Inc.	Delaware	
Keystone Park Services Company	Pennsylvania	
Keystone Turf Club, Inc.	Pennsylvania	Bucks, PA
Northeast Philadelphia Turf Club, Inc.	Pennsylvania	
Racetrack Food Services, Inc.	Pennsylvania	
South Philadelphia Turf Club, Inc.	Delaware	
Springfield Turf Club, Inc.	Pennsylvania	
The Racing Channel Inc.	Delaware	
Thoroughbred Services, Inc.	Pennsylvania	
Turf Club Services, Inc.	Pennsylvania	
Valley Forge Turf Club, Inc.	Delaware	Montgomery, PA

Actions with respect to Pledged Stock

Grant to Stock Power for all wholly-owned direct and indirect subsidiaries as follows:

Issuer	Borrower/ Grantor	Type of Organization	#of Shares Owned	Total Shares Outstanding	% of Interest Pledged	Certificate No. (if uncertificated, please indicate so)	Par Value
ACRA Services, Inc.	Greenwood Racing Inc.	Corporation	5	5	100%	2	Nil
Bensalem Park Maintenance, Ltd.	Greenwood Racing Inc.	Corporation	1	1	100%	1	Nil
Bettor Technology, Inc.	Greenwood Racing Inc.	Corporation	1	1	100%	1	Nil
Brandywine Turf Club, Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	1	Nil
Casino Food Services, Inc.	Greenwood Racing, Inc.	Corporation	5	5	100%	1	Nil
Greenwood Condo Holdings, Inc.	Greenwood Racing, Inc.	Corporation	5	5	100%	1	Nil
Green Racing Management Company	Greenwood Racing Inc.	Corporation	1	1	100	1	Nil
Greenwood ACRA Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	1	Nil
Greenwood Finance, Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	1	Nil
Greenwood Gaming and Entertainment, Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	2	Nil
Greenwood G & E Holding, Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	2	Nil
Greenwood Gaming Services Co.	Greenwood Racing Inc.	Corporation	5	5	100%	1	Nil
Greenwood Limited Jersey, Inc.	Greenwood Racing Inc.	Corporation	1	1	100%	1	Nil

Issuer	Borrower/ Grantor	Type of Organization	#of Shares Owned	Total Shares Outstanding	% of Interest Pledged	Certificate No. (if uncertificated, please indicate so)	Par Value
Keystone Park Service Company (f/k/a Turf Club Security, Inc.	Greenwood Racing Inc	Corporation	100	100	100%	1	Nil
Keystone Turf Club, Inc.	Greenwood Racing Inc.	Corporation	5	5	100%	1	Nil
Northeast Philadelphia Turf Club, Inc.	Greenwood Racing Inc.	Corporation	5	5	100%	1	Nil
Racetrack Food Services, Inc.	Greenwood Racing Inc.	Corporation	1	1	100%	1	Nil
South Philadelphia Turf Club, Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	1	Nil
Springfield Turf Club, Inc.	Greenwood Racing Inc.	Corporation	5	5	100%	1	Nil
The Racing Channel Inc.	Greenwood Racing Inc.	Corporation	1	1	100%	1	Nil
Thoroughbred Services, Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	1	Nil
Turf Club Services, Inc.	Greenwood Racing Inc.	Corporation	1	1	100%	1	Nil
Valley Forge Turf Club, Inc.	Greenwood Racing Inc.	Corporation	100	100	100%	1	Nil

Other Actions

None

**JURISDICTION OF ORGANIZATION AND LOCATION OF CHIEF EXECUTIVE
OFFICE**

<u>Name of Borrower/ Grantor</u>	<u>Address of Chief Executive Office</u>	<u>Jurisdiction</u>
Greenwood Racing Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
ACRA Services, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	New Jersey
ACRA Turf Club, LLC	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	New Jersey
Bensalem Park Maintenance, Ltd.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Bensalem Racing Association, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Benstone Partners	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Bettor Technology, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Brandywine Turf Club, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
Casino Food Services, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Green Racing Management Company	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Greenwood ACRA Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	New Jersey
Greenwood Condo Holdings, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Greenwood Finance, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
Greenwood G & E Holding, Inc.	Philadelphia Park, 3001 Street Road Bensalem, PA 19020	Delaware
Greenwood Gaming and Entertainment, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
Greenwood Gaming Services Co.	Philadelphia Park., 3001 Street Road Bensalem, PA 19020	Delaware
Greenwood Limited Jersey, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
Keystone Park Services Company f/k/a Turf Club Security, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Keystone Turf Club, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Northeast Philadelphia Turf Club, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania

**JURISDICTION OF ORGANIZATION AND LOCATION OF CHIEF EXECUTIVE
OFFICE**

Racetrack Food Services, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
South Philadelphia Turf Club, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
Springfield Turf Club, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
The Racing Channel Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
Thoroughbred Services, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Pennsylvania
Turf Club Services, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware
Valley Forge Turf Club, Inc.	Philadelphia Park, 3001 Street Road, Bensalem, PA 19020	Delaware

Greenwood Racing, Inc.
 Bear Stearns Financing
 Inventory and Equipment

Borrower / Grantor	Address/City/State/Zip Code	County	Description of Assets	Fair Market Value (in 000s)
Bensalem Racing Association, Inc. Keystone Turf Club, Inc.	Philadelphia Park 3001 Street Road, Bensalem, PA 19020	Bucks	Equipment Inventory (Fuel)	1,649 22
	The Center City Turf Club 1635 Market St., Phila., PA 19103	Phila.	Equipment Food & Beverage Inventory	65 53
	The Upper Darby Turf Club 150 69th Street, Upper Darby, PA 19082	Delaware	Equipment Food & Beverage Inventory	59 28
	The South Philadelphia Turf Club 700 Packer Ave., Phila., PA 19148	Phila.	Food & Beverage Inventory	55
	The Valley Forge Turf Club 600 Cresson Blvd., Oaks Corp. Center, Oaks, PA 19456	Montgomery	Food & Beverage Inventory	47
	The Brandywine Turf Club 1021 Baltimore Pike, Concordville, PA 19331	Delaware	Food & Beverage Inventory	35
	The Northeast Turf Club 2327 Cottman Ave., Roosevelt Mall, Phila., PA 19149	Phila.	Food & Beverage Inventory	54
	Racetrack Food Services, Inc. Philadelphia Park 3001 Street Road, Bensalem, PA 19020	Bucks	Equipment Food & Beverage Inventory	127 200
	Bettor Technology, Inc. Philadelphia Park 3001 Street Road, Bensalem, PA 19020	Bucks	Equipment	34
	South Philadelphia Turf Club, Inc. The South Philadelphia Turf Club 700 Packer Ave., Phila., PA 19148	Phila.	Equipment	161
Valley Forge Turf Club, Inc. The Valley Forge Turf Club 600 Cresson Blvd., Oaks Corp. Center, Oaks, PA 19456	Montgomery	Equipment	40	
Brandywine Turf Club, Inc. The Brandywine Turf Club 1021 Baltimore Pike, Concordville, PA 19331	Delaware	Equipment	10	
Northeast Philadelphia Turf Club, Inc. The Northeast Turf Club 2327 Cottman Ave., Roosevelt Mall, Phila., PA 19149	Phila.	Equipment	342	
Greenwood ACRA, Inc. Atlantic City Race Course 4501 Black Horse Pike, Mays Landing, NJ 08330	Atlantic	Equipment	70	
The Racing Channel, Inc. 6130 NE 78th Ave, C-2, Portland, OR 97213	Multnomah	Equipment	90	

TRADEMARK

REEL: 003452 FRAME: 0564

INTELLECTUAL PROPERTY

- I. Copyrights and Copyrights Licenses N/A
- II. Patents and Patent Licenses N/A
- III. Trademarks and Trade Licenses:

Trading Names

- Philadelphia Park
- The Turf Clubs
- Atlantic City Race Course
- The Racing Channel
- Philadelphia Park Casino [pending]

Registered Trademarks

<u>Registered Trademark</u>	<u>Owner</u>	<u>Registration No.</u>
The Pennsylvania Derby	Bensalem Racing Association, Inc. and Keystone Turf Club, Inc. dba Philadelphia Park	2897284 (registered in PA only)
Milandro	Greenwood Finance, Inc.	78412334 (pending)
Milandra	Greenwood Finance, Inc.	78934160 (pending)
Sportsview Bar & Grill	Greenwood Finance, Inc.	2712584 (registered in PA only)

EXISTING PRIOR LIENS

<u>Debtor</u>	<u>Secured Party</u>	<u>Filing Jurisdiction</u>	<u>Filing Number/Date</u>	<u>Comments</u>
Bensalem Racing Association, Inc.	Case Credit Corp ID #76-0394710 Case Corporation ID# 76-0433811	PA- Department of State Uniform Commercial Code Section	34690792 12/10/2001	Case MX135 Tractor JJA0114060
Bensalem Racing Association, Inc.	Caterpillar Financial Services Corporation	PA- Department of State Uniform Commercial Code Section	2006102705633 10/27/2006	One Caterpillar 3512 Gen Set S/N 6WN00770 And substitutions, replacements, additions, & Accessions thereto, now owned or hereafter acquired, and proceeds thereof
Bensalem Racing Association, Inc.	Caterpillar Financial Services Corporation	PA- Department of State Uniform Commercial Code Section	2006103005844 10/30/2006	One Caterpillar XQ2000 Set S/N BPD00246 And substitutions, replacements, additions, & Accessions thereto, now owned or hereafter acquired, and proceeds thereof
Keystone Turf Club, Inc.	Caterpillar Financial Services Corporation	PA- Department of State Uniform Commercial Code Section	2006102705633 10/27/2006	One Caterpillar 3512 Gen Set S/N 6WN00770 And substitutions, replacements, additions, & Accessions thereto, now owned or hereafter acquired, and proceeds thereof
Keystone Turf Club, Inc.	Caterpillar Financial Services Corporation	PA- Department of State Uniform Commercial Code Section	2006103005844 10/30/2006	[Information to be provided]

ASSUMPTION AGREEMENT, dated as of November [], 2006, made by _____, a _____ corporation (the "Additional Grantor"), in favor of BEAR STEARNS CORPORATE LENDING INC., as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

W I T N E S S E T H :

WHEREAS, Greenwood Racing Inc., a Delaware corporation (the "Borrower"), the Lenders and the Administrative Agent have entered into a Credit Agreement, dated as of November [], 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Borrower and certain of its Affiliates (other than the Additional Grantor) have entered into the Guarantee and Collateral Agreement, dated as of November [], 2006 (as amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") in favor of the Administrative Agent for the benefit of the Agents and the Secured Parties;

WHEREAS, the Credit Agreement requires the Additional Grantor to become a party to the Guarantee and Collateral Agreement; and

WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 8.15 of the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor thereunder. The information set forth in Annex 1-A hereto is hereby added to the information set forth in Schedules _____* to the Guarantee and Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 4 of the Guarantee and Collateral Agreement is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

* Refer to each Schedule which needs to be supplemented.

2. GOVERNING LAW. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By: _____

Name:

Title:

ACKNOWLEDGEMENT AND CONSENT

The undersigned hereby acknowledges receipt of a copy of the Guarantee and Collateral Agreement, dated as of November [], 2006 (the "Agreement"), made by the Grantors parties thereto for the benefit of Agents and Secured Parties. The undersigned agrees for the benefit of the Agents and the Secured Parties as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.
2. The undersigned will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) of the Agreement.
3. The terms of Sections 6.3(a) and 6.7 of the Agreement shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(a) or 6.7 of the Agreement.

[NAME OF ISSUER]

By: _____

Name:

Title:

Address for Notices:

Fax: _____

GUARANTEE AND COLLATERAL AGREEMENT

made by

GREENWOOD RACING INC.

and certain of its Subsidiaries

in favor of

BEAR STEARNS CORPORATE LENDING INC.

as Administrative Agent

Dated as of November 28, 2006

TABLE OF CONTENTS

	Page
SECTION 1. DEFINED TERMS	1
1.1. Definitions.....	1
1.2. Other Definitional Provisions	5
SECTION 2. GUARANTEE	5
2.1. Guarantee	5
2.2. Right of Contribution.....	6
2.3. No Subrogation	6
2.4. Amendments, etc. with respect to the Borrower Obligations	7
2.5. Guarantee Absolute and Unconditional	7
2.6. Reinstatement.....	8
2.7. Payments	8
SECTION 3. GRANT OF SECURITY INTEREST	8
SECTION 4. REPRESENTATIONS AND WARRANTIES.....	10
4.1. Representations in Credit Agreement	10
4.2. Title; No Other Liens	10
4.3. Perfected First Priority Liens	10
4.4. Jurisdiction of Organization; Chief Executive Office	10
4.5. Inventory and Equipment.....	11
4.6. Farm Products	11
4.7. Investment Property	11
4.8. Receivables	11
4.9. Intellectual Property.....	11
4.10. Commercial Tort Claims.....	12
SECTION 5. COVENANTS	12
5.1. Covenants in Credit Agreement.....	12
5.2. Delivery of Instruments, Certificated Securities and Chattel Paper	13
5.3. Maintenance of Insurance	13
5.4. Payment of Obligations.....	13
5.5. Maintenance of Perfected Security Interest; Further Documentation.....	13
5.6. Changes in Locations, Name, etc.....	14

TABLE OF CONTENTS
(continued)

Page

5.7.	Notices	14
5.8.	Investment Property	14
5.9.	Receivables	15
5.10.	Intellectual Property	16
5.11.	Commercial Tort Claims.....	17
SECTION 6.	REMEDIAL PROVISIONS	17
6.1.	Certain Matters Relating to Receivables.....	17
6.2.	Communications with Obligors; Grantors Remain Liable	18
6.3.	Pledged Stock.....	19
6.4.	Proceeds to be Turned Over to Administrative Agent.....	20
6.5.	Application of Proceeds	20
6.6.	Code and Other Remedies	20
6.7.	Registration Rights.....	21
6.8.	Waiver; Deficiency	22
SECTION 7.	THE ADMINISTRATIVE AGENT	22
7.1.	Administrative Agent’s Appointment as Attorney-in-Fact, etc	22
7.2.	Duty of Administrative Agent	24
7.3.	Execution of Financing Statements	25
7.4.	Authority of Administrative Agent.....	25
SECTION 8.	MISCELLANEOUS	25
8.1.	Amendments in Writing.....	25
8.2.	Notices	25
8.3.	No Waiver by Course of Conduct; Cumulative Remedies	25
8.4.	Enforcement Expenses; Indemnification	26
8.5.	Successors and Assigns.....	26
8.6.	Set-Off.....	26
8.7.	Counterparts	27
8.8.	Severability	27
8.9.	Section Headings	27
8.10.	Integration.....	27

TABLE OF CONTENTS
(continued)

	Page
8.11. GOVERNING LAW.....	27
8.12. Submission To Jurisdiction; Waivers	27
8.13. Acknowledgements.....	28
8.14. Additional Grantors	28
8.15. Releases.....	28
8.16. WAIVER OF JURY TRIAL.....	29
8.17. Third-Party Beneficiaries.....	29