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To the Honorable Commissioner of Patents and Trademarks, Department of Commerce, Washington, DC 20514  
101528570  
checked original documents or copy thereof.

1. Name of conveying party(ies):  
 Pennsylvania National Turf Club, Inc.

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State Pennsylvania  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

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

Name: Canadian Imperial Bank of Commerce,  
 as Administrative Agent

Internal Address: \_\_\_\_\_

Street Address: 425 Lexington Avenue

City: New York State: NY ZIP: 10017

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other Canadian Charter Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from Assignment)  
 Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment                       Merger  
 Security Agreement               Change of Name  
 Other \_\_\_\_\_

Execution Date: August 8, 2000

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

Additional numbers attached?  Yes  No

B. Trademark registration No.(s)

1104969

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

Name: Latham & Watkins

Internal Address: attn: R. Rodburg

Street Address: 885 Third Avenue

City: New York State: NY ZIP: 10022

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41):..... \$ 40.00

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

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

DO NOT USE THIS SPACE

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9. Statement and signature.  
 To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Rosalind Rodburg  
 Name of Person Signing

Rosalind Rodburg  
 Signature

8/16/00  
 Date

Total number of pages comprising cover sheet:

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of August 8, 2000 (as amended, supplemented or otherwise modified from time to time, the "Intellectual Property Security Agreement"), is made by Pennsylvania National Turf Club, Inc., a Pennsylvania corporation (the "Grantor") in favor of Canadian Imperial Bank of Commerce, as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

WHEREAS, Penn National Gaming, Inc., a Pennsylvania corporation (the "Borrower") has entered into a Credit Agreement, dated as of August 8, 2000 (as amended, supplemented, replaced or otherwise modified from time to time, the "Credit Agreement"), with the banks and other financial institutions and entities from time to time party thereto (the "Lenders"), Lehman Brothers Inc., as lead arranger and book-running manager, CIBC World Markets Corp., as co-lead arranger and co-book-running manager, Lehman Commercial Paper Inc., as syndication agent, Canadian Imperial Bank of Commerce, as administrative agent, and The CIT Group/Equipment Financing, Inc., First Union National Bank and Wells Fargo Bank, N.A., each as documentation agent. Capitalized terms used and not defined herein have the meanings given such terms in the Credit Agreement.

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 that the Grantor and the other Guarantors shall have executed and delivered that certain Guarantee and Collateral Agreement, dated as of August 8, 2000, in favor of the Administrative Agent (as amended, supplemented, replaced or otherwise modified from time to time, the "Guarantee and Collateral Agreement").

WHEREAS, under the terms of the Guarantee and Collateral Agreement, the Grantor has granted a security interest in certain Property, including, without limitation, certain Intellectual Property of the Grantor to the Administrative Agent for the ratable benefit of the Secured Parties, and has agreed as a condition thereof to execute this Intellectual Property Security Agreement for recording with the United States Patent and Trademark Office, the United States Copyright Office, and other applicable Governmental Authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

SECTION 1. Grant of Security. The Grantor hereby grants to the Administrative Agent for the ratable benefit of the Secured Parties a security interest in and to all of the Grantor's right, title and interest in and to the following (the "Intellectual Property Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Grantor's Obligations:

(a) (i) all trademarks, service marks, trade names, corporate names, company names, business names, trade dress, trade styles, logos, or other indicia of origin or source

identification, trademark and service mark registrations, and applications for trademark or service mark registrations and any new renewals thereof, including, without limitation, each registration and application identified in Schedule 1, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each of the above (collectively, the "Trademarks");

(b) (i) all patents, patent applications and patentable inventions, including, without limitation, each patent and patent application identified in Schedule 1, (ii) all inventions and improvements described and claimed therein, (iii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (v) all reissues, divisions, continuations, continuations-in-art, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (collectively, the "Patents");

(c) (i) all copyrights, whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, each registration and application identified in Schedule 1, (ii) the rights to print, publish and distribute any of the foregoing, (iv) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (v) all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto ("Copyrights");

(d) (i) all trade secrets and all confidential and proprietary information, including know-how, manufacturing and production processes and techniques, inventions, research and development information, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, and customer and supplier lists and information, including, without limitation, any of the foregoing identified in Schedule 1, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements

thereof), and (iv) all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (collectively, the "Trade Secrets");

(e) (i) all licenses or agreements, whether written or oral, providing for the grant by or to the Grantor of: (A) any right to use any Trademark or Trade Secret, (B) any right to manufacture, use or sell any invention covered in whole or in part by a Patent, and (C) any right under any Copyright including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright including, without limitation, any of the foregoing identified in Schedule I, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations of any of the foregoing, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto; and

(f) any and all proceeds of the foregoing.

Recordation. The Grantor authorizes and requests that the Register of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this Intellectual Property Security Agreement.

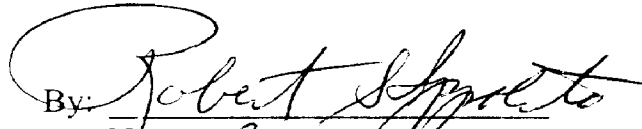
Execution in Counterparts. This Agreement may be executed in any number of counterparts (including by telecopy), each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Governing Law. This Intellectual Property Security Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Conflict Provision. This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of the Guarantee and Collateral Agreement and the Credit Agreement. The rights and remedies of each party hereto with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Guarantee and Collateral Agreement and the Credit Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Intellectual Property Security Agreement are in conflict with the Guarantee and Collateral Agreement or the Credit Agreement, the provisions of the Guarantee and Collateral Agreement or the Credit Agreement shall govern.

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

PENNSYLVANIA NATIONAL TURF CLUB, INC.

By:   
Name: ROBERT S. IPPOLITO  
Title: SECRETARY/TREASURER

[ACKNOWLEDGEMENT PAGE]

STATE OF NEW YORK)

) ss:

COUNTY OF NEW YORK)

On August 2, 2000, before me, the undersigned, personally appeared Robert S. Ippolito, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as Sec. Treas. of Pennsylvania National Turf Club, Inc. and acknowledged to me that said corporation executed it pursuant to its by-laws or a resolution of its board of directors.

Ann K. Mallari

Notary Public in and for  
said County and State

My Commission Expires:

\_\_\_\_\_  
ANN K. MALLARI  
Notary Public, State of New York  
No. 4936031  
Qualified in New York County  
Commission Expires July 5, 2002

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NONE

PATENTS

NONE

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**TRADEMARK**  
**REEL: 002152 FRAME: 0982**



TRADEMARKS

**Pennsylvania National Turf Club, Inc.**

<u>Mark</u>	<u>Registration No.</u>	<u>Application No.</u>	<u>Reg. Date</u>	<u>File Date</u>
THE WORLD SERIES OF HANDICAPPING	1104969	73/142962	10/24/1978	9/29/77