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

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

1. Name of conveying party(ies):
Bobcats Basketball, LLC

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

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

3. Nature of conveyance:

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

Execution Date: 05/03/2004

2. Name and address of receiving party(ies)

Name: JPMorgan Chase Bank, as Collateral Agent

Internal

Address: _____

Street Address: 270 Park Avenue

City: New York State: NY Zip: 10017

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State New York
- Other _____

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

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

A. Trademark Application No.(s)

See Attached

B. Trademark Registration No.(s)

See Attached

Additional number(s) attached Yes No

78244430

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

Name: Ms. Penelope Agadoa

Internal Address: Federal Research Corporation

Street Address: 1030 Fifteenth Street NW, Suite 920

City: Washington State: DC Zip: 20005

6. Total number of applications and registrations involved: _____

20

7. Total fee (37 CFR 3.41).....\$ 515

- 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

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.

Elizabeth Steiner

Name of Person Signing

Elizabeth Steiner
Signature

05/18/2004

Date

Total number of pages including cover sheet, attachments, and document: **3**

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

05/20/2004 ECOOPER 00000004 78244430

01 FC:8521
02 FC:8522

40.00 DP
475.00 DP

TRADEMARK
REEL: 002969 FRAME: 0802

TRADEMARK/TRADE NAMES OWNED BY BOBCATS BASKETBALL, LLC

U.S. Trademark Registrations

Mark	Reg. Date	Reg. No.
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (State of Massachusetts)	9/2/2003	63317
CHARLOTTE BOBCATS (State of North Carolina)	6/30/2003	T17481
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (State of North Carolina)	6/30/2003	T17482

U.S. Trademark Applications

Mark	Filing Date	Application No.
CHARLOTTE BOBCATS (31089)	5/1/2003	78244430
CHARLOTTE BOBCATS (31088)	5/1/2003	78244443
CHARLOTTE BOBCATS (31090)	5/1/2003	78244453
CHARLOTTE BOBCATS (31091)	5/1/2003	78244458
CHARLOTTE DRAGONS (31093)	5/1/2003	78244470
CHARLOTTE DRAGONS (31096)	5/1/2003	78244482
CHARLOTTE DRAGONS (31095)	5/1/2003	78244488
CHARLOTTE DRAGONS (31100)	5/1/2003	78244503
CHARLOTTE FLIGHT (31106)	5/1/2003	78244524
CHARLOTTE FLIGHT (31104)	5/1/2003	78244552
CHARLOTTE FLIGHT (31101)	5/1/2003	78244539
CHARLOTTE FLIGHT (31105)	5/1/2003	78244561
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31328)	6/9/2003	78259800

<u>Mark</u>	<u>Filing Date</u>	<u>Application No.</u>
CHARLOTTE BOBCATS & DESIGN(2004-PRESENT) (31338)	6/9/2003	78259809
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31311)	6/9/2003	78259850
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31306)	6/9/2003	78259866
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31307)	6/9/2003	78259881
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31310)	6/9/2003	78259894
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31321)	6/9/2003	78259914
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31324)	6/9/2003	78259940

SECURITY AGREEMENT

dated as of

May 3, 2004,

between

BOBCATS BASKETBALL, LLC

and

JPMORGAN CHASE BANK,

as Collateral Agent

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Exhibits

Exhibit I	Form of Secured Party Joinder Agreement
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SECURITY AGREEMENT dated as of May 5, 2003 (this "Agreement"), between BOBCATS BASKETBALL, LLC, a Delaware limited liability company (the "Grantor"), and JPMORGAN CHASE BANK, as Collateral Agent.

Reference is made to the Note Purchase Agreement dated as of May 5, 2003 (such agreement, as amended by the First Amendment and Restatement dated as of May 3, 2004, and as it may be further amended, modified or supplemented from time to time, the "Note Purchase Agreement"), among the Grantor, the other Participating Members party thereto, Basketball Funding, LLC (the "Purchaser") and JPMorgan Chase Bank, as Agent, and the Conduit Note Purchase Agreement dated as of May 5, 2003 (such agreement, as amended by the First Amendment and Restatement dated as of May 3, 2004, and as it may be further amended, modified or supplemented from time to time, the "Conduit Note Purchase Agreement"), among the Purchaser, the Conduits party thereto, the Liquidity Lenders party thereto and JPMorgan Chase Bank, as Agent. The Purchaser has agreed to purchase one or more Member Notes from the Grantor and thereafter to make Advances to the Grantor out of the proceeds of Corresponding Advances received by the Purchaser under the Conduit Note Purchase Agreement, subject to the terms and conditions set forth in the Note Purchase Agreement. The obligations of the Purchaser to purchase such Member Notes and make such Advances are conditioned upon, among other things, the execution and delivery of this Agreement. It is contemplated that after the date hereof (i) the Grantor shall enter into a Note Purchase Agreement (such agreement, as it may be amended, modified or supplemented from time to time, the "Term Note Purchase Agreement") among the Grantor, the other Participating Members party thereto, a special purpose funding entity (the "Note Purchaser") and JPMorgan Chase Bank, as Agent, and (ii) the Note Purchaser shall enter into a Note Purchase Agreement (such agreement, as it may be amended, modified or supplemented from time to time, the "Senior Note Purchase Agreement") between the Note Purchaser and the Noteholders party thereto (the "Term Lenders"). As contemplated, the Note Purchaser would purchase one or more notes (the "Term Notes") from the Grantor from the proceeds of notes (the "Senior Notes") sold to the Term Lenders under the Senior Note Purchase Agreement, subject to the terms and conditions set forth in the Term Note Purchase Agreement. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Note Purchase Agreement. (a) Capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Note Purchase Agreement; provided, however, that the meanings of such capitalized terms shall not be amended or modified for purposes of this Agreement other than in accordance with Section 5.09(b). All terms defined in the New York UCC (as defined herein) and not defined in this Agreement or the Note Purchase Agreement have the

meanings specified therein; the term "instrument" shall have the meaning specified in Article 9 of the New York UCC.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.02. Other Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Account Debtor" means any Person who is or who may become obligated to the Grantor under, with respect to or on account of an Account.

"Arena Lease" means, subject to the terms of Section 3.01(a) of the Note Purchase Agreement, any rights of the Grantor granted under any lease, sublease, license, sublicense or use agreement of a stadium, sports arena or related facilities to the extent that such rights relate to conducting "home" NBA basketball games, together with any payments or other accommodations to the Grantor thereunder to the extent that such rights (a) may, without breach or termination of any lease, sublease, license, sublicense, use agreement or contract, be assigned or pledged to another Person by the Grantor and (b) have not been assigned or pledged by the Grantor to any Person (other than the Secured Parties) to secure any Indebtedness incurred by any Person to finance the acquisition, construction, renovation or operation of such stadium, sports arena or related facilities or any rights or other interest therein (provided that such Indebtedness is otherwise non-recourse to the Grantor).

"Article 9 Collateral" has the meaning assigned to such term in Section 3.01.

"Bank Lender" means any bank or lending institution (or any NBA Entity or any Affiliate thereof) that, on or after the Closing Date, enters into (or a duly authorized agent of which enters into on its behalf) a Bank Loan Agreement and a

Secured Party Joinder Agreement, agreeing to become a party to this Agreement and to be bound by all the terms and conditions of this Agreement and the NBA Consent Letter and to share, as hereinafter provided, in the rights and benefits relating to the Collateral with the other Secured Parties hereunder (including any such bank or lending institution that becomes party to such Bank Loan Agreement subsequent to the date thereof, whether as additional lender, by way of assignment or otherwise) and any and all agents thereof under such Bank Loan Agreement.

“Bank Loan Agreement” means any loan agreement entered into by the Grantor with a Bank Lender in compliance with Section 5.08(c) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement pursuant to which such Bank Lender agrees to (a) make loans, advances or similar extensions of credit to the Grantor and (b) comply with all of the provisions of Section 5.08(c) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement.

“Bank Loan Agreement Obligations” means (a) the due and punctual payment by the Grantor of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Grantor Advances under any Bank Loan Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations of the Grantor to any of the Bank Loan Agreement Secured Parties under any Bank Loan Agreement and any other agreement, document or instrument executed in connection therewith, including obligations to pay fees, expense and reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred (other than Grantor Advances under any Bank Loan Agreement) during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding), and (b) the due and punctual performance of all other obligations of the Grantor under or pursuant to any Bank Loan Agreement and any other agreement, document or instrument executed in connection therewith.

“Bank Loan Agreement Secured Parties” means (a) any Bank Lender, (b) the Collateral Agent, (c) the beneficiaries of each indemnification obligation undertaken by the Grantor under any Bank Loan Agreement and (d) the successors and assigns of each of the foregoing.

“Collateral” means Article 9 Collateral and Pledged Collateral.

“Collection Account” means the payment and deposit sub-account administered by, and maintained with and in the name of, the Collateral Agent (account no. 134745787, 1166 Avenue of the Americas, 15th Floor, New York, NY 10036, Attention: Anthony Wilkens) for the purpose of receiving, holding and disbursing all Grantor Collections, and any successor accounts.

“Conduit Security Agreement” means the Conduit Security Agreement dated May 5, 2003, between the Purchaser and the Conduit Agent, acting on behalf of the Liquidity Lenders, Conduits and other secured parties, pursuant to which the Purchaser has granted the Conduit Agent a security interest in the Grantor Advances and other Note Purchase Agreement Obligations owed to the Purchaser under the Note Purchase Agreement, and in the Purchaser’s interest in all Collateral securing such obligations under the Grantor’s Security Documents, to secure the Corresponding Advances and other obligations of the Purchaser, in each case in respect of the Grantor, under the Conduit Note Purchase Agreement.

“Copyright License” means any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by the Grantor or that the Grantor otherwise has the right to license, or granting any right to the Grantor under any copyright now or hereafter owned by any third party, and all rights of the Grantor under any such agreement, in each case to the extent that such agreement relates to any right or obligation with respect to any such copyright, but excluding any other rights or obligations under such agreement.

“Copyrights” means all of the following now owned or hereafter acquired by the Grantor: (a) all copyright rights in any work subject to the copyright laws of the United States, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule II.

“Core Collateral” means all of the following items of Collateral: the Membership Rights, the Television Contracts and the Television Revenues in respect thereof, the Local Television Contracts and the Local Television Revenues in respect thereof, any COI Agreements and the COI in respect thereof, the Collection Account, the Debt Service Reserve Account, the Labor Contingency Reserve Account, all Trademarks or Trademark Licenses (to the extent that such Trademark Licenses grant to the Grantor any right to use any trademark now or hereafter owned by any third party), in each case that are material to the Grantor’s business, the right of the Grantor to play home NBA basketball games and to sell general admission tickets thereto, any Expansion Revenues and any Pledged Stock representing Equity Interests of (a) any NBA Entity (other than WNBA, LLC) or (b) any Subsidiary of the Grantor that owns or holds any Core Collateral, in each case owned by the Grantor.

“Corresponding Senior Term Notes” means with respect to any Term Notes of the Grantor under the Term Note Purchase Agreement, the Senior Notes sold by the Note Purchaser from time to time to Term Lenders under the Senior Note Purchase Agreement to enable the Note Purchaser to purchase such Term Notes from the Grantor.

“Debt Service Account” means the deposit account administered by, and maintained with and in the name of, the Collateral Agent (account no. 134745507, 1166 Avenue of the Americas, 15th Floor, New York, NY 10036, Attention: Anthony

Wilkens) for the purpose of receiving, holding and disbursing the Debt Service Reserve Amount or any other amounts required to be deposited therein by the Grantor pursuant to Section 2.15(a) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement, including, without limitation, as a result of a Debt Service Reserve Shortfall, and any successor account.

“Employee Contracts” means any agreements or contracts, whether in writing or otherwise, to which the Grantor is a party relating to the employment of coaches, players and other personnel, and all rights of the Grantor thereunder.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person of whatever nature, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

“Event of Default” means any Member Event of Default with respect to the Grantor under and as defined in the Note Purchase Agreement or the Term Note Purchase Agreement.

“Excludable Assets” means any Collateral other than the Core Collateral.

“Expansion Revenues” means all cash compensation payable from time to time to or for the benefit of the Grantor, in connection with any Expansion, by the Member or Members becoming a member(s) of the NBA as a result of such Expansion, including cash payments on any deferred portion of the compensation payable in connection with such Expansion and cash payments (whether of principal, interest or other amounts) on any promissory notes issued to or for the benefit of the Grantor in connection with such Expansion.

“Federal Securities Laws” has the meaning assigned to such term in Section 4.04 of this Agreement.

“Foreclosure Event” means (a) the occurrence of any Event of Default and, as a result thereof, the occurrence of (i) the acceleration (including any automatic acceleration in connection with any bankruptcy or insolvency proceeding) of the maturity of the principal amount of any Grantor Advances under the Note Purchase Agreement or the Term Note Purchase Agreement or (ii) the commencement of (or the election to commence) the exercise of remedies in respect of the Collateral and (b) in either case, (A) receipt by the Term Lenders (if any Term Note Purchase Agreement Obligations are outstanding), the Collateral Agent and the Grantor of written notice thereof from the Agent under the Note Purchase Agreement (in the case of any such Member Event of Default under the Note Purchase Agreement) or (B) receipt by the Agent under the Note Purchase Agreement (if any Note Purchase Agreement Obligations are outstanding), the Collateral Agent and the Grantor of written notice thereof from the Term Lenders (in the case of any such Event of Default under the Term Note Purchase Agreement).

“General Intangibles” means all choses in action and causes of action and all other intangible personal property of the Grantor of every kind and nature (other than Accounts) now owned or hereafter acquired by the Grantor, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Swap Agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to the Grantor to secure payment by an Account Debtor of any of the Accounts.

“Grantor” means the Participating Member party to this Agreement.

“Grantor Advance” means each Advance to the Grantor under the Note Purchase Agreement, each loan or advance made to the Grantor under the Term Note Purchase Agreement (whether by the purchase of a note or the making of a loan) and any loan or advance of funds to the Grantor under any Bank Loan Agreement.

“Grantor Advance Exposure” means, at any time, the sum of (i) the aggregate amount of outstanding Corresponding Senior Term Notes in respect of the Grantor at such time plus (ii) the aggregate amount of outstanding Corresponding Advances in respect of the Grantor held by Liquidity Lenders at such time plus (iii) the aggregate amount of unused Commitments of Liquidity Lenders under the Conduit Note Purchase Agreement allocable to the Sub-Facility of the Grantor which could be utilized to require the purchase by such Liquidity Lenders of Corresponding Advances in respect of the Grantor held by Conduits at such time.

“Grantor Collections” means all cash collections and other Proceeds in respect of (a) Television Revenues derived from the Television Contracts pledged as Collateral by the Grantor, whether received by the NBA, as agent for the Grantor under the Television Contracts, by the Grantor directly or by any other Person and (b) COI derived from all COI Agreements pledged as Collateral by the Grantor, whether received by the NBA, as agent for the Grantor under any such COI Agreement, by the Grantor directly or by any other Person. For the avoidance of doubt, the term “Grantor Collections” shall not include (i) any cash collections and other Proceeds in respect of Television Revenues derived from the Television Contracts or (ii) any cash collections and other Proceeds in respect of COI derived from any COI Agreement, in each case, of any Member (other than the Grantor).

“Grantor Note” means any Member Note issued by the Grantor pursuant to the Note Purchase Agreement, any Term Notes issued by the Grantor under the Term Note Purchase Agreement and any promissory note issued by the Grantor pursuant to any Bank Loan Agreement.

“Instructing Parties” means at any time of determination (a) if no Term Note Purchase Agreement Obligations are outstanding at such time of determination, the Required Liquidity Lenders, (b) if no Note Purchase Agreement Obligations are outstanding and the Commitments have been terminated at such time of determination, the Required Term Lenders and (c) if any Term Note Purchase Agreement Obligations

are outstanding and there are either outstanding Commitments or outstanding Note Purchase Agreement Obligations at such time of determination, (i) if a Default exists with respect to the Grantor or the Purchaser would not otherwise be obligated to make an Advance to the Grantor pursuant to the terms of Section 3.02 of the Note Purchase Agreement, Liquidity Lenders and/or Term Lenders having more than 50% of the aggregate amount of the Grantor Advance Exposure and (ii) if no Default exists with respect to the Grantor and the Purchaser would otherwise be obligated to make an Advance to the Grantor pursuant to the terms of Section 3.02 of the Note Purchase Agreement, Liquidity Lenders and/or Term Lenders holding more than 50% of the aggregate amount of (x) the Grantor Advance Exposure plus (y) the amount of any unused Commitments in excess of Corresponding Advances then held by Conduits.

“Intellectual Property” means all intellectual and similar property of the Grantor of every kind and nature now owned or hereafter acquired by the Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

“Labor Contingency Reserve Account” means the deposit account administered by, and maintained with and in the name of, the Collateral Agent for the purpose of receiving, holding and disbursing the Labor Contingency Interest Reserve Amount of the Grantor, or any other amounts required to be deposited therein by the Grantor pursuant to Section 2.15(b) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement, and any successor account.

“License” means any (a) Patent License, (b) Trademark License, (c) Copyright License or (d) other license or sublicense agreement granting to any third party any right to use any intellectual property now or hereafter owned by the Grantor or that the Grantor otherwise has the right to license, or granting to the Grantor any right to use any intellectual property now or hereafter owned by any third party, and all rights of the Grantor under any such agreement, in each case to the extent that such agreement relates to any right or obligation with respect to any such intellectual property, but excluding any other rights or obligations under such agreement, including in the case of each of clauses (a), (b), (c) and (d) those which the Collateral Agent may in its reasonable discretion request pursuant to Section 3.03(c) to be listed on Schedule II.

“Loan Agreements” means (a) the Note Purchase Agreement and each of the Grantor’s other Sub-Facility Documents, (b) the Term Note Purchase Agreement and each of the Grantor’s other Term Sub-Facility Documents and (c) any Bank Loan Agreement and any other document or instrument executed by any of the parties thereto in connection therewith.

“Local Television Contracts” means all agreements entered into from time to time between the Grantor and any other Person (other than the Television Contracts)

respecting the television broadcast of the NBA basketball games of the Grantor in its local broadcast territory (as defined in the NBA Constitution), whether regular season games or otherwise, and whether via over-the-air, cable or other transmission, as each may be supplemented, extended, modified, amended or restated from time to time, including, without limitation, such agreements in existence as of the Closing Date.

“Local Television Revenues” means all revenues, fees and other amounts payable from time to time to the Grantor pursuant to the Local Television Contracts.

“Membership Rights” means the Grantor’s Membership and all membership rights of the Grantor in the NBA that are granted by the NBA equally to each of the Members, including the right to field and operate a basketball team in the NBA and the right to elect a member of the NBA Board of Governors, whether or not in writing or evidenced by a membership or other certificate.

“NBA Obligations” means the due and punctual payment by the Grantor of all assessments, fines, charges, obligations and other levies imposed by the NBA Entities, the NBA Board of Governors or the NBA Commissioner on the Grantor, or otherwise due to the NBA Entities, their Affiliates or other Members from the Grantor, when and as due.

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

“Note Purchase Agreement” has the meaning assigned to such term in the preliminary statement of this Agreement.

“Note Purchase Agreement Obligations” means (a) the due and punctual payment by the Grantor of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Grantor Advances under the Note Purchase Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for payment or otherwise, and (ii) all other monetary obligations of the Grantor to any of the Note Purchase Agreement Secured Parties under the Note Purchase Agreement and each of the other Transaction Documents, including obligations to pay fees, expense and reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations (other than Grantor Advances under the Note Purchase Agreement) incurred during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Grantor under or pursuant to the Note Purchase Agreement and each of the other Transaction Documents and (c) the due and punctual payment and performance of all obligations of the Grantor under each Swap Agreement that (i) is in effect on the Closing Date with a counterparty that is a Liquidity Lender or an Affiliate of a Liquidity Lender as of the Closing Date or (ii) is entered into after the Closing Date with (or assigned to) any

counterparty that is a Liquidity Lender or an Affiliate of a Liquidity Lender at the time such Swap Agreement is entered into (or assigned).

“Note Purchase Agreement Secured Parties” means (a) the Purchaser, (b) the Agent under the Note Purchase Agreement and the Collateral Agent, (c) each counterparty to any Swap Agreement with the Grantor that either (i) is in effect on the Closing Date if such counterparty is a Liquidity Lender or an Affiliate of a Liquidity Lender as of the Closing Date or (ii) is entered into after the Closing Date if such counterparty is a Liquidity Lender or an Affiliate of a Liquidity Lender at the time such Swap Agreement is entered into, (d) the beneficiaries of each indemnification obligation undertaken by the Grantor under any Transaction Document and (e) the successors and assigns of each of the foregoing.

“Note Purchaser” has the meaning assigned to such term in the preliminary statement to this Agreement.

“Obligations” means (a) the Note Purchase Agreement Obligations, (b) the Term Note Purchase Agreement Obligations, (c) the Bank Loan Agreement Obligations and (d) the NBA Obligations.

“Operations Contracts” means all concessions, parking, security and other contracts and agreements relating to the operations of the Grantor, and all contracts or agreements relating to skyboxes, club seating or other premium seating, in each case to which the Grantor is a party.

“Patent License” means any written agreement, now or hereafter in effect, granting to any third party any right to use any patent now or hereafter owned by the Grantor or that the Grantor otherwise has the right to license, or granting to the Grantor any right to use any patent now or hereafter owned by any third party, and all rights of the Grantor under any such agreement, in each case to the extent that such agreement relates to any right or obligation with respect to any such patent, but excluding any other rights or obligations under such agreement.

“Patents” means all of the following now owned or hereafter acquired by the Grantor: (a) all letters patent of the United States, all registrations and recordings thereof, and all applications for letters patent of the United States, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar office or agency in the United States, including those listed on Schedule II, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

“Perfection Certificate” means a certificate substantially in the form of Exhibit II, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Financial Officer of the Grantor.

“Pledged Collateral” has the meaning assigned to such term in Section 2.01 of this Agreement.

“Pledged Debt Securities” has the meaning assigned to such term in Section 2.01 of this Agreement.

“Pledged Securities” means any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

“Pledged Stock” has the meaning assigned to such term in Section 2.01 of this Agreement.

“Proceeds” has the meaning specified in Section 9-102 of the New York UCC.

“Required Liquidity Lenders” means Liquidity Lenders holding Commitments under the Conduit Note Purchase Agreement aggregating in excess of 50% of the Facility Limit under the Conduit Note Purchase Agreement or, if the Commitments have been terminated, holding more than 50% of the Corresponding Advances in respect of outstanding Advances to the Grantor under the Note Purchase Agreement.

“Required Term Lenders” means Term Lenders holding more than 50% of the outstanding Corresponding Senior Term Notes in respect of outstanding Term Notes of the Grantor under the Term Note Purchase Agreement.

“Secured Parties” means (a) the Note Purchase Agreement Secured Parties, (b) the Term Note Purchase Agreement Secured Parties and (c) the Bank Loan Agreement Secured Parties.

“Secured Party Joinder Agreement” means a Secured Party Joinder Agreement between a Term Lender or a Bank Lender, as the case may be, and the Collateral Agent substantially in the form of Exhibit I hereto.

“Security Interest” has the meaning assigned to such term in Section 3.01 of this Agreement.

“Senior Notes” has the meaning assigned to such term in the preliminary statement to this Agreement.

“Senior Note Purchase Agreement” has the meaning assigned to such term in the preliminary statement to this Agreement.

“Term Lender” has the meaning assigned to such term in the preliminary statement of this Agreement.

“Term Note” has the meaning assigned to such term in the preliminary statement of this Agreement.

“Term Note Purchase Agreement” has the meaning assigned to such term in the preliminary statement of this Agreement.

“Term Note Purchase Agreement Closing Date” means the first date, if any, on which Term Notes are sold by the Grantor under the Term Note Purchase Agreement. As of the Closing Date under the Note Purchase Agreement, the Term Note Purchase Agreement Closing Date had not yet occurred.

“Term Note Purchase Agreement Obligations” means (a) the due and punctual payment by the Grantor of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding) on and any applicable Make-Whole Amounts (as defined in the Term Note Purchase Agreement) with respect to the Grantor Advances under the Grantor’s Term Sub-Facility, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations of the Grantor to any of the Term Note Purchase Agreement Secured Parties under the Term Note Purchase Agreement, including obligations to pay fees, expense and reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations (other than Grantor Advances under the Term Note Purchase Agreement) incurred during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding), and (b) the due and punctual performance of all other obligations of the Grantor under or pursuant to the Term Note Purchase Agreement and each of the other Term Sub-Facility Documents.

“Term Note Purchase Agreement Secured Parties” means (a) the Note Purchaser, (b) the Collateral Agent, (c) the beneficiaries of each indemnification obligation undertaken by the Grantor under the Term Note Purchase Agreement or this Agreement and (d) the successors and assigns of each of the foregoing.

“Term Security Agreement” means the Security Agreement dated the date of the Term Note Purchase Agreement, between the Note Purchaser and the Term Lenders pursuant to which the Note Purchaser grants to the Term Lenders a security interest in the Grantor Advances and the other Term Note Purchase Agreement Obligations owed to the Note Purchaser under the Term Note Purchase Agreement, and in the Note Purchaser’s interest in all Collateral securing such obligations under the Grantor’s Term Security Documents, to secure the Corresponding Senior Term Notes sold to fund the purchase of the Term Notes and other obligations of the Note Purchaser, in each case in respect of the Grantor, under the Senior Note Purchase Agreement.

“Tickets Rights” means all tickets, ticket rights, ticket holder lists and ticket issuance arrangements relating to admission to NBA basketball games, whether home or away and whether involving pre-season, regular season or post-season games.

“Trademark License” means any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark now or hereafter owned by the Grantor or that the Grantor otherwise has the right to license, or granting to the Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of the Grantor under any such agreement, in each case to the extent that such agreement relates to any right or obligation with respect to any such trademark, but excluding any other rights or obligations under such agreement.

“Trademarks” means all of the following now owned or hereafter acquired by the Grantor: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all United States registrations and recordings thereof, and all United States registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States, and all extensions or renewals thereof, including those listed on Schedule II and (b) all goodwill associated therewith or symbolized thereby.

ARTICLE II

Pledge of Securities

SECTION 2.01. Pledge. As security for the payment or performance, as the case may be, in full of the Obligations, the Grantor hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in, all of the Grantor’s right, title and interest in, to and under (a) the shares of capital stock and other Equity Interests owned by it and listed on Schedule I and any other Equity Interests obtained in the future by the Grantor (in each case other than any Equity Interests in Excluded Subsidiaries) and the certificates representing all such Equity Interests (the “Pledged Stock”); (b)(i) the debt securities listed opposite the name of the Grantor on Schedule I, (ii) any debt securities in the future issued to the Grantor and (iii) the promissory notes and any other instruments evidencing such debt securities (the “Pledged Debt Securities”); (c) subject to Section 2.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above; (d) subject to Section 2.06, all rights and privileges of the Grantor that are described in Section 2.06 with respect to the securities and other property referred to in clauses (a), (b) and (c) above; and (e) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (e) above being collectively referred to as the “Pledged Collateral”).

TO HAVE AND TO HOLD the Pledged Collateral unto the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, forever;

subject, however, to the terms, covenants and conditions set forth in this Agreement and the other Loan Agreements.

SECTION 2.02. Delivery of the Pledged Collateral. (a) The Grantor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all certificated Pledged Securities representing or evidencing (i) any Pledged Stock representing Equity Interests of (x) any NBA Entity or (y) any Subsidiary of the Grantor, in each case owned by the Grantor and (ii) any Pledged Debt Securities in a principal amount in excess of \$100,000 (other than Eligible Investments); provided, that any promissory note or other instrument shall be returned to the Grantor upon request of the Grantor in conjunction with the repayment in full of the indebtedness evidenced thereby.

(b) The Grantor will cause any Indebtedness for borrowed money in a principal amount in excess of \$100,000 (other than Eligible Investments and except as set forth on Schedule III) owed to the Grantor by any Person to be evidenced by a duly executed promissory note, which promissory note shall be pledged and delivered to the Collateral Agent pursuant to the terms hereof.

(c) Upon delivery to the Collateral Agent to the extent required by clause (a) above, (i) any Pledged Securities shall be accompanied by stock powers duly executed in blank or other instruments of transfer reasonably satisfactory to the Collateral Agent and by such other instruments and documents as the Collateral Agent may reasonably request and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment duly executed by the Grantor and such other instruments or documents as the Collateral Agent may reasonably request. Each delivery of Pledged Securities shall be accompanied by a schedule describing the securities, which schedule shall be attached hereto as Schedule I and made a part hereof; provided that failure to attach any such schedule hereto shall not affect the validity of such pledge of such Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 2.03. Representations, Warranties and Covenants. The Grantor represents, warrants and covenants to and with the Collateral Agent, for the benefit of the Secured Parties, that, except as set forth on Schedule III:

(a) as of the date hereof, Schedule I correctly sets forth all (i) Equity Interests owned by it (other than any Equity Interests in Excluded Subsidiaries) and (ii) all debt securities and promissory notes in a principal amount in excess of \$100,000 and that are required to be pledged hereunder (other than Eligible Investments), and, with respect to such Pledged Stock, sets forth the percentage of the issued and outstanding shares of each class of the Equity Interests of the issuer thereof represented thereby;

(b) the Pledged Stock issued by Persons Controlled by the Grantor has been, and, to the knowledge of the Grantor, any other Pledged Stock and the Pledged Debt Securities have been, duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Stock representing capital stock, are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding

obligations of the issuers thereof, subject as to enforceability to bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and to general principles of equity;

(c) except for the security interests granted hereunder, the Grantor (i) is and, subject to any assignments or transfers made in compliance with the Loan Agreements, and, in the case of the Pledged Debt Securities, until the repayment or discharge thereof in full, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on Schedule I as owned by the Grantor, (ii) holds the same free and clear of all Liens (other than Liens expressly permitted under Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements), (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, in each case other than (x) Liens created by this Agreement, (y) Liens expressly permitted under Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements and (z) assignments or transfers made in compliance with the Loan Agreements (including Section 3.03(j) of this Agreement) and (iv) subject to Section 2.06, will cause any and all Pledged Collateral, whether for value paid by the Grantor or otherwise, to be forthwith pledged or collaterally assigned hereunder and, in the case of (A) any certificated Pledged Stock representing Equity Interests of (1) any NBA Entity or (2) any Subsidiary of the Grantor, in each case owned by the Grantor, and (B) any Pledged Debt Securities in a principal amount in excess of \$100,000 and that are required to be pledged hereunder (other than Eligible Investments) to be forthwith delivered to the Collateral Agent; provided, that any such Pledged Debt Securities shall be returned to the Grantor upon request of the Grantor in conjunction with the repayment in full of the indebtedness evidenced thereby;

(d) except for restrictions and limitations imposed or expressly permitted by the Loan Agreements (including, without limitation, restrictions and limitations imposed by the NBA Constitution (other than the NBA Agreements)) or securities laws generally, as of the date hereof, the Pledged Collateral is freely transferable and assignable, and none of the Pledged Collateral is subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that could reasonably be expected to prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder;

(e) the Grantor (i) has the corporate, partnership, limited liability company or other requisite company power, as the case may be, and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated and (ii) will defend its title or interest thereto or therein against any and all Liens (other than (x) the Lien created by this Agreement and (y) Liens expressly permitted under Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements), however arising, of all Persons whomsoever, except in the case of clause (ii), where the failure to do so could not reasonably be expected to have a

material adverse effect on the rights of the Secured Parties hereunder with respect to any Core Collateral or any other item of Pledged Collateral material to the Grantor's business;

(f) no consent or approval of any Governmental Authority, any securities exchange or any other Person was or is necessary to the validity of the pledge of the Pledged Collateral effected hereby (other than (i) such as have been obtained and are in full force and effect or (ii) where the failure to obtain such consent or approval could not reasonably be expected to have a material adverse effect on the rights of the Secured Parties hereunder with respect to any Core Collateral or any other item of Pledged Collateral material to the Grantor's business); and

(g) by virtue of the execution and delivery by the Grantor of this Agreement, when any Pledged Securities are delivered to the Collateral Agent in accordance with this Agreement, the Collateral Agent will obtain a legal, valid and perfected first priority lien upon and security interest in such Pledged Securities (subject to any Liens expressly permitted under Section 5.09 of the Note Purchase Agreement or the corresponding section of the Term Note Purchase Agreement and the applicable terms of the other Loan Agreements) as security for the payment and performance of the Obligations.

SECTION 2.04. Certification of Limited Liability Company and Limited Partnership Interests. (a) The Grantor acknowledges and agrees that (i) each interest in any limited liability company or limited partnership Controlled by the Grantor, pledged hereunder and represented by a certificate shall be a "security" within the meaning of Article 8 of the New York UCC and shall be governed by Article 8 of the New York UCC and (ii) each such interest shall at all times hereafter be represented by a certificate.

(b) The Grantor further acknowledges and agrees that (i) each interest in any limited liability company or limited partnership Controlled by the Grantor, pledged hereunder and not represented by a certificate shall not be a "security" within the meaning of Article 8 of the New York UCC and shall not be governed by Article 8 of the New York UCC, and (ii) the Grantor shall at no time elect to treat any such interest as a "security" within the meaning of Article 8 of the New York UCC or issue any certificate representing such interest, unless the Grantor provides prior written notification to the Collateral Agent of such election and immediately delivers any such certificate to the Collateral Agent pursuant to the terms hereof.

SECTION 2.05. Registration in Nominee Name; Denominations. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in its own name as pledgee, the name of its nominee (as pledgee or as sub-agent) or the name of the Grantor, endorsed or assigned in blank or in favor of the Collateral Agent. The Grantor will promptly give to the Collateral Agent copies of any material notices or other material communications received by it with respect to Pledged Securities registered in the name of the Grantor (other than, unless an Event of Default shall have occurred and be continuing, any material notices or material communications from any NBA Entity that are not required to be delivered to the Agent

under the Note Purchase Agreement or to the Agent under the Term Note Purchase Agreement). Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall at all times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 2.06. Voting Rights; Dividends and Interest, etc. (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Grantor that its rights under this Section are being suspended:

(i) The Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Collateral or any part thereof for any purpose that does not violate the terms of this Agreement and the Loan Agreements; provided that such rights and powers shall not be exercised in any manner that could materially and adversely affect the rights inuring to a holder of any Pledged Collateral or the rights and remedies of any of the Collateral Agent or the other Secured Parties under this Agreement or the Loan Agreements or the ability of the Secured Parties to exercise the same; provided further, that it is understood that actions taken by the Grantor in the conduct of its business affairs using its reasonable business judgment that affect the value of Pledged Collateral shall not be construed to adversely affect the rights inuring to a holder of any Pledged Collateral.

(ii) The Collateral Agent shall execute and deliver to the Grantor, or cause to be executed and delivered to the Grantor, all such proxies, powers of attorney and other instruments as the Grantor may reasonably request for the purpose of enabling the Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above and to receive the dividends, interest, principal and other distributions it is entitled to receive pursuant to subparagraph (iii) below.

(iii) The Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral; provided that any noncash dividends, interest, principal or other distributions that would constitute Pledged Stock or Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Collateral or received in exchange for Pledged Collateral or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Pledged Collateral, and, if such Pledged Collateral is received by the Grantor, shall not be commingled by the Grantor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Collateral Agent and, to the extent otherwise

required by this Agreement, shall be forthwith delivered to the Collateral Agent in the same form as so received (with any necessary endorsement).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Grantor of the suspension of its rights under paragraph (a)(iii) of this Section 2.06, then all rights of the Grantor to dividends, interest, principal or other distributions that the Grantor is authorized to receive pursuant to paragraph (a)(iii) of this Section 2.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by the Grantor contrary to the provisions of this Section 2.06 shall be held in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of the Grantor and shall be forthwith delivered to the Collateral Agent upon demand in the same form as so received (with any necessary endorsement). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 4.02. Promptly after all Events of Default have been cured or waived and the Grantor has delivered to the Collateral Agent a certificate to that effect, the Collateral Agent shall repay to the Grantor (without interest) all dividends, interest, principal or other distributions that the Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 2.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default that results in the Collateral Agent having notified the Grantor of the suspension of its rights under paragraph (a)(i) of this Section 2.06, then all rights of the Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 2.06, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 2.06, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers; provided that, unless otherwise directed by the Instructing Parties, the Collateral Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Grantor to exercise such rights. After all Events of Default are no longer continuing, the Collateral Agent shall no longer have such right and authority to exercise such voting and consensual rights and powers (unless and until a subsequent Event of Default shall have occurred and be continuing) and the Grantor shall be entitled to exercise the voting and/or other consensual rights and powers described in paragraph (a)(i) above.

(d) Any notice given by the Collateral Agent to the Grantor suspending its rights under paragraph (a) of this Section 2.06 (i) may be given by telephone if promptly confirmed in writing and (ii) may suspend the rights of the Grantor under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise

affecting the Collateral Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

ARTICLE III

Security Interests in Personal Property

SECTION 3.01. Security Interest. (a) As security for the payment or performance, as the case may be, in full of the Obligations, the Grantor hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest (the "Security Interest"), in all of the Grantor's right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Article 9 Collateral"):

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Deposit Accounts;
- (iv) all Documents;
- (v) all Equipment;
- (vi) all General Intangibles;
- (vii) the Collection Account;
- (viii) the Debt Service Account;
- (ix) the Labor Contingency Reserve Account;
- (x) the Television Contracts and any and all Television Revenues in respect thereof;
- (xi) the Local Television Contracts and any and all Local Television Revenues in respect thereof;
- (xii) any COI Agreements and the COI in respect thereof;
- (xiii) all Membership Rights;
- (xiv) all Expansion Revenues;
- (xv) any Arena Lease;

- (xvi) all Operations Contracts;
- (xvii) all Ticket Rights;
- (xviii) all Employee Contracts;
- (xix) all Instruments;
- (xx) all Inventory;
- (xxi) all Investment Property, including, but not limited to, any Investment Property that shall arise from any investment from time to time in the Debt Service Account and the Labor Contingency Reserve Account;
- (xxii) all money market deposit accounts maintained with the Collateral Agent for the purpose of investing amounts deposited in the Collection Account, Debt Service Account and Labor Contingency Reserve Account;
- (xxiii) all books and records pertaining to any of the foregoing; and
- (xxiv) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given to the Grantor by any Person with respect to any of the foregoing;

in each case, except (x) to the extent such item (other than any item constituting Core Collateral) has been assigned, pledged or otherwise transferred by the Grantor to any Person (other than the Secured Parties) to secure any Non-Recourse Arena Debt or Non-Recourse WNBA Debt and (y) that the Article 9 Collateral shall not include any Equity Interests in any Excluded Subsidiary.

(b) The Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction in the United States any initial financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (a) whether the Grantor is an organization, the type of organization and any organizational identification number issued to the Grantor and (b) in the case of a financing statement filed as a fixture filing or covering Article 9 Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Article 9 Collateral relates. The Grantor agrees to provide such information to the Collateral Agent promptly upon request.

The Grantor also ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction in the United States any initial financing statements or amendments thereto if filed prior to the date hereof.

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office or agency in the United States) such documents as may be necessary for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by the Grantor, without the signature of the Grantor, and naming the Grantor as debtor and the Collateral Agent as secured party.

(c) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of the Grantor with respect to or arising out of the Article 9 Collateral.

SECTION 3.02. Representations and Warranties. The Grantor represents and warrants to the Collateral Agent and the Secured Parties that, except as set forth on Schedule III:

(a) The Grantor has good and valid rights in or title to all Article 9 Collateral that is Core Collateral or is otherwise material to its business with respect to which it has purported to grant a Security Interest hereunder (except for minor defects in title that do not interfere with its ability to conduct its business as currently contemplated or to use such Article 9 Collateral for its intended purpose) and has full power and authority to grant to the Collateral Agent the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval (i) that has been obtained or (ii) the failure of which to obtain could not reasonably be expected to have a material adverse effect on the rights of the Secured Parties hereunder with respect to any Core Collateral or any other item of Article 9 Collateral material to the Grantor's business.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of the Grantor, is correct and complete as of the Closing Date. To the extent that Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Article 9 Collateral have been prepared by the Collateral Agent based upon the information provided to the Collateral Agent in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 5 to the Perfection Certificate (or specified by notice from the Grantor to the Collateral Agent after the Closing Date in the case of filings, recordings or registrations required by Section 5.07 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements), the filing of such financing statements or other appropriate filings, recordings or registrations in accordance therewith constitutes all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary as of the Closing Date to publish notice of and protect the

validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements. A fully executed agreement in the form hereof (or, if acceptable to the Collateral Agent, a short form filing deemed appropriate by the Collateral Agent) and containing a description of all Article 9 Collateral consisting of United States Patents (and Patents for which United States applications are pending), United States registered Trademarks (and Trademarks for which United States registration applications are pending) and United States registered Copyrights (and Copyrights for which United States registration applications are pending), in each case that represent Core Collateral or that are otherwise material to the Grantor's business, has been delivered to the Collateral Agent for recording with the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder, as applicable, to perfect the security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all such Patents, Trademarks and Copyrights in which a security interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any such Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof).

(c) The Security Interest constitutes (i) a legal and valid security interest in all the Article 9 Collateral securing the payment and performance of the Obligations, (ii) subject to the completion of the filings described in Section 3.02(b), a perfected security interest in all Article 9 Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (iii) a security interest that shall be perfected in all Article 9 Collateral in which a security interest may be perfected upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral, other than Liens expressly permitted to be prior to the Security Interest pursuant to Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements (including the rights of the NBA Entities set forth in the NBA Consent Letter and the NBA Constitution).

(d) The Grantor's interest in the Article 9 Collateral is owned by the Grantor free and clear of any Lien, except for Liens expressly permitted pursuant to Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan

Agreements. The Grantor has neither filed nor consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment in which the Grantor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (iii) any assignment in which the Grantor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements and subject to the Grantor's rights under Sections 3.03(i) and 3.03(j).

(e) The Grantor does not hold or have, nor has it had issued to it, a franchise or membership certificate evidencing its Membership in the NBA.

SECTION 3.03. Covenants. Except as set forth on Schedule III: (a) The Grantor agrees promptly to notify the Collateral Agent in writing of any change (i) in its corporate name, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains material books or records relating to the Article 9 Collateral owned by it or any office or facility at which Article 9 Collateral owned by it that represents Core Collateral or that is otherwise material to the Grantor's business is located (including the establishment of any such new office or facility), (iii) in its identity or type of organization or corporate structure, (iv) in its Federal Taxpayer Identification Number or organizational identification number or (v) in its jurisdiction of organization. To the extent the Grantor amends any of its organizational documents to reflect any of the changes described in the first sentence of this paragraph, the Grantor agrees to promptly provide the Collateral Agent with certified copies of such organizational documents. The Grantor agrees not to effect or permit any change referred to in the preceding sentence unless the Grantor shall have first provided the Collateral Agent with a reasonable opportunity to make any filings under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Article 9 Collateral to the extent provided herein. The Grantor agrees promptly to notify the Collateral Agent if any material portion of the Article 9 Collateral owned or held by the Grantor is materially damaged or destroyed.

(b) The Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Article 9 Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which the Grantor is engaged, and, at such time or times as the Collateral Agent may reasonably request (but not more often than two times each year unless an Event of Default is continuing), the Grantor shall promptly prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Article 9 Collateral.

(c) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.02(a) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement, the Grantor shall deliver to the Collateral Agent a certificate executed by a Financial Officer of the Grantor setting forth the information required pursuant to the Perfection Certificate or confirming that there has been no change in such information since the date of such certificate or the date of the most recent certificate delivered pursuant to this Section 3.03(c). Each certificate delivered pursuant to this Section 3.03(c) shall identify in the format of Schedule II all United States Patents (and Patents for which United States applications are pending), United States registered Trademarks (and Trademarks for which United States registration applications are pending), United States registered Copyrights (and Copyrights for which United States registration applications are pending) and Licenses (to the extent that such Licenses grant to the Grantor any right to intellectual property now or hereafter owned by any third party and to the extent requested to be identified by the Collateral Agent in its reasonable discretion), in each case that represent Core Collateral or that are otherwise material to the Grantor's business, in existence on the date thereof and not then listed on such Schedules or previously so identified to the Collateral Agent.

(d) The Grantor shall, at its own expense, take any and all actions necessary to defend its title to or interest in the Article 9 Collateral that represents Core Collateral or that is otherwise material to the Grantor's business against all Persons and to defend the Security Interest of the Collateral Agent in such Article 9 Collateral, and the priority thereof, against any Lien not expressly permitted pursuant to Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements.

(e) The Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable under or in connection with any of the Article 9 Collateral (other than Eligible Investments) shall be or become evidenced by any promissory note or other instrument in a principal amount in excess of \$100,000, such note or instrument shall be immediately pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent; provided that any such promissory note or other instrument shall be returned to the Grantor upon request by the Grantor in conjunction with repayment in full of the indebtedness evidenced thereby.

Without limiting the generality of the foregoing, the Grantor hereby authorizes the Collateral Agent, with prompt notice thereof to the Grantor, to supplement this Agreement by supplementing Schedule II or adding additional schedules hereto to specifically identify any asset or item that may constitute registered Copyrights, Patents or Trademarks or Licenses required to be identified under Section 3.03(c); provided that

the Grantor shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any material inaccuracy of the representations and warranties made by the Grantor hereunder with respect to such Collateral. The Grantor agrees that it will use commercially reasonable efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct in all material respects with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

(f) The Collateral Agent and such Persons as the Collateral Agent may reasonably designate shall have the right, at the Grantor's own cost and expense, to exercise all rights that have been granted to the Agent under Section 5.04(b) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement. Without limiting the obligations of the Secured Parties under Section 8.12 of the Note Purchase Agreement and the corresponding provisions of the Term Note Purchase Agreement, the Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(g) At its option, the Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not expressly permitted pursuant to Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements, and may pay for the maintenance and preservation of the Article 9 Collateral, in each case to the extent the Grantor fails to do so as required by the Note Purchase Agreement, any other Loan Agreement or this Agreement, and the Grantor agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this paragraph shall be interpreted as excusing the Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of the Grantor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the Loan Agreements.

(h) The Grantor agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for the Grantor's performance of or failure to perform any of the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof.

(i) The Grantor shall not make or permit to be made any collateral assignment, pledge or hypothecation of the Article 9 Collateral and shall not grant any other Lien in respect of the Article 9 Collateral, except as expressly permitted by Section 5.09 of the Note Purchase Agreement and the applicable terms of the other Loan Agreements. The Grantor shall not make or permit to be made any transfer of the Core Collateral; provided, however, that the Proceeds of the Core Collateral, including

amounts distributable to the Grantor out of the Collection Account in accordance with Section 3.06 or out of the Debt Service Account or the Labor Contingency Reserve Account in each case in accordance with Section 2.15 of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement, in each case to the extent not required to fund Obligations that, at the time of receipt are due and payable, may be used and disbursed by the Grantor without restriction (it being understood that "Proceeds" as used in this sentence shall not be considered to grant to the Grantor any separate and independent right to sell or otherwise dispose of any Core Collateral). Notwithstanding the foregoing or anything to the contrary in this Agreement or any other Loan Agreement, the Grantor (i) shall not be restricted in the exercise of any of its operative rights that constitute the Collateral (e.g., the sale or direct exploitation of television rights or advertising rights or, with the consent of the NBA, the license of such rights to a regional sports network in which the Grantor or one of its Affiliates has an ownership interest), (ii) may sell, dispose of or otherwise transfer Excludable Assets only in accordance with Section 3.03(j), (iii) may make Restricted Payments to the extent permitted under Section 5.15 of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement and (iv) may sell or transfer its Membership and other assets to a successor in interest or assignee approved in accordance with the NBA Constitution only in accordance with Section 6.01(k) of the Note Purchase Agreement and Section 6.01(k) of the Term Note Purchase Agreement.

(j) Upon the written request of the Grantor satisfying the requirements set forth below in this Section 3.03(j), the Collateral Agent shall, provided no Default or Event of Default has occurred and is continuing, release any Excludable Asset from the Liens created by the Loan Agreements. Each request for a release of Excludable Assets pursuant to this Section 3.03(j) shall, in order to be effective, (a) specify in reasonable detail each item of Excludable Assets proposed to be released and (b) describe the reason such release is being requested; provided, that no release of Excludable Assets shall be granted hereunder unless the Excludable Assets are being released in connection with (i) a transfer of such Excludable Assets to an Affiliate of the Grantor, (ii) the incurrence of any Non-Recourse Arena Debt or Non-Recourse WNBA Debt or (iii) the sale of such Excludable Assets, in each case referred to in the foregoing clauses (i), (ii) and (iii), in accordance with the NBA Constitution. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the Grantor may at any time and from time to time sell or otherwise transfer any Excludable Asset in any lawful manner upon the receipt of fair value (as determined by the Grantor in its reasonable discretion) or in the ordinary course of the Grantor's business, in each case, in accordance with the NBA Constitution. No consent of the Collateral Agent or any Secured Party shall be required in connection with the disposition of any Excludable Assets in accordance with the provisions of this Section 3.03(j) and, simultaneously with any such disposition in accordance with the provisions of this Section 3.03(j), the security interest in the applicable Excludable Assets shall be automatically released. In connection with any release pursuant to this Section 3.03(j), the Collateral Agent shall execute and deliver to the Grantor, at the Grantor's expense, all documents that the Grantor shall reasonably request to evidence such release; any execution and delivery of documents pursuant to this sentence shall be without recourse to or warranty by the Collateral Agent.

(k) The Grantor will not, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any Accounts included in the Article 9 Collateral, compromise or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its current practices.

(l) The Grantor, at its own expense, shall maintain or cause to be maintained, with financially sound and reputable insurance companies, insurance covering physical loss or damage to the Inventory and Equipment and such other insurance, in each case in such amounts (with no greater risk retention) and against such risks as are customarily maintained by Members generally (subject to adjustment for local or regional differences and differences in the value or nature of collateral). Upon the reasonable request of the Collateral Agent, the Grantor will furnish to the Collateral Agent (who may furnish the same to any Conduit, Liquidity Lender, Term Lender or Bank Lender) information in reasonable detail as to the insurance so maintained. Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as the Grantor's true and lawful agent (and attorney-in-fact), during the continuance of an Event of Default, for the purpose of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of the Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that the Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Grantor hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto that the Grantor was otherwise required to maintain, pay or take under the Loan Agreements. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantor to the Collateral Agent and shall be additional Obligations secured hereby.

(m) The Grantor shall maintain, in form and manner customary in its industry, records of its Chattel Paper and its books, records and documents evidencing or pertaining thereto.

(n) The Grantor shall promptly deliver to the Collateral Agent to hold as additional Collateral hereunder any franchise or membership certificate evidencing its Membership.

SECTION 3.04. Other Actions. In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Article 9 Collateral, the Grantor agrees, in each case at the

Grantor's own expense, to take the following actions with respect to the following Article 9 Collateral, in each case, except as set forth on Schedule III:

(a) Instruments. If the Grantor shall at any time hold or acquire any Instruments having a principal amount in excess of \$100,000 and that are required to be pledged hereunder (other than Eligible Investments), the Grantor shall forthwith collaterally assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time reasonably specify; provided, that any promissory note or other instrument shall be returned to the Grantor upon request by the Grantor in conjunction with the repayment in full of the indebtedness evidenced thereby.

(b) Deposit Accounts. For each deposit account that the Grantor at any time opens or maintains, the Grantor shall, if requested by the Collateral Agent at the direction of the Instructing Parties upon the occurrence and during the continuance of an Event of Default, either (i) cause the depository bank to agree to comply at any time with instructions from the Collateral Agent to such depository bank directing the disposition of funds from time to time credited to such deposit account, without further consent of the Grantor or any other Person, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, or (ii) arrange for the Collateral Agent to become the customer of the depository bank with respect to the deposit account, with the Grantor being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw funds from such deposit account. The Collateral Agent agrees with the Grantor that the Collateral Agent shall not give any such instructions or withhold any withdrawal rights from the Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any withdrawal would occur. The provisions of this paragraph shall not apply to (A) the Collection Account, the Debt Service Account or the Labor Contingency Reserve Account, (B) any deposit account for which the Grantor, the depository bank and the Collateral Agent have entered into a cash collateral agreement specially negotiated among the Grantor, the depository bank and the Collateral Agent for the specific purpose set forth therein and (C) any deposit account for which the Collateral Agent is the depository bank.

(c) Investment Property. Except to the extent otherwise provided in Article II, if the Grantor shall at any time hold or acquire any certificated securities representing (i) an Equity Interest of any NBA Entity or any Subsidiary of the Grantor (other than an Excluded Subsidiary), in each case owned by the Grantor or (ii) any Indebtedness for borrowed money having a principal amount in excess of \$100,000 and that is required to be pledged hereunder (other than Eligible Investments), the Grantor shall forthwith collaterally assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify; provided, that any promissory note or other instrument shall be returned to the Grantor upon request by the Grantor in conjunction with the repayment in full of the indebtedness evidenced thereby. If any securities now or hereafter acquired by the Grantor (i) are uncertificated, (ii) are issued to the Grantor or its nominee directly by the issuer thereof, (iii) have a value in excess of

\$100,000 and (iv) are not Eligible Investments or Equity Interests in NBA Entities, the Grantor shall promptly notify the Collateral Agent thereof and, upon the Collateral Agent's request, at the Grantor's option, either (a) cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of the Grantor or such nominee, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, (b) arrange for the Collateral Agent to become the registered owner of the securities or (c) cause any Person that has previously been a registered owner of the securities to acknowledge, in accordance with Section 8-301(b)(2) of the New York UCC, that it holds such securities for the Collateral Agent, in each case in a manner reasonably satisfactory to the Collateral Agent. If any securities, whether certificated or uncertificated, or other investment property (in each case other than Eligible Investments) with a value in excess of \$100,000 and required to be pledged hereunder whether now or hereafter acquired by the Grantor are held by the Grantor or its nominee through a securities intermediary or commodity intermediary, the Grantor shall promptly notify the Collateral Agent thereof and, upon the Collateral Agent's request, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, at the Grantor's option, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from the Collateral Agent to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Collateral Agent to such commodity intermediary, in each case without further consent of the Grantor or such nominee, or (ii) in the case of Financial Assets or other Investment Property held through a securities intermediary, arrange for the Collateral Agent to become the entitlement holder with respect to such investment property, with the Grantor being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw or otherwise deal with such investment property. The Collateral Agent agrees with the Grantor that the Collateral Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by the Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights would occur. The provisions of this paragraph shall not apply to any Financial Assets credited to a securities account for which the Collateral Agent is the securities intermediary.

(d) Electronic Chattel Paper and Transferable Records. If the Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," with a value in excess of \$100,000, as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under New York UCC Section 9-105 of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable

record. The Collateral Agent agrees with the Grantor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Grantor to make alterations to such electronic chattel paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by the Grantor with respect to such electronic chattel paper or transferable record.

SECTION 3.05. Covenants Regarding Patent, Trademark and Copyright Collateral. (a) The Grantor agrees that it will not, and will not authorize or knowingly permit any of its licensees to, do any act, or omit to do any act, whereby any Patent that is material to and then used in the conduct of the Grantor's business may become invalidated or dedicated to the public, and agrees that it shall continue to the extent commercially reasonable to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) The Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to and then used in the conduct of the Grantor's business, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain sufficient quality of products and services offered under such Trademark to maintain its rights in such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or authorize the use of such Trademark in violation of any third party rights.

(c) The Grantor (either itself or through its licensees or sublicensees) will, for each work covered by a material Copyright, to the extent it continues to publish, reproduce, display, adopt and distribute the work, do so with appropriate copyright notice as necessary and sufficient to establish and preserve its rights under applicable copyright laws.

(d) The Grantor shall notify the Collateral Agent promptly if it knows or has reason to know that any Patent, Trademark or Copyright material to and then used in the conduct of its business could reasonably be expected to become abandoned, lost or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office) regarding the Grantor's ownership of any such Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) If the Grantor, either itself or through any agent, employee, licensee or designee, shall file an application for any Patent, Trademark or Copyright (or for the

registration of any Trademark or Copyright) that, in each case either will represent Core Collateral or could otherwise reasonably be expected to be material to its business, with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States, the Grantor shall promptly inform the Collateral Agent, and, upon request of the Collateral Agent, execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and the Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) The Grantor (either itself or through its licensees or sublicensees) will take all necessary steps that it deems appropriate under the circumstances and that are consistent with the Grantor's prior practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States, to maintain and pursue each application relating to the Patents, Trademarks and/or Copyrights that are material to and then used in the conduct of its business (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to and then used in the conduct of the Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with the Grantor's good business judgment, to initiate opposition, interference and cancelation proceedings against third parties.

(g) In the event that the Grantor has reason to believe that any Article 9 Collateral consisting of a Patent, Trademark or Copyright material to and then used in the conduct of the Grantor's business has been or is about to be infringed, misappropriated or diluted by a third party in any material respect, the Grantor shall, if consistent with the Grantor's good business judgment, take such actions as are appropriate under the circumstances to protect such Article 9 Collateral.

(h) Upon and during the continuance of an Event of Default, the Grantor shall, upon the request of the Collateral Agent, use commercially reasonable efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment of all the Grantor's right, title and interest thereunder to the Collateral Agent or its designee.

SECTION 3.06. Collection Account. (a) The Grantor has caused the NBA, as agent for the Grantor under the Television Contracts, to establish the Collection Account for the ratable benefit of the Collateral Agent and the other Secured Parties (to the extent provided herein), into which the Grantor Collections shall be deposited. The Collection Account is, and shall remain, under the sole dominion and control of the Collateral Agent. All Grantor Collections will be transferred into the Collection Account directly by the Obligor under each Television Contract and under each COI Agreement;

provided, however, that, if for any reason the Grantor shall receive any Grantor Collections that have not been transferred into the Collection Account, the Grantor agrees to promptly deposit such Grantor Collections into the Collection Account, and until they are so deposited such payments shall be held in trust by the Grantor for and as the property of the Collateral Agent.

(b) Without the prior written consent of the Collateral Agent, the Grantor shall not, in any manner adverse to the Secured Parties, change, or allow the NBA or any other Person to change, the instructions given to the Obligor under each Television Contract and under each COI Agreement in respect of payment of Grantor Collections directly into the Collection Account. Until the Collateral Agent shall have advised the Grantor to the contrary, the Grantor shall, and the Collateral Agent hereby authorizes the Grantor to, enforce and collect, and cause the NBA to enforce and collect, all Grantor Collections for the benefit and on behalf of the Collateral Agent and the other Secured Parties; provided, however, that such privilege may, at the option of the Collateral Agent, be terminated upon the occurrence and during the continuance of an Event of Default.

(c) The Collateral Agent shall, and is hereby authorized and directed by the Grantor to, hold and retain funds in the Collection Account in accordance with the provisions of this Section 3.06(c), without the necessity of any further approval or authorization of the Grantor. Not later than 12:00 noon (New York City time) on the second Business Day of each calendar month, the Collateral Agent shall, and is hereby authorized and directed by the Grantor to, without the necessity of any further approval or authorization of the Grantor, take the following actions, in the following order of priority, with respect to all amounts then on deposit in the Collection Account:

FIRST, the Collateral Agent shall pay to the NBA the amount of NBA Obligations set forth in any NBA Obligations Notice furnished in accordance with paragraph (f) below, provided that (a) such amount shall not exceed the difference between (i) \$4,000,000 and (ii) any amounts previously applied under this paragraph from the Collection Account to the payment of NBA Obligations in the current calendar year, and (b) the payment of such amount would not result on a pro-forma basis in an Event of Default;

SECOND, the Collateral Agent shall reserve and retain in the Collection Account funds sufficient to make all payments of principal of, interest on and any fees and other amounts due or scheduled to become due in respect of the Note Purchase Agreement Obligations, Term Note Purchase Agreement Obligations and Bank Loan Agreement Obligations during such calendar month, in each case to the extent set forth in the notices due under paragraph (e) below; provided, that any principal due as a result of any right to acceleration shall only be reserved and retained to the extent that an Event of Default shall have occurred and is continuing that has resulted in an exercise of remedies by the Collateral Agent in accordance with the terms of the NBA Consent Letter; provided further, however, that between July 1 and October 31 of each year, such reservation shall not be required to the extent of any amounts then held in the Debt Service Account and

the Labor Contingency Reserve Account. The Collateral Agent is hereby authorized and directed by the Grantor, subject to Section 3.07, to utilize such funds to make payment of such principal, interest, fees or other amounts when due, in each case, without the necessity of any further approval or authorization of the Grantor.

THIRD, the Collateral Agent shall utilize any remaining funds in the Collection Account to fund any amounts required to be funded by the Grantor in the Debt Service Account and/or the Labor Contingency Reserve Account, as the case may be, pursuant to Section 2.15 of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement, in each case without the necessity of any further approval or authorization of the Grantor.

FOURTH, if a Collateral Valuation Adjustment Event shall have occurred, the Collateral Agent shall utilize any remaining funds in the Collection Account to prepay Advances made to the Grantor and outstanding Term Notes of the Grantor until any Collateral Valuation Excess Debt Amount of the Grantor has been eliminated, as and when required by Section 2.11(b) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement, without the necessity of any further approval or authorization of the Grantor.

FIFTH, the Collateral Agent shall pay any remaining funds to the NBA to satisfy NBA Obligations set forth in any NBA Obligations Notice furnished in accordance with paragraph (f) below, to the extent such NBA Obligations have not been paid pursuant to clause FIRST above.

SIXTH, provided that no Event of Default shall have occurred and is continuing that has resulted in an exercise of remedies by the Collateral Agent in accordance with the terms of the NBA Consent Letter, the Collateral Agent shall release any remaining funds in the Collection Account to the NBA, or as directed by the NBA, for payment in accordance with the NBA's normal policies and procedures.

If the amounts on deposit in the Collection Account on the second Business Day of any calendar month are not sufficient to pay or reserve for each of the obligations or amounts described in clauses FIRST through FIFTH above that have been noticed and are due or scheduled to become due in such month, the Collateral Agent shall, and is hereby authorized and directed to, make such reserves and payments as and when any additional amounts are received in the Collection Account in that calendar month. If any amounts are received in the Collection Account following the first Business Day of a calendar month, and such amounts are not necessary to pay or reserve for any such obligations or amounts described in clauses FIRST through FIFTH above that are due or scheduled to become due in such month, the Collateral Agent shall release such amounts to the NBA pursuant to clause SIXTH above. The Collateral Agent shall promptly notify the Grantor and the NBA of any payment, application or reservation made pursuant to clauses FIRST through FIFTH above made pursuant to this clause (c).

(d) The Collateral Agent shall, at the direction of the Grantor and at the Grantor's sole risk and expense, invest any amounts reserved, but not immediately applied to pay obligations due under clauses FIRST through FIFTH of Section 3.06(c) in Eligible Investments as determined by the Grantor in its sole discretion. In the absence of any direction from the Grantor, the Collateral Agent shall invest such amounts in a money market deposit account administered by, and maintained with and in the name of, the Collateral Agent. Any profits or other amounts earned on such Eligible Investments shall be for the account of the Grantor, and shall be distributed in accordance with paragraph (c) above. The Collateral Agent shall, and is hereby authorized and directed by the Grantor to, liquidate any such investments to provide cash funds as and when required to make any payments required, after the application of all other cash in the Collection Account, pursuant to paragraph (c) above.

(e) The Conduit, each Liquidity Lender or the Conduit Agent on behalf of the Conduit and the Liquidity Lenders, the Term Lenders and each Bank Lender (or an agent on its or their behalf) shall advise the Collateral Agent and the Grantor in writing no later than the last Business Day of each calendar month of all payments of principal of, interest on and any fees and other amounts due or scheduled to become due in respect of all Note Purchase Agreement Obligations, Term Note Purchase Agreement Obligations and Bank Loan Agreement Obligations, respectively, of the Grantor under the Grantor's Sub-Facility, Term Sub-Facility or the applicable Bank Loan Agreement prior to the end of the next succeeding calendar month, the dates on which such amounts are due and the accounts to which such amounts should be paid; provided, however, that the Term Lenders shall be deemed to have satisfied the foregoing requirement with respect to scheduled payments of principal and interest on the Term Notes if a schedule shall have been delivered to the Collateral Agent at or promptly following the issuance of the Term Notes setting forth the amounts of such scheduled principal and interest due, the dates on which such amounts are due and the accounts to which such amounts should be paid; provided, further, however, that such schedule shall be updated in writing promptly following any change in the information set forth therein. The Collateral Agent shall not be required to apply any funds held in the Collection Account to the payment of any Note Purchase Agreement Obligations, Term Note Purchase Agreement Obligations or Bank Loan Agreement Obligations unless the Collateral Agent shall have received such written notice of such amount on or prior to the last Business Day of the prior month.

(f) The NBA shall advise the Collateral Agent in writing (such writing, an "NBA Obligations Notice") no later than the last Business Day of each calendar month of all NBA Obligations due or scheduled to become due prior to the end of the next succeeding calendar month, the dates on which such amounts are due and the accounts to which such amounts should be paid. The Collateral Agent shall not be required to apply any funds in the Collection Account to the payment of any NBA Obligations unless the Collateral Agent shall have received such written notice of such amounts on or prior to the last Business Day of the preceding month.

SECTION 3.07. Debt Service Account; Labor Contingency Reserve Account. (a) The Grantor has established, for the ratable benefit of the Note Purchase

Agreement Secured Parties and the Term Note Purchase Agreement Secured Parties, the Debt Service Account into which the Debt Service Reserve Amount and any other amounts required to be deposited therein by the Grantor pursuant to Section 2.15(a) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement shall be deposited. The Debt Service Account is, and shall remain, under the sole dominion and control of the Collateral Agent.

(b) The Grantor has established, for the ratable benefit of the Note Purchase Agreement Secured Parties and the Term Note Purchase Agreement Secured Parties, the Labor Contingency Reserve Account, into which the Labor Contingency Interest Reserve Amount and any other amounts required to be deposited therein by the Grantor pursuant to Section 2.15(b) of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement shall be deposited. The Labor Contingency Reserve Account is, and shall remain, under the sole dominion and control of the Collateral Agent.

(c) Whenever any amount of principal of or interest on any Grantor Advances under the Note Purchase Agreement or the Term Note Purchase Agreement, or any other amounts owed by the Grantor are due and payable under the Note Purchase Agreement or the Term Note Purchase Agreement, unless such principal, interest or other amount is paid when due by the Grantor, the Collateral Agent shall, and is hereby authorized and directed by the Grantor to, utilize any funds then in the Debt Service Account or Labor Contingency Reserve Account to make payment of such principal, interest or other amount (and to convert any Eligible Investments in any such account to cash for purposes of making any such payment), in each case without the necessity of any further approval or authorization of the Grantor. The Collateral Agent shall promptly notify the Grantor of any such payment effected pursuant to the immediately preceding sentence.

(d) Whenever any amount of interest on any Grantor Advances under the Note Purchase Agreement or the Term Note Purchase Agreement is due and payable and insufficient funds exist in the Collection Account, Debt Service Account and Labor Contingency Reserve Account of the Grantor to make payment of such interest in full, unless such interest is paid when due by the Grantor, the Purchaser shall, and is hereby irrevocably authorized and directed to, make an Advance under the Note Purchase Agreement to the Grantor utilizing Reserved Commitments of the Grantor in the amount necessary (after giving effect to payments made pursuant to paragraph (c) above and clause SECOND of Section 3.06(c)) to provide for the payment in full when due of such interest, without the necessity of any further approval or authorization of the Grantor. The proceeds of any such Advance shall be disbursed directly to the Agent under the Note Purchase Agreement or the Term Lenders in each case for application to such interest payment, and the Agent under the Note Purchase Agreement shall give prompt notice of any such Advance to the Grantor.

(e) If on any date on which any funds then in the Debt Service Account or Labor Contingency Reserve Account would otherwise at any time be released to the

Grantor, a Collateral Valuation Excess Debt Amount of the Grantor shall exist, the Collateral Agent shall, and is hereby authorized and directed by the Grantor to, utilize such amounts in accordance with the terms of the Note Purchase Agreement and the Term Note Purchase Agreement to prepay Advances made to the Grantor and outstanding Term Notes of the Grantor to the extent necessary to eliminate such Collateral Valuation Excess Debt Amount, in each case without the necessity of any further approval or authorization by the Grantor.

(f) The Collateral Agent shall, at the direction of the Grantor and at the Grantor's sole risk and expense, invest any deposits held in the Debt Service Account or the Labor Contingency Reserve Account in Eligible Investments as determined by the Grantor in its sole discretion. In the absence of any written direction from the Grantor, the Collateral Agent shall invest deposits held in the Debt Service Account and the Labor Contingency Reserve Account in a money market deposit account administered by, and maintained with and in the name of, the Collateral Agent. Any profits or other amounts earned on such Eligible Investments shall be for the account of the Grantor, and shall, in the absence of an Event of Default, be distributed to the Grantor upon request. The Collateral Agent shall, and is hereby authorized and directed by the Grantor to, liquidate any such investments to provide cash funds as and when required, after application of all other cash in such accounts, to make any payments required pursuant to clause (c) above or Section 2.15 of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement.

(g) Notwithstanding anything to the contrary in this Agreement, the funds and any other Collateral (including any Eligible Investments) at any time held in or to the credit of the Debt Service Account or Labor Contingency Reserve Account will secure only the Note Purchase Agreement Obligations and the Term Note Purchase Agreement Obligations and will not secure any Bank Loan Agreement Obligations.

SECTION 3.08. Term Facility; Bank Loan Agreements. (a) The Grantor will promptly notify the Collateral Agent of the closing of the Grantor's Term Sub-Facility and will, promptly after execution thereof, provide the Collateral Agent with true and complete copies of all its Term Sub-Facility Documents, including any amendments, waivers or modifications thereof.

(b) The Grantor will, promptly after execution thereof, provide the Collateral Agent with true and complete copies of all agreements and documents governing or otherwise executed and delivered in connection with any Bank Loan Agreement.

SECTION 3.09. Exclusions. Notwithstanding anything to the contrary herein, upon the request of the Grantor, the Collateral Agent shall have the right, without the consent or approval of any other Secured Party, to exclude from the creation, perfection or delivery requirements of this Agreement any asset or right of the Grantor with a value (as determined by the Collateral Agent in its reasonable discretion) not in excess of \$10,000,000, if the Collateral Agent from time to time determines, in its reasonable discretion, that the cost or burden of creating or perfecting a security interest

in (or delivering to the Collateral Agent) such assets or rights would be excessive in view of the benefits that would be provided to the Secured Parties as a result thereof.

ARTICLE IV

Remedies

SECTION 4.01. Remedies upon Default. (a) Upon the occurrence and during the continuance of an Event of Default, the Grantor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times, in addition to any other rights provided in the NBA Consent Letter, in each case subject to the terms of the NBA Consent Letter: (i) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the Grantor to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), (ii) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises owned or leased by the Grantor where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law and (iii) with regard to each of the Collection Account, the Debt Service Account and the Labor Contingency Reserve Account, to give notice to the depository institution of the occurrence of an Event of Default whereupon further payments or withdrawals from such account shall be made only with the consent, and at the direction of, the Collateral Agent (on behalf of the Secured Parties or, in the case of the Debt Service Account and the Labor Contingency Reserve Account, on behalf of the Note Purchase Agreement Secured Parties and the Term Note Purchase Agreement Secured Parties) for application in accordance with Section 4.02 below. Without limiting the generality of the foregoing, the Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which the Grantor

now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Grantor 10 days' written notice (which the Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of the Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from the Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and the Grantor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 4.01 shall be deemed to conform to the

commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

(b) The Instructing Parties and the Collateral Agent will at all times have the exclusive right to exercise any right or remedy with respect to the Collateral after the occurrence of an Event of Default and shall have the exclusive right to determine the specific Collateral that is the subject of any such right or remedy and to direct the time, method and place for exercising any such right or remedy or conducting any proceeding with respect thereto. The Collateral Agent shall not be required to exercise any right or remedy with respect to the Collateral or any portion thereof except at the direction of or with the consent of the Instructing Parties and will be fully protected in acting or refraining from acting in any manner so directed or consented to by the Instructing Parties and will have no liability to any Secured Party for any action or failure to act which is in accordance with any such direction or consent.

SECTION 4.02. Application of Proceeds. (a) The Collateral Agent shall, after and during the continuance of a Foreclosure Event, apply the proceeds of any collection or sale of Collateral, including any Collateral consisting of cash (other than in each case (x) the Grantor's right, title and interest in the Debt Service Account and the Labor Contingency Reserve Account, including any cash therein, which shall be applied in accordance with Section 4.02(b) below, and (y) the Grantor's right title and interest in the Collection Account, including any cash therein, which shall be applied in accordance with Section 3.06), as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any Loan Agreement or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any Loan Agreement on behalf of the Grantor and any other costs or expenses incurred by the Collateral Agent in connection with the exercise of any right or remedy hereunder or under any Loan Agreement (collectively "Collateral Agent Costs");

SECOND, to the extent a written request therefor has theretofore been made by the NBA to the Collateral Agent, to the NBA Obligations, provided, however, that the aggregate amount of such proceeds so applied in any calendar year, when taken together (without duplication) with the aggregate amount of payments of the Grantor's NBA Obligations from amounts in the Collection Account during such calendar year, shall not exceed and shall be limited to, \$4,000,000;

THIRD, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution);

FOURTH, to the NBA, for the payment in full of any remaining NBA Obligations, to be distributed by the NBA in accordance with the NBA's normal rules and policies; and

FIFTH, to the Grantor, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

(b) The Collateral Agent shall, after and during the continuance of a Foreclosure Event, apply the proceeds of any collection or sale of the Grantor's right, title and interest in the Debt Service Account and the Labor Contingency Reserve Account, including any cash therein, as follows:

FIRST, to the payment of all Collateral Agent Costs;

SECOND, to the payment in full of the Note Purchase Agreement Obligations and the Term Note Purchase Agreement Obligations (the amounts so applied to be distributed among the Note Purchase Agreement Secured Parties and the Term Note Purchase Agreement Secured Parties pro rata in accordance with the relative amounts of the Note Purchase Agreement Obligations and the Term Note Purchase Agreement Obligations on the date of any such distribution;

THIRD, to the NBA, for the payment in full of any remaining NBA Obligations, to be distributed by the NBA in accordance with the NBA's normal rules and policies; and

FOURTH, to the Grantor, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

(c) The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 4.03. Grant of License to Use Intellectual Property. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Article at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, but subject to the terms of the NBA Consent Letter, the Grantor hereby grants to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by the Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed

items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; provided that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Grantor notwithstanding any subsequent cure of an Event of Default.

SECTION 4.04. Securities Act, etc. In view of the position of the Grantor in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "Federal Securities Laws") with respect to any disposition of the Pledged Collateral permitted hereunder. The Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. The Grantor recognizes that in light of such restrictions and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. The Grantor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its reasonable discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. The Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its reasonable discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 4.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells any Pledged Collateral.

SECTION 4.05. Remedies Subject to NBA Consent Letter.

Notwithstanding the foregoing provisions of this Article IV or any of the other provisions hereof or of any other Loan Agreement, it is acknowledged and agreed that (a) the exercise by the Collateral Agent or any Secured Party (whether through the Collateral Agent or otherwise) of any rights or remedies hereunder or of any other Loan Agreement

will be made in accordance with, and subject to, the terms of the NBA Consent Letter, the terms, conditions and provisions of which each of the Grantor, the Collateral Agent and each Secured Party has accepted as reasonable and appropriate, (b) each of the provisions of this Agreement and the other Loan Agreements shall be subject to the terms of the NBA Consent Letter and (c) in the event of any conflict between the terms of the NBA Consent Letter, on the one hand, and the terms of this Agreement or of any other Loan Agreement, on the other hand, the terms of the NBA Consent Letter will control. Each Secured Party shall be deemed irrevocably to authorize the Collateral Agent to execute, deliver and perform on its behalf the (i) NBA Consent Letter and (ii) all amendments, modifications, extensions, waivers and other acts in connection with the NBA Consent Letter if the Collateral Agent determines, in its reasonable discretion, that any such amendment, modification, extension, waiver or other act in connection with the NBA Consent Letter is not material and will not adversely affect the rights of the Secured Parties and will not have a disparate impact on the Liquidity Lenders, on the one hand, and the Term Lenders, on the other hand.

SECTION 4.06. Acknowledgment and Undertaking. (a) The Purchaser acknowledges that all its rights and interests in the Advances to the Grantor under the Note Purchase Agreement and all other obligations owed by the Grantor to the Purchaser under the Note Purchase Agreement, together with all interests of the Purchaser in Collateral securing such Advances and obligations, have been pledged to the Conduit Agent for the benefit of the Liquidity Lenders and the Conduits, to secure, among other things, the Purchaser's obligations to the Conduit Agent, the Conduit and the Liquidity Lenders with respect to the Corresponding Advances made in respect of the Advances to the Grantor under the Note Purchase Agreement. The Purchaser further acknowledges and agrees that all payments (whether of principal, interest or other amounts) in respect of such Advances to the Grantor under the Note Purchase Agreement as well as payments in respect of certain other Note Purchase Agreement Obligations (including payments made with the proceeds of Collateral under this Agreement or the other Security Documents under the Grantor's Sub-Facility) are required by the Conduit Note Purchase Agreement to be applied immediately to payments in respect of Corresponding Advances or other obligations of the Purchaser under the Conduit Note Purchase Agreement or the Conduit Security Agreement, with the result and intent that the Liquidity Lenders, Conduits and other parties secured under the Conduit Security Agreement are effectively secured by the Collateral under this Agreement. In light of the foregoing, the Purchaser, by executing this Agreement, (i) consents to the provisions hereof, (ii) agrees that the Collateral Agent may, on behalf of the Purchaser, and is hereby authorized to, exercise all rights, take all actions and grant or withhold all directions, consents, waivers and approvals required or permitted to be taken by the Collateral Agent hereunder or under any other Security Document of the Grantor in respect of the Collateral, the Grantor or any other matters under this Agreement relating to the Grantor Advances, the Note Purchase Agreement Obligations or the exercise of remedies or application of proceeds hereunder, (iii) authorizes and directs the Collateral Agent to apply any payments or amounts received hereunder (including proceeds of Collateral) in respect of the Note Purchase Obligations directly, when and as received, to the Corresponding Advances or other obligations of the Purchaser under the Conduit Note Purchase Agreement in the

manner contemplated thereby and (iv) agrees to take such actions and execute and deliver such documents and instruments as may be reasonably requested by the Conduit Agent to accomplish the foregoing.

(b) To the extent that the Note Purchaser shall enter into the Term Note Purchase Agreement and the Senior Note Purchase Agreement after the date hereof, as contemplated in the preliminary statement to this Agreement, the Note Purchaser acknowledges that all its rights and interests in the Grantor's Term Notes under the Term Note Purchase Agreement and all other obligations owed by the Grantor to the Note Purchaser under the Term Note Purchase Agreement, together with all interests of the Note Purchaser in Collateral securing such Term Notes and obligations, have been pledged to the Term Lenders to secure, among other things, the Note Purchaser's obligations to the Term Lenders with respect to the Corresponding Senior Term Notes sold to the Term Lenders to fund the purchase of the Grantor's Term Notes under the Term Note Purchase Agreement. The Note Purchaser further acknowledges and agrees that all payments (whether of principal, interest or other amounts) in respect of such Grantor's Term Notes under the Term Note Purchase Agreement as well as payments in respect of certain other Term Note Purchase Agreement Obligations (including payments made with the proceeds of Collateral under this Agreement or the other Term Security Documents under the Grantor's Term Sub-Facility) are required by the Senior Note Purchase Agreement to be applied immediately to payments in respect of Corresponding Senior Term Notes or other obligations of the Note Purchaser under the Senior Note Purchase Agreement or the Term Security Agreement, with the result and intent that the Term Lenders and other parties secured under the Term Security Agreement are effectively secured by the Collateral under this Agreement. In light of the foregoing, the Note Purchaser, by executing this Agreement, (i) consents to the provisions hereof, (ii) agrees that the Collateral Agent may on behalf of the Note Purchaser, and is hereby authorized to, exercise all rights, take all actions and grant or withhold all directions, consents, waivers and approvals required or permitted to be taken by the Collateral Agent hereunder or under any other Term Security Documents of the Grantor in respect of the Collateral, the Grantor or any other matters under this Agreement relating to the Grantor Advances, the Term Note Purchase Agreement Obligations or the exercise of remedies or application of proceeds hereunder, (iii) authorizes and directs the Collateral Agent to apply any payments or amounts received hereunder (including proceeds of Collateral) in respect of the Term Note Purchase Agreement Obligations directly, when and as received, to the Corresponding Senior Term Notes or other obligations of the Note Purchaser under the Senior Note Purchase Agreement in the manner contemplated thereby and (iv) agrees to take such actions and execute and deliver such documents and instruments as may be reasonably requested by the Required Term Lenders in accordance with the Senior Note Purchase Agreement to accomplish the foregoing.

ARTICLE V

Miscellaneous

SECTION 5.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Grantor, to it at its address (or telecopy number) set forth in the Ratification Agreement executed and delivered by the Grantor;

(ii) if to the Collateral Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, 1111 Fannin, 10th Floor, Houston, Texas 77002, Attention of Omar Jones (Telecopy No. (713) 750-2938), with a copy to JPMorgan Chase Bank, 1166 Avenue of the Americas, 15th Floor, New York, New York 10036, Attention of Anthony Wilkens (Telecopy No. (212) 899-2908);

(iii) if to the Purchaser, to Basketball Funding, LLC, 100 Plaza Drive, Secaucus, New Jersey 07094, Attention of Chief Financial Officer (Telecopy No. (201) 974-6092), with a copy to Proskauer Rose LLP, 1585 Broadway, New York, New York 10036, Attn: Joseph M. Leccese, Esq. (Telecopy No. 212-969-2900);

(iv) if to the Note Purchaser, to its attention at 100 Plaza Drive, Secaucus, New Jersey 07094; Attention of Chief Financial Officer (Telecopy No. (201) 974-6092), with a copy to Proskauer Rose LLP, 1585 Broadway, New York, New York 10036, Attn: Joseph M. Leccese, Esq. (Telecopy No. 212-969-2900);

(v) if any Term Lender, to it at its address (or telecopy number) set forth in the Senior Note Purchase Agreement; and

(vi) if to any Bank Lender or agent therefor, to it at the address (or telecopy number) set forth in the Secured Party Joinder Agreement executed and delivered by it.

(b) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 5.02. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of the Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of any Loan Agreement, any agreement with respect to any of the Obligations or any other agreement

or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Agreement or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on any collateral (other than the Collateral), or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Grantor in respect of the Obligations or this Agreement (other than the payment in full of the Obligations).

SECTION 5.03. Survival of Agreement. All covenants, agreements, representations and warranties made by the Grantor in the Loan Agreements and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or, in the case of the Note Purchase Agreement Secured Parties, the Note Purchase Agreement or any of the Grantor's other Sub-Facility Documents, in the case of the Term Note Purchase Agreement Secured Parties, the Term Note Purchase Agreement or any of the Grantor's other Term Sub-Facility Documents, or, in the case of the Bank Loan Agreement Secured Parties, the relevant Bank Loan Agreement or any other document or instrument executed by the parties thereto in connection therewith shall be considered to have been relied upon by the Collateral Agent and such other relevant Secured Parties, as the case may be, and shall survive the execution and delivery of the Loan Agreements and the purchasing of any Grantor Notes and the making of any Grantor Advances, regardless of any investigation made by the Collateral Agent or any other Secured Party or on its behalf and notwithstanding that the Collateral Agent, the Purchaser or the Note Purchaser or, if applicable, any Bank Lender may have had notice or knowledge of any Event of Default or incorrect representation or warranty at the time any credit is extended under the applicable Loan Agreement, and shall continue in full force and effect until this Agreement shall terminate in accordance with Section 5.15(a).

SECTION 5.04. Binding Effect; Several Agreement; Secured Party Joinder Agreements. (a) This Agreement shall become effective as to the Grantor when a counterpart hereof executed on behalf of the Grantor shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon the Grantor and the Collateral Agent and their permitted successors and assigns, and shall inure to the benefit of the Grantor, the Collateral Agent and the other Secured Parties and their successors and assigns, except that the Grantor shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Article 9 Collateral or Pledged Collateral (and any such assignment or transfer shall be void) except as expressly permitted by this Agreement, the Note Purchase Agreement or the Term Note Purchase Agreement. This Agreement shall be separate from each other Security Agreement entered into by each other Participating Member under the Note Purchase Agreement, and may be amended, modified, supplemented, waived or terminated with respect to the Grantor without the approval of any other Participating Member and without affecting the obligations of any such other Participating Member under the Note Purchase Agreement or any other Loan Agreement.

(b) Notwithstanding any provision to the contrary in this Agreement, the Liens, pledges and Security Interest created or granted hereunder shall not secure or be effective with respect to (i) any Term Note Purchase Agreement Obligations unless and until such time as the Note Purchaser has executed and delivered to the Collateral Agent a Secured Party Joinder Agreement, appropriately completed, relating to such Term Note Purchase Agreement Obligations or (ii) any Bank Loan Agreement Obligations unless and until such time as each Bank Lender, or a duly authorized agent acting on its behalf, has executed and delivered to the Collateral Agent a Secured Party Joinder Agreement, appropriately completed, relating to such Bank Loan Obligations. Until such time as such Secured Party Joinder Agreement with respect to Term Note Purchase Agreement Obligations or Bank Loan Agreement Obligations, as the case may be, has been executed and delivered to the Collateral Agent, (x) for all purposes hereof, no Term Note Purchase Agreement Obligations or Bank Loan Agreement Obligations, respectively, will be deemed to be outstanding, (y) no Term Note Purchase Agreement Secured Party or Bank Loan Agreement Secured Party will be deemed to be a Secured Party hereunder or have any rights hereunder or under any other Security Document of the Grantor with respect to the Collateral or the proceeds thereof or to receive any distribution or payment pursuant to this Agreement or any such Security Document and (z) the Grantor shall have no obligation under this Agreement, whether directly or indirectly, to any Term Note Purchase Agreement Secured Party or Bank Loan Agreement Secured Party.

SECTION 5.05. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 5.06. Collateral Agent's Fees and Expenses; Indemnification.

(a) The Grantor shall pay (i) its pro rata share (based on the proportion that the outstanding amount of the Grantor's Member Note for the Grantor's Sub-Facility on the Closing Date bears to the aggregate outstanding amount of all Participating Members' Member Notes for all Sub-Facilities on the Closing Date) of all reasonable out-of-pocket expenses incurred by the Collateral Agent and its Affiliates, including the reasonable fees, disbursements and other charges of counsel, in connection with the syndication of the facility provided for in the Note Purchase Agreement and in the Conduit Note Purchase Agreement and the negotiation, preparation, execution, delivery, administration, amendment, waiver or modification of the Note Purchase Agreement, the Conduit Note Purchase Agreement and the other Transaction Documents (whether or not the transactions contemplated thereby shall be consummated), (ii) its pro rata share (based on the proportion that the outstanding amount of the Grantor's Term Note, if any, for the Grantor's Term Sub-Facility on the Term Note Purchase Agreement Closing Date bears to the aggregate outstanding amount of all Participating Members' Term Notes for all Term Sub-Facilities on the Term Note Purchase Agreement Closing Date) of all reasonable out-of-pocket expenses incurred by the Collateral Agent and its Affiliates, including the reasonable fees, disbursements and other charges of counsel, in connection

with the syndication of the facility provided for in the Term Note Purchase Agreement and the negotiation, preparation, execution, delivery, administration, amendment, waiver or modification of the Term Note Purchase Agreement and the other Term Sub-Facility Documents of the Grantor (whether or not the transactions contemplated thereby shall be consummated) and (iii) all reasonable out-of-pocket expenses incurred by the Collateral Agent and its Affiliates, including the reasonable fees, disbursements and other charges of counsel, in connection with the syndication of the facility provided for in any Bank Loan Agreement and the negotiation, preparation, execution, delivery, administration, amendment, waiver or modification of such Bank Loan Agreement and any other documents or instruments executed by the Grantor in connection therewith (whether or not the transactions contemplated thereby shall be consummated). In addition, the Grantor shall pay all out-of-pocket expenses incurred by the Collateral Agent, including the fees, disbursements and other charges of counsel, in connection with documentary taxes and the enforcement or protection of its rights in connection with the Grantor's Sub-Facility, Term Sub-Facility, if any, or any facility established under any Bank Loan Agreement, including its rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations; provided, however, that if any matter for which expenses may be due pursuant to this sentence relates to (A) more than one Sub-Facility or Corresponding Advance thereunder such payment obligation shall be paid by the Grantor and the other applicable Participating Members under such Sub-Facilities pro rata (based on the proportion that the amount of each such Participating Member's Participating Member Facility Limit bears to the aggregate Facility Limit) or (B) more than one Term Sub-Facility or Term Note sold thereunder such payment obligation shall be paid by the Grantor and the other applicable Participating Member under such Term Sub-Facilities pro rata (based on the proportion that the outstanding amount of each such Participating Member's Term Notes bears to the aggregate outstanding amount of all Participating Member's Term Notes).

(b) Without limitation of its indemnification obligations under any of the Loan Agreements, the Grantor agrees to indemnify the Collateral Agent, the Purchaser, the Note Purchaser, the NBA and each of their Related Parties (each such Person being called a "Collateral Indemnatee") against, and hold each Collateral Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, disbursements and other charges of any counsel for any Collateral Indemnatee, incurred by or asserted against any Collateral Indemnatee arising out of, in connection with, or as a result of, the execution, delivery or performance of this Agreement or any actual or threatened claim, litigation, investigation or proceeding relating to this Agreement, or to the Collateral, regardless of whether any Collateral Indemnatee is a party hereto; provided that such indemnity shall not, as to any Collateral Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Collateral Indemnatee. At such time as any Collateral Indemnatee shall have received written notice of the formal commencement of any claim, litigation, investigation or proceeding referred to in the immediately preceding sentence, such Collateral Indemnatee shall use its best efforts to give notice of such formal

commencement to the Grantor (it being understood that the failure to give such notice shall not affect the indemnification rights of such Collateral Indemnitee pursuant to this paragraph).

(c) Any such amounts payable as provided hereunder shall be additional Note Purchase Agreement Obligations or Term Note Purchase Obligations, as applicable, secured hereby. The provisions of this Section 5.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any of the Loan Agreements, the consummation of the transactions contemplated hereby or thereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any of the Loan Agreements, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 5.06 shall be payable not later than 10 days after demand therefor (it being understood that such amounts shall bear interest at the rate per annum equal to the Alternate Base Rate during the period between such demand and the payment thereof).

SECTION 5.07. The Collateral Agent; Collateral Agent Appointed Attorney-in-Fact; Notifications. (a) Each of the Secured Parties hereby irrevocably appoints the Collateral Agent as its agent and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Security Documents, together with such actions and powers as are reasonably incidental hereto and thereto. **THE COLLATERAL AGENT HAS CONSENTED TO SERVE AS COLLATERAL AGENT HEREUNDER ON THE EXPRESS UNDERSTANDING, AND THE SECURED PARTIES, BY ACCEPTING THE BENEFITS OF THIS AGREEMENT, SHALL BE DEEMED TO HAVE AGREED, THAT THE COLLATERAL AGENT SHALL HAVE NO DUTY AND SHALL OWE NO OBLIGATION OR RESPONSIBILITY (FIDUCIARY OR OTHERWISE), REGARDLESS OF WHETHER ANY "EVENT OF DEFAULT" OR EQUIVALENT EVENT HAS OCCURRED AND IS CONTINUING, TO THE SECURED PARTIES, OTHER THAN THE DUTY TO PERFORM ITS EXPRESS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER SECURITY DOCUMENTS IN ACCORDANCE WITH THEIR RESPECTIVE TERMS, SUBJECT IN ALL EVENTS TO THE PROVISIONS OF THIS AGREEMENT LIMITING THE RESPONSIBILITY OR LIABILITY OF THE COLLATERAL AGENT HEREUNDER.**

The bank serving as the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Liquidity Lender as any other Liquidity Lender and may exercise the same as though it were not the Collateral Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Purchaser or any Affiliate thereof or the Grantor or any other Participating Member or any Affiliate thereof as if it were not the Collateral Agent hereunder. The bank serving as the Collateral Agent hereunder shall at all times be the same Person as (a) the bank serving as the Agent under both the Note Purchase Agreement and the Term Note Purchase Agreement, (b) the bank serving as the Conduit

Agent, (c) the bank serving as the collateral agent under the Conduit Security Agreement and (d) the bank serving as the Collateral Agent under the Term Security Agreement.

The Collateral Agent shall not have any duties or obligations except those expressly set forth in this Agreement and the other Security Documents. Without limiting the generality of the foregoing, (a) the Collateral Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Member Default or any other "default" or equivalent event under any Loan Agreement has occurred and is continuing, (b) the Collateral Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by this Agreement and the other Security Documents that the Collateral Agent is required to exercise in writing as directed by the Instructing Parties, the Required Liquidity Lenders or the Required Term Lenders, as applicable, and (c) except as expressly set forth in this Agreement and the other Security Documents, the Collateral Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Purchaser or any Affiliate thereof or the Grantor or any other Participating Member or any Affiliate thereof that is communicated to or obtained by the bank serving as Collateral Agent or any of its Affiliates in any capacity. The Collateral Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Instructing Parties, the Required Liquidity Lenders or the Required Term Lenders, as applicable, or in the absence of its own gross negligence or wilful misconduct. The Collateral Agent shall be deemed not to have knowledge or notice of a Termination Date or any Member Default or any other "default" or equivalent event under any Loan Agreement unless and until written notice thereof is given to the Agent by a Participating Member, the Purchaser, the Note Purchaser or any Secured Party, and the Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in this Agreement or any other Loan Agreement, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other Loan Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in this Agreement or any other Loan Agreement, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with independent legal counsel (who may be independent counsel for the Purchaser or any Participating Member), independent accountants and other experts selected by it, and

shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Collateral Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Collateral Agent; provided that if such sub-agent is not an Affiliate of the Collateral Agent, such appointment has been approved by the NBA (such approval not to be unreasonably withheld, conditioned or delayed). The Collateral Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Collateral Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the facilities provided for herein as well as activities as Collateral Agent.

Subject to the appointment and acceptance of a successor to the Collateral Agent as provided in this paragraph, the Collateral Agent may resign at any time by notifying the Purchaser, the NBA, the Secured Parties and the Participating Members. Upon any such resignation, the Purchaser and the Note Purchaser (upon direction by the Majority Liquidity Lenders and the Required Term Lenders) shall have the right, with the consent of the NBA (such consent not to be unreasonably withheld or delayed), to appoint a successor. If no successor Collateral Agent shall have been so appointed by the Purchaser and the Note Purchaser (upon direction by the Majority Liquidity Lenders and the Required Term Lenders) and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the Purchaser, the Note Purchaser, the Liquidity Lenders and the Term Lenders, and with the consent of the NBA (such consent not to be unreasonably withheld or delayed), appoint a successor Agent which shall be a bank with an office in the continental United States. Upon the acceptance of its appointment as Collateral Agent hereunder and under the Conduit Security Agreement and the Term Security Agreement and as Agent under the Note Purchase Agreement and the Term Note Purchase Agreement and Conduit Agent under the Conduit Note Purchase Agreement by a successor, such successor Collateral Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. After the Collateral Agent's resignation hereunder, the provisions of this Section 5.07 and Section 5.06 shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Collateral Agent.

Each of the Purchaser, the Note Purchaser and each Bank Lender severally, agrees (i) to reimburse the Collateral Agent, on demand, in the amount of its pro rata share (based on the proportion that the amount of the Note Purchase Agreement Obligations, the Term Note Purchase Agreement Obligations and/or the Bank Loan Agreement Obligations, as the case may be, held by it bears to the amount of all Obligations held by the Purchaser, the Note Purchaser and the Bank Lenders) for any

expenses referred to in this Agreement and/or any other expenses incurred by the Collateral Agent and its Affiliates in connection with its role as Collateral Agent or the enforcement or protection of the rights of the Collateral Agent and the Secured Parties which shall not have been paid or reimbursed by the Grantor or paid from the proceeds of the Collateral as provided herein and (ii) to indemnify the Collateral Agent and its Related Parties against, and hold such Persons harmless from, on demand, in the amount of such pro rata share any and all losses, claims, damages, liabilities and related expenses referred to in this Agreement and/or incurred by the Collateral Agent and its Related Parties in connection with its role as Collateral Agent or the enforcement or protection of the rights of the Collateral Agent and the Secured Parties, to the extent that the same shall not have been reimbursed by the Grantor or paid from the proceeds of the Collateral as provided herein; provided that, in each case, such indemnity shall not, as to any such Person, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Persons.

If the Collateral Agent shall have requested instructions from the Secured Parties and the Instructing Parties, the Required Liquidity Lenders or the Required Term Lenders, as applicable, shall not have responded to such request within the time period specified by the Collateral Agent in such request (which shall be a minimum of ten Business Days), the Collateral Agent shall be authorized to take, but shall not be required to take and shall have no liability for failing to take, such actions as the Collateral Agent in good faith believes to be reasonably required to promote and protect the interests of all the Secured Parties and to maximize both the value of the Collateral and the present value of the recovery by the Secured Parties on the Obligations and shall give the Secured Parties notice of such action; provided that once instructions have been received by the Collateral Agent by the Instructing Parties, the Required Liquidity Lenders or the Required Term Lenders, as applicable, the actions of the Collateral Agent shall be governed thereby. To the extent the exercise of the rights, powers and remedies of the Collateral Agent in accordance with this Agreement or any of the other Security Documents requires that any action be taken by any Secured Party, such Secured Party shall take such action to cooperate with the Collateral Agent to ensure that the rights, powers and remedies of all Secured Parties are exercised in full.

(b) The Grantor hereby appoints the Collateral Agent the attorney-in-fact of the Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of the Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of the Grantor

on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Accounts Receivable to any Account Debtor; (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (g) to notify, or to require the Grantor to notify, Account Debtors to make payment directly to the Collateral Agent; and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes, in each case in a manner not inconsistent with the terms of this Agreement, the other Loan Agreements or the NBA Consent Letter; provided, that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or wilful misconduct.

(c) Each Liquidity Lender (or the Administrative Agent on behalf of all the Liquidity Lenders) and each Term Lender shall promptly give written notice to the Collateral Agent of any Event of Default under the applicable Loan Agreement. Each Bank Lender (or any Person acting as representative for or agent of such Bank Lender) shall promptly give written notice to the Collateral Agent of any "event of default" or equivalent event under the applicable Bank Loan Agreement. In addition, whenever the Collateral Agent is required to determine the existence of any default, Event of Default or equivalent event or the existence or amount of any of the Obligations for any purposes of this Agreement or any other Security Document, it may request written certification of such existence or amount from the applicable Secured Party (or its representative or agent). The Collateral Agent shall be entitled to make such determination on the basis of such written notice or certification as provided above. If, notwithstanding the foregoing requirements and the request of the Collateral Agent, the applicable Secured Party (or its representative or agent) shall fail or refuse to promptly notify or certify as to such existence or amount, the Collateral Agent shall be entitled to, but not required to, determine such existence or amount by such method as the Collateral Agent may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Grantor. The Collateral Agent may rely conclusively, and shall be protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentences in this clause (c) (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to the Grantor, any holder of Obligations or any other Person as a result of such determination or any action (or failure to take action) pursuant thereto, except for its own gross negligence or willful misconduct.

(d) As beneficiary under the NBA Letter of Credit, the Collateral Agent may draw on the NBA Letter of Credit on behalf of the Purchaser and the Note Purchaser amounts, up to \$10,000,000 in the aggregate, to pay principal, interest and scheduled fees due under the Grantor's and each other Participating Member's Sub-Facility and Term Sub-Facility that have not been paid by the applicable Participating Member. The Collateral Agent agrees to request drawings under the Letter of Credit, subject to the following conditions: (i) the Purchaser or the Note Purchaser shall notify the Collateral Agent in writing (with a copy to either the Purchaser or the Note Purchaser that is not giving the notice), three Business Days' prior to the date on which it requests the Collateral Agent to make a drawing under the NBA Letter of Credit, that a Participating Member has failed to pay principal, interest or scheduled fees due and payable under its Sub-Facility or Term Sub-Facility and setting forth the amount of unpaid principal, interest and fees (the "Requested Draw Amount"), (ii) the amount of the drawing shall not exceed the amount then available under the NBA Letter of Credit, (iii) the aggregate amount of all drawings under the NBA Letter of Credit to pay principal, interest and scheduled fees due under the Term Facility shall not exceed the Term Lenders' pro rata share (based on the proportion that (x) the aggregate amount of outstanding Corresponding Senior Term Notes in respect of all Participating Members bears to (y) the aggregate Grantor Advance Exposure under all Security Agreements) of the \$10,000,000 originally available under the NBA Letter of Credit, (iv) the aggregate amount of all drawings under the NBA Letter of Credit to pay principal, interest and scheduled fees due under the Facility shall not exceed the Liquidity Lenders' pro rata share (based on the proportion that (x) the aggregate amount of all Commitments in respect of all Participating Members (or, if the Commitments have been terminated, the aggregate amount of Corresponding Advances then outstanding under the Note Purchase Agreement) bears to (y) the aggregate Grantor Advance Exposure under all Security Agreements) of the \$10,000,000 originally available under the NBA Letter of Credit, (v) the Collateral Agent shall not have received during such three Business Day period any other written notice from the Purchaser or the Note Purchaser requesting a drawing under the NBA Letter of Credit that exceeds the amount then available under the NBA Letter of Credit and (vi) if the Collateral Agent receives multiple written notices requesting a drawing within such 3 Business Day period, then, subject to clauses (iii) and (iv) above, the Collateral Agent shall draw under the NBA Letter of Credit (x) for the account of the Note Purchaser, an amount equal to the lesser of the remaining amount available to it under clause (iii) above and the Note Purchaser's Requested Draw Amounts and (y) for the account of the Purchaser, an amount equal to the lesser of the remaining available amount to it under clause (iv) above and the Purchaser's Requested Draw Amounts. The Collateral Agent shall distribute the proceeds of any drawing under the NBA Letter of Credit directly to the Purchaser and the Note Purchaser. It is understood and agreed that (i) any unreimbursed drawing by the Collateral Agent under the NBA Letter of Credit on behalf of the Purchaser shall be a Note Purchase Agreement Obligation owed to the Collateral Agent by the Grantor that failed to pay the relevant principal, interest or scheduled fees for which the drawing was intended and (ii) any unreimbursed drawing by the Collateral Agent under the NBA Letter of Credit on behalf of the Note Purchaser shall be a Term Note Purchase Agreement Obligation owed to the Collateral Agent by the

Grantor that failed to pay the relevant principal, interest or scheduled fees for which the drawing was intended.

SECTION 5.08. Applicable Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 5.09. Waivers; Amendment. (a) No failure or delay by the Collateral Agent, the Purchaser or the Note Purchaser in exercising any right or power hereunder or under any other Transaction Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent, the Purchaser and the Note Purchaser hereunder and under the other Transaction Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Transaction Document or consent to any departure by the Grantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the purchasing of a Grantor Note or the making of a Grantor Advance shall not be construed as a waiver of any Event of Default, regardless of whether the Collateral Agent, the Purchaser or the Note Purchaser may have had notice or knowledge of such Event of Default at the time. No notice to or demand on the Grantor in any case shall entitle the Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Grantor, and consented to by the Required Liquidity Lenders and, if Term Note Purchase Agreement Obligations are then outstanding, the Required Term Lenders; provided, however, that (i) such consent may be given by the Collateral Agent on behalf of the Liquidity Lenders pursuant to clause (iii) of the last sentence of Section 8.02(b) of the Note Purchase Agreement and on behalf of the Term Lenders pursuant to any corresponding section of the Term Note Purchase Agreement, (ii) no waiver, amendment or modification shall affect the application of proceeds of Collateral under Section 4.02 in a manner adverse to the holders of the Bank Loan Obligations (if any such obligations are outstanding) or the NBA Obligations or any other provision expressly for the benefit of such holders unless consented to by a majority in interest of the Bank Lenders or the NBA, as the case may be and (iii) the Collateral Agent may, acting in its reasonable discretion on behalf of the Secured Parties, enter into waivers, amendments and modifications hereof (w) to correct any inconsistency, defect or ambiguity in this Agreement, (x) dealing with administrative or ministerial matters that have no material substantive effect, (y) to better assure, convey and confirm the pledge of the Collateral or (z) that would not adversely affect the rights or interests of the Liquidity Lenders or the Term Lenders hereunder or the creation, priority or perfection of the security interests hereunder where the effect or value thereof, to the extent it can be

quantified, is less than \$5,000,000 (as determined by the Collateral Agent in its reasonable discretion); provided that no such waiver, amendment or modification referred to in the preceding clause (z) shall have a disparate impact on the Liquidity Lenders, on the one hand, and the Term Lenders, on the other hand.

SECTION 5.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 5.11. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.12. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 5.04. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 5.13. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.14. Jurisdiction; Consent to Service of Process. (a) The Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other

Transaction Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) The Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Transaction Document in any court referred to in paragraph (a) of this Section. The Grantor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 5.01. Nothing in this Agreement or any other Transaction Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 5.15. Termination or Release. (a) This Agreement, the Security Interest and all other security interests granted hereby shall terminate when all the Obligations have been indefeasibly paid in full (other than inchoate indemnity obligations), the Purchaser has no further commitment to purchase Member Notes or make Advances under the Note Purchase Agreement, the Note Purchaser has no further obligations to the Grantor under the Term Note Purchase Agreement or the Grantor's Term Sub-Facility and no Bank Lender has any further commitment to purchase any promissory notes or make Grantor Advances under any Bank Loan Agreement.

(b) Upon any sale or other transfer by the Grantor of any Collateral that is permitted under this Agreement and the Loan Agreements to any Person that is not the Grantor, or, upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 8.02 of the Note Purchase Agreement and the corresponding section of the Term Note Purchase Agreement, the security interest in such Collateral shall be automatically released.

(c) In connection with any termination or release pursuant to paragraph (a) or (b), the Collateral Agent shall execute and deliver to the Grantor at the Grantor's expense, all documents that the Grantor shall reasonably request to evidence such termination or release and return to the Grantor any Collateral in its possession that is the subject of such termination or release. Any execution and delivery of documents pursuant to this Section 5.15 shall be without recourse to or warranty by the Collateral Agent.

SECTION 5.16. Acknowledgment of Arena Agreement. Any Person who acquires the Grantor's Membership pursuant to any foreclosure or other transaction under

this Agreement shall acquire such Membership strictly subject to, and assume the requirements and burdens imposed on the Grantor pursuant to the Arena Agreement dated January 13, 2003 among the City of Charlotte, the Auditorium-Coliseum-Convention Center Authority, the Grantor (f/k/a RLJ Basketball, LLC) and RLJ Arena Operations, LLC (the "Arena Agreement"), including Article IV thereof from the date of such assignment or transfer until the expiration or earlier termination of the Arena Agreement. The Collateral Agent acknowledges and accepts the terms, provisions and restrictions contained in the Arena Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

BOBCATS BASKETBALL, LLC

by



Name: H. Van Sinclair

Title: Secretary

JPMORGAN CHASE BANK, AS
COLLATERAL AGENT,

by

Name:

Title: Authorized Officer

Bobcats Security Agreement

TRADEMARK
REEL: 002969 FRAME: 0864

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

BOBCATS BASKETBALL, LLC

by

Name:

Title:

**JPMORGAN CHASE BANK, AS
COLLATERAL AGENT,**

by



Name: **ANTHONY WILKENS, VP**
Title: Authorized Officer

Bobcats Security Agreement

TRADEMARK

REEL: 002969 FRAME: 0865

Stock Ownership and Other Equity Interests

CAPITAL STOCK

Issuer	Number of Certificate	Registered Owner	Number and Class of Shares	Percentage of Equity Interests
NBA Properties, Inc.*	—	Borrower	10 shares of common stock	3.333%
Planet Insurance, Ltd.	N.A. (Not certificated)	Borrower	N.A.	3.333%

LIMITED LIABILITY COMPANY
MEMBERSHIP INTERESTS

Issuer	Number of Certificates	Record and Beneficial Owner	Number and Class of Interests	Percentage of Membership of Interests
NBA Media Ventures, LLC*	N.A.	Borrower	Team's Pro Rata Share	(3.333%)
NBA Development, LLC*	N.A.	Borrower	Team's Pro Rata Share	(3.333%)
NBDL Holdings, LLC*	N.A.	Borrower	Team's Pro Rata Share	(3.333%)

PARTNERSHIP INTERESTS

Issuer	Number of Certificates	Limited or General	Percentage of Limited or General Partnership Interests
National Basketball Association (Joint Venture)	N.A.	Limited	3.333%

* Per Section 10 of the Expansion Agreement, ownership of these interests will be effective as of October 1, 2004.

Schedule I to
Security Agreement

DEBT SECURITIES

<u>Issuer</u>	<u>Principal Amount</u>	<u>Date of Note</u>	<u>Maturity Date</u>
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U.S. COPYRIGHTS OWNED BY BOBCATS BASKETBALL, LLC

U.S. Copyright Registrations

<u>Title</u>	<u>Reg. No.</u>	<u>Author</u>
None.		

Pending U.S. Copyright Applications for Registration

<u>Title</u>	<u>Author</u>	<u>Class</u>	<u>Date Filed</u>
None.			

LICENSES

LICENSEES/SUBLICENSES OF BOBCATS BASKETBALL, LLC

AS LICENSEE ON DATE HEREOF

(To the extent requested by the Collateral Agent under Section 3.03(c))

A. Copyrights

U.S. Copyrights

<u>Licensor Name and Address</u>	<u>Date of License/ Sublicense</u>	<u>Title of U.S. Copyright</u>	<u>Author</u>	<u>Reg. No.</u>
None.				

B. Patents

U.S. Patents

<u>Licensor Name and Address</u>	<u>Date of License/ Sublicense</u>	<u>Issue Date</u>	<u>Patent No.</u>
None.			

U.S. Patent Applications

<u>Licensor Name and Address</u>	<u>Date of License/ Sublicense</u>	<u>Date Filed</u>	<u>Application No.</u>
None.			

C. Trademarks

U.S. Trademarks

<u>Licensor Name and Address</u>	<u>Date of License/ Sublicense</u>	<u>U.S. Mark</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
None.				

U.S. Trademark Applications

<u>Licensor or Name and Address</u>	<u>Date of License/ Sublicense</u>	<u>U.S. Mark</u>	<u>Date Filed</u>	<u>Application No.</u>
None.				

D. Others

<u>Licensor Name and Address</u>	<u>Date of License/ Sublicense</u>	<u>Subject Matter</u>
None.		

PATENTS OWNED BY BOBCATS BASKETBALL, LLC

U.S. Patent Registrations

Patent Numbers

Issue Date

None.

U.S. Patent Applications

Patent Application No

Filing Date

None.

TRADEMARK/TRADE NAMES OWNED BY CHARLOTTE BOBCATS

U.S. Trademark Registrations

Mark	Reg. Date	Reg. No.
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (State of Massachusetts)	9/2/2003	63317
CHARLOTTE BOBCATS (State of North Carolina)	6/30/2003	T17481
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (State of North Carolina)	6/30/2003	T17482

U.S. Trademark Applications

Mark	Filing Date	Application No.
CHARLOTTE BOBCATS (31089)	5/1/2003	78244430
CHARLOTTE BOBCATS (31088)	5/1/2003	78244443
CHARLOTTE BOBCATS (31090)	5/1/2003	78244453
CHARLOTTE BOBCATS (31091)	5/1/2003	78244458
CHARLOTTE DRAGONS (31093)	5/1/2003	78244470
CHARLOTTE DRAGONS (31096)	5/1/2003	78244482
CHARLOTTE DRAGONS (31095)	5/1/2003	78244488
CHARLOTTE DRAGONS (31100)	5/1/2003	78244503
CHARLOTTE FLIGHT (31106)	5/1/2003	78244524
CHARLOTTE FLIGHT (31104)	5/1/2003	78244552
CHARLOTTE FLIGHT (31101)	5/1/2003	78244539
CHARLOTTE FLIGHT (31105)	5/1/2003	78244561

Schedule III to
Security Agreement

<u>Mark</u>	<u>Filing Date</u>	<u>Application No.</u>
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31328)	6/9/2003	78259800
CHARLOTTE BOBCATS & DESIGN(2004-PRESENT) (31338)	6/9/2003	78259809
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31311)	6/9/2003	78259850
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31306)	6/9/2003	78259866
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31307)	6/9/2003	78259881
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31310)	6/9/2003	78259894
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31321)	6/9/2003	78259914
CHARLOTTE BOBCATS & DESIGN (2004-PRESENT) (31324)	6/9/2003	78259940

NYLIB2 1047278v3

TRADEMARK
REEL: 002969 FRAME: 0873

EXCEPTIONS TO REPRESENTATIONS,
WARRANTIES AND COVENANTS

NYLIB2 1047278v3

Form of Secured Party Joinder Agreement

This SECURED PARTY JOINDER AGREEMENT (the "Agreement"), dated as of [], is by and between _____, a _____ [(the "Bank Lender")] [(the "Note Purchaser")], [Participating Member] (the "Participating Member") and JPMorgan Chase Bank, acting as collateral agent for the Secured Parties (as defined in the Security Agreement (as defined below)) (in such capacity and any successor thereto, the "Collateral Agent"). Capitalized terms used but not otherwise defined herein shall have the meaning specified in the Security Agreement dated as of May 3, 2004, between the Participating Member and the Collateral Agent (such agreement, as amended, modified or supplemented from time to time, the "Security Agreement").

The [Bank Lender] [Note Purchaser] desires to become a Secured Party under the Security Agreement and, upon acceptance hereof by the Collateral Agent, has requested, and the Collateral Agent and the Secured Parties have agreed, that it share in the rights and obligations in the Security Agreement pari passu with the other Secured Parties thereunder. As a condition precedent to the allowance of the [Bank Lender] [Note Purchaser] to share in the rights of the Secured Parties under the Security Agreement (including, without limitation, their rights to Liens on the Collateral), the Secured Parties have required, among other things, that the [Bank Lender] [Note Purchaser] enter into this Agreement in order to expressly undertake certain representations, warranties, covenants, agreements and other rights and obligations of a Secured Party under and pursuant to the Security Agreement.

Accordingly, the [Bank Lender] [Note Purchaser] hereby agrees as follows with the Participating Member and the Collateral Agent, and the Collateral Agent hereby agrees as follows with the Participating Member and the [Bank Lender] [Note Purchaser]:

The [Bank Lender] [Note Purchaser] and the Collateral Agent each hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the [Bank Lender] [Note Purchaser] will be deemed to be a party to the Security Agreement and, with respect to loans made to the Participating Member under the [Bank Loan Agreement] [Term Note Purchase Agreement], shall be a Secured Party for all purposes of the Security Agreement and shall have all of the rights and obligations of a Secured Party thereunder as if it had executed the Security Agreement. The [Bank Lender] [Note Purchaser] hereby ratifies, as of the date hereof, and agrees to be bound by all of the terms, provisions and conditions contained in the Security Agreement applicable to a Secured Party thereunder.

The [Bank Lender][Note Purchaser] hereby represents and agrees that:

[the Term Note Purchase Agreement contains representations, warranties, conditions, covenants, events of default, procedures upon default and other terms substantially similar to the terms set forth in the Note Purchase Agreement.]

any party or entity (including the Controlling Owner (as defined in the Note Purchase Agreement) of the Participating Member) Guaranteeing the Indebtedness under the [Bank Loan Agreement] [Term Note Purchase Agreement] shall be a party to the Security Agreement and the NBA Consent Letter of the Participating Member, if the obligations under such guaranty are secured by any portion of the Collateral.

[The [Bank Lender] hereby designates the following address as its address for notices and other communications under the Security Agreement:

[Bank Lender]

_____, _____, _____

Attention: _____ (Facsimile No. (____) _____).]

[The Bank Lender confirms that it shall not have the right to accelerate the Indebtedness under the Bank Loan Agreement without the prior written consent of the Majority Lenders (as defined in the Note Purchase Agreement) and the Majority Lenders (as defined in the Term Note Purchase Agreement), provided, however, that in the event that the Bank Lender seeks to accelerate due to the occurrence of a Bankruptcy Event with respect to the Participating Member or if the Indebtedness under the Bank Loan Agreement accelerates automatically upon the occurrence of a Bankruptcy Event with respect to the Participating Member pursuant to the terms of such Indebtedness, no consent of the Majority Lenders (as applicable) shall be required; provided, further, that if a Member Event of Default shall have occurred under the Note Purchase Agreement or the Term Note Purchase Agreement with respect to the Participating Member and the Indebtedness of the Participating Member under the Note Purchase Agreement or the Term Note Purchase Agreement shall have been accelerated or otherwise declared due and payable prior to the scheduled maturity thereof, the Bank Lender may, subject to the terms of the Participating Member's NBA Consent Letter, accelerate or otherwise declare the Indebtedness under the Bank Loan Agreement due and payable prior to the scheduled maturity thereof without the consent of the Majority Lenders (as applicable).]

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

IN WITNESS WHEREOF, the [Bank Lender] [Note Purchaser] has caused this Agreement to be duly executed by its authorized officer(s) or partner(s), as the case may be, and the Collateral Agent and the Participating Member have caused the same to be accepted and consented to by their respective authorized officers, as of the day and year first above written.

[Bank Lender] [Note Purchaser]

by: _____

Name:

Title:

Consented to, Acknowledged and Accepted:

[Participating Member]

by: _____

Name:

Title:

JPMorgan Chase Bank, as Collateral Agent

by: _____

Name:

Title:

PERFECTION CERTIFICATE

Reference is made to the Note Purchase Agreement dated as of May [5], 2003 (such agreement, as amended by the First Amended and Restatement dated as of May 3, 2004, and as it may be further amended, modified or supplemented from time to time, the "Note Purchase Agreement"), among the Grantor, the other Participating Members party thereto, Basketball Funding, LLC (the "Purchaser") and JPMorgan Chase Bank, as Agent. Capitalized terms used but not defined herein have the meanings assigned in the Note Purchase Agreement or the Security Agreement referred to therein, as applicable.

The undersigned, a Financial Officer of the Grantor, hereby certifies to the Collateral Agent and each other Secured Party as follows:

1. Names. (a) The exact legal name of the Grantor, as such name appears in its [certificate of formation], is as follows:

(b) Set forth below is each other legal name the Grantor has had in the past five years, together with the date of the relevant change:

(c) Except as set forth in Schedule 1 hereto, the Grantor has not changed its identity or corporate structure in any way within the past five years. Changes in identity or corporate structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of corporate organization. If any such change has occurred, include in Schedule 1 the information required by Sections 1 and 2 of this certificate as to each acquiree or constituent party to a merger or consolidation.

(d) The following is a list of all other names (including trade names or similar appellations) used by the Grantor or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years:

(e) Set forth below is the organizational identification number, if any, issued by the jurisdiction of formation of the Grantor:

(f) Set forth below is the Federal Taxpayer Identification Number of the Grantor:

EXHIBIT II to
Security Agreement

2. Current Locations. (a) The chief executive office of the Grantor is located at the address set forth opposite its name below:

Grantor	Mailing Address	County	State
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[(b) Set forth below opposite the name of the Grantor are all locations where the Grantor maintains any material books or records relating to any Accounts Receivable or General Intangibles (with each location at which chattel paper, if any, is kept being indicated by an "*"):

Grantor	Mailing Address	County	State] ¹
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(c) The jurisdiction of formation of the Grantor that is a registered organization is set forth opposite its name below:

Grantor	Jurisdiction
---------	--------------

(d) Set forth below opposite the name of the Grantor are all the locations where the Grantor maintains any material amount of Inventory or Equipment or other Collateral not identified above:

¹ Only required in states in which former Article 9 is in effect.

EXHIBIT II to
Security Agreement

Grantor	Mailing Address	County	State
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(e) Set forth below opposite the name of the Grantor are all the places of business of the Grantor not identified in paragraph (a), (b), (c) or (d) above (excluding arenas where "away" games are played):

Grantor	Mailing Address	County	State
---------	-----------------	--------	-------

(f) Set forth below opposite the name of the Grantor are the names and addresses of all Persons other than the Grantor that have possession of any material amount of the Collateral of the Grantor:

Grantor	Mailing Address	County	State
---------	-----------------	--------	-------

3. File Search Reports. As of the Closing Date, file search reports have been obtained from each Uniform Commercial Code filing office identified with respect to the Grantor in Section 2 hereof, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Security Agreement.

4. UCC Filings. As of the Closing Date, UCC financing statements in substantially the form of Schedule 4 hereto have been prepared for filing in the Uniform Commercial Code filing office in the jurisdiction of organization as set forth with respect to the Grantor in Section 2 hereof.

5. Schedule of Filings. Attached hereto as Schedule 5 is a schedule setting forth, with respect to the filings described in Section 4 above, each filing and the filing office in which such filing is to be made.

EXHIBIT II to
Security Agreement

6. Stock Ownership and other Equity Interests. Attached hereto as Schedule 6 is a true and correct list of all the issued and outstanding stock, partnership interests, limited liability company membership interests or other equity interests held by the Grantor (other than interests in Excluded Subsidiaries) and the record and beneficial owners of such stock, partnership interests, membership interests or other equity interests.
7. Debt Instruments. Attached hereto as Schedule 7 is a true and correct list of all instruments, including any promissory notes, and other evidence of indebtedness held by the Grantor in a principal amount in excess of \$100,000 and that are required to be pledged under the Security Agreement (other than Eligible Investments).
8. Owned Property. Attached hereto as Schedule 8 is a schedule setting forth, with respect to each parcel of real property owned by the Grantor, (a) the exact name of the Person that owns such property as such name appears in its certificate of incorporation or other organizational document, (b) if different from the name identified pursuant to clause (a), the exact name of the current record owner of such property reflected in the records of the filing office for such property identified pursuant to the following clause and (c) the filing office in which a mortgage with respect to such property must be filed or recorded in order for the Collateral Agent to obtain a perfected security interest therein.
9. Intellectual Property. Attached hereto as Schedule 9(A) in proper form for filing with the United States Patent and Trademark Office is a schedule setting forth all of the Grantor's Patents and registered Trademarks, in each case that represent Core Collateral or that are otherwise material to the Grantor's business, including the name of the registered owner, the registration number and the expiration date of each such Patent and registered Trademark owned by the Grantor; provided, however, that Patent Licenses and Trademark Licenses (in each case, to the extent granting to the Grantor any right to intellectual property now or hereafter owned by any third party) that represent Core Collateral or that are otherwise material to the Grantor's business shall be required to be scheduled herein upon request by the Collateral Agent in its reasonable discretion. Attached hereto as Schedule 9(B) in proper form for filing with the United States Copyright Office is a schedule setting forth all of the Grantor's registered Copyrights that represent Core Collateral or that are otherwise material to the Grantor's business, including the name of the registered owner, the registration number and the expiration date of each such registered Copyright owned by the Grantor; provided, however, that Copyright Licenses (to the extent granting to the Grantor any right to intellectual property now or hereafter owned by any third party) that represent Core Collateral or that are otherwise material to the Grantor's business shall be required to be scheduled herein upon request by the Collateral Agent in its reasonable discretion.

EXHIBIT II to
Security Agreement

IN WITNESS WHEREOF, the undersigned has duly executed this
certificate on this [•] day of [•], 200__.

[PARTICIPATING MEMBER],

by

Name:

Title: [Financial Officer]