WORLD WRESTLING ENTERTAINMENTINC

FORM S-1
(Securities Registration Statement)

Filed 8/3/1999

Address	1241 E MAIN ST
	STAMFORD, Connecticut 06902
Telephone	203-352-8600
CIK	0001091907
Industry	Recreational Activities
Sector	Services
Fiscal Year	04/30

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

World Wrestling Federation Entertainment, Inc.

(Exact name of registrant as specified in its charter)

Delaware	7929	04-2693383
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1241 East Main Street
Stamford, Connecticut 06902
(203) 352-8600

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Edward L. Kaufman
World Wrestling Federation Entertainment, Inc.
1241 East Main Street
Stamford, Connecticut 06902
(203) 352-8600
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [_]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)	Amount of registration fee
Class A Common Stock, $.01 par value per share	$172,500,000	$47,955

(1) Estimated solely for the purpose of calculating the registration fee; based on a bona fide estimate of the maximum offering price of the securities being registered in accordance with Rule 457(o).

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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+The information in this preliminary prospectus is not complete and may be +
+changed. We may not sell these securities until the registration statement +
+filed with the Securities and Exchange Commission becomes effective. This +
+preliminary prospectus is not an offer to sell these securities nor a +
+solicitation of an offer to buy these securities in any jurisdiction where +
+the offer or sale is not permitted. +

++ SUBJECT TO COMPLETION, DATED AUGUST 3, 1999

PROSPECTUS

Shares

World Wrestling Federation Entertainment, Inc.

[logo]

Class A Common Stock

This is an initial public offering of shares of the Class A common stock of World Wrestling Federation Entertainment, Inc. We are selling all of the shares of Class A common stock being offered by means of this prospectus. Of the shares being offered, the U.S. underwriters are initially offering shares in the United States and Canada, and the international managers are initially offering shares outside the United States and Canada.

Immediately following the offering, we will have outstanding two classes of common stock. The holders of Class A common stock are entitled to one vote for each share, whereas the holders of Class B common stock are entitled to ten votes for each share. The rights of holders of Class A common stock and Class B common stock are substantially the same in all other respects.

There is no public market for our Class A common stock at the present time. It is currently estimated that the initial public offering price will be between $ and $ per share.

We intend to apply to have our Class A common stock listed on the Nasdaq National Market under the symbol "WWFE."

See "Risk Factors" beginning on page 10 to read about risks that you should consider before buying any shares of our Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

The U.S. underwriters and the international managers have an option to purchase up to an additional shares of Class A common stock from us at the initial public offering price less the underwriting discount.

Bear, Stearns & Co. Inc.

Credit Suisse First Boston

Merrill Lynch & Co.

Wit Capital Corporation

The date of this prospectus is , 1999

[Artwork to be provided]

PROSPECTUS SUMMARY

This summary highlights certain information found in greater detail elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our Class A common stock discussed under "Risk Factors" before you decide whether to buy our Class A common stock.

World Wrestling Federation Entertainment, Inc.

We are an integrated media and entertainment company, principally engaged in the development, production and marketing of television programming, pay-per- view programming and live events, and the licensing and sale of branded consumer products featuring our highly successful World Wrestling Federation brand. We have been involved in the sports entertainment business for over 20 years, and we have developed the World Wrestling Federation into one of the most popular forms of entertainment today. We aggressively promote and market our brand, our programming, our events and our products in numerous ways, including:

. Holding approximately 200 live events each year in major stadiums and arenas throughout the world, including Madison Square Garden in New York City, Arrowhead Pond of Anaheim, California, Skydome in Toronto, Canada and the Manchester Evening News Arena in Manchester, England;

. Producing nine hours of original television programming, 52 weeks per year;

. Producing 12 domestic pay-per-view events each year;

. Distributing our programs and pay-per-view events in over 150 countries in nine languages;

. Marketing and selling our branded merchandise directly to consumers and to major retailers worldwide;

. Licensing our brand to approximately 85 companies to produce and distribute thousands of retail products worldwide;

. Publishing two monthly magazines with a combined annual circulation of approximately 5.8 million; and

. Distributing news and information about our story lines, performers and programming and effecting e-commerce sales and advertising through our Internet sites.

We believe that our success results from our ability to offer consumers an affordable and exciting entertainment experience. Central to the development of this entertainment experience are our creative and compelling story lines and our roster of approximately 110 talented performers. Each week we advance our story lines, develop our characters and create the drama and excitement that drive our business and attract customers to the World Wrestling Federation. Our success is evidenced by the following:

. Our flagship television program, Raw is War, was the number one rated regularly scheduled cable television program, according to the Nielsen ratings, for 19 consecutive weeks through June 30, 1999;

. Raw is War earned 26 of the top 30 hourly rankings on the Nielsen list of most watched shows on all basic cable networks for the second quarter of 1999, achieving an average weekly Nielsen rating of 6.2 for the six months ended June 30, 1999;

. Through the success of our programming, we have attracted over 50 major advertisers and sponsors, such as AT&T, Castrol Oil, Coca Cola, Hasbro, M&M Mars, Sony Playstation, and four branches of the United States armed forces;

. In fiscal 1999, approximately 5 million households purchased our pay- per-view programs, generating retail revenues of approximately $150 million;

. In March 1999, Wrestlemania, our premier annual pay-per-view event, generated approximately 800,000 pay-per-view buys, making it one of the highest subscribed non-boxing pay-per-view events ever;

. Estimated retail revenues from sales of our branded merchandise through licensees were approximately $400 million in fiscal 1999;

. According to Billboard Magazine, eight of our home videos ranked among the top 10 best selling home videos in the "Sports" category as of June 30, 1999;

. Our most recent music compilation, World Wrestling Federation--The Music Volume III, achieved platinum status and reached number 10 on the Billboard 200, selling approximately 1.4 million units as of June 30, 1999; and

. During June 1999, our main web site, wwf.com, generated approximately 100 million page views, and, according to Media Metrix, an Internet measurement company, had approximately 1,581,000 unique visitors. As a result, we were the fourth ranked sports-only web site among all audiences, behind ESPN, SportsLineUSA and CNNSI; and among males aged 12 to 17, we were the third ranked entertainment and news information web site.

Our revenues have grown to $251.5 million in fiscal 1999 from $81.9 million in fiscal 1997. During this same period, EBITDA increased to $59.3 million in fiscal 1999 from a loss of $5.0 million in fiscal 1997. Our net income, as a Subchapter S corporation, increased to $56.0 million in fiscal 1999 from a net loss of $6.5 million in fiscal 1997.

Our Operations

Our operations are organized around two principal activities:

. the creation, marketing and distribution of our live and televised entertainment, which includes the sale of advertising time on our television programs; and

. the marketing and promotion of our branded merchandise.

Live and Televised Entertainment

Live Events

In fiscal 1999, we held approximately 200 live events in approximately 100 cities in North America, including 18 of the 20 largest metropolitan areas in the United States. Attendance at our live events has increased approximately 109% over the last three years, from approximately 1.1 million people in fiscal 1997 to approximately 2.3 million people in fiscal 1999. Our live events provide the content for our television and pay-per-view programming.

Television Programming

We are a leading independent producer of television programming. Relying primarily on our in-house production capabilities, we produce seven shows consisting of nine hours of original programming 52 weeks per year. Four of our seven weekly television shows, including our two-hour flagship show, Raw is War, are carried by the USA Network. We have enjoyed a 17-year relationship with the USA Network, which reaches approximately 75 million households in the United States. Two of our other shows are syndicated and are

carried by approximately 120 stations nationwide. Our newest show, WWF SmackDown!, a two-hour program, has aired since August 1999 on the United Paramount Network, which can be seen in approximately 82 million households in the United States. Our brand of entertainment appeals to a wide demographic audience, and although it is principally directed to audiences aged 18 to 34, it has become most popular with males aged 18 to 34 and teenagers aged 12 to 17.

Pay-Per-View Programming

We have been pioneers in both the production and promotion of pay-per-view events since our first pay-per-view event, Wrestlemania, in 1985. By fiscal 1996, we had increased our pay-per-view offerings to 12 per year. Our events consistently rank among the pay-per-view programs achieving the highest number of buys.

Branded Merchandise

Licensing and Direct Sales

We offer a wide variety of branded, retail merchandise through both a well- developed domestic and international licensing program and a comprehensive direct sales effort. We and our licensees market our merchandise worldwide through a variety of distribution channels, including mass market and specialty retailers, concession stands at our live events, and our television programs, Internet sites, magazines and direct mail catalogs.

We currently maintain licensing agreements with approximately 85 licensees worldwide, and our logo and images of our characters appear on thousands of retail products, including various types of apparel, toys and video games, and a wide assortment of other items. We retain creative approval over all licensed products.

Home Video

We own and continue to amass a video library containing thousands of hours of programming from our pay-per-view events and our television shows. In 1998, we began to produce and market home videos in-house using this library. Our home videos are distributed nationwide by third parties to major retailers, such as Blockbuster Video, Wal-Mart and Target.

Music

Music is an integral part of the entertainment experience at our live events and in our television programs. We compose and record theme songs for our performers in our recording studio. A third party manufactures and distributes CDs of our music to retailers nationwide, such as Tower Records, Best Buy, Target and Circuit City.

Publishing

Our publishing operations consist primarily of two monthly magazines, WWF Magazine and RAW Magazine, which are used to help shape and complement our story lines. We also include our direct marketing catalog in our magazines on a quarterly basis. We prepare all of the editorial content in-house and use outside contractors for printing and distribution.

New Media

We utilize the Internet to communicate with our fans and market and distribute our various products. Through our network of Internet sites, our fans can obtain our latest news and information, stay abreast of our evolving story lines, tap into interactive chat rooms to communicate with each other and our performers,

purchase our webcast pay-per-view events, and purchase our branded merchandise. Our main site, wwf.com, is currently one of the Internet's most popular and most visited sites. We promote wwf.com on our televised programming, at our live events, in our two monthly magazines and in substantially all of our marketing and promotional materials.

Our Business Strategy

Our objectives are to broaden our leadership position in the creation, production and promotion of our form of televised and live entertainment events and to leverage our technical and operating skills to pursue complementary entertainment-based business opportunities. Some of the key elements of our strategy are to:

. Continue to produce high quality branded programming, live events and consumer products for worldwide distribution;

. Expand our existing television and pay-per-view distribution relationships and develop broader distribution arrangements for our branded programming worldwide;

. Increase the licensing and direct sale of our branded products through our distribution channels;

. Grow our Internet operations to further promote our brand and to develop additional sources of revenue;

. Form strategic relationships with other media and entertainment companies to further promote our brand and our products;

. Create new forms of entertainment and brands that complement our existing businesses, including the development of new television programming that will extend beyond our current programming, all of which will appeal to our targeted demographic market; and

. Develop branded location-based entertainment businesses directly or through licensing agreements, joint ventures or other arrangements.

Our Address

The address of our principal executive offices is P.O. Box 3857, 1241 East Main Street, Stamford, Connecticut 06902, and our telephone number is (203) 352-8600. We are located on the Internet at wwf.com. None of the information on any of our websites is part of this prospectus.

The Offering

Class A common stock offered.....	shares(1)
Common stock to be outstanding after the offering.....	shares of Class A common stock(2) shares of Class B common stock(3)
Use of proceeds.....	We intend to use the estimated net proceeds of $ million from the offering for working capital and other general corporate purposes. See "Use of Proceeds."
Proposed Nasdaq National Market symbol.....	WWFE
Voting rights.....	The holders of Class A common stock have voting rights identical to holders of Class B common stock, except that holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to ten votes per share. Holders of both classes of common stock generally will vote together as a single class on all matters presented to the stockholders for their vote or approval, except as otherwise required by applicable Delaware law.

(1) Excludes up to shares to be sold by us if the underwriters exercise their over-allotment option in full, as described under "Underwriting."

(2) Excludes:

. shares of Class A common stock that will be issuable upon the exercise of stock options granted at the time of the offering. Of those options, options to purchase shares of Class A common stock will be immediately exercisable; and

. additional shares of Class A common stock reserved for issuance under our long-term incentive plan. You should read the discussion under "Management--1999 Long-Term Incentive Plan" for additional information concerning our long-term incentive plan.

(3) The Class B common stock is fully convertible into Class A common stock, on a one-for-one basis, at any time at the option of the holder or upon the transfer of the Class B common stock to any person or entity not affiliated with Vincent McMahon, Linda McMahon or their family. See "Description of Capital Stock."

Conventions Which Apply In This Prospectus

Unless we indicate otherwise, all information in this prospectus reflects the following:

. a for-one stock split effected prior to the offering;

. no exercise by the underwriters of their over-allotment option to purchase up to additional shares of Class A common stock;

. the offering of our Class A common stock at $ per share, which is the mid-point of the range set forth on the cover page of this prospectus;

. the reclassification of our common stock;

. the termination of our Subchapter S corporation election under the Internal Revenue Code prior to the closing; and

. all references to a fiscal year refer to a year beginning on May 1 of one calendar year and ending on April 30 of the next calendar year (for example, fiscal 1999 refers to the year from May 1, 1998 to April 30, 1999).

References in this prospectus to "the company," "we," "our" and "us" refer to World Wrestling Federation Entertainment, Inc. and our subsidiaries, after giving effect to the combination of two of our affiliated companies with us prior to the offering. Prior to the offering, we changed our corporate name from Titan Sports Inc. to World Wrestling Federation Entertainment, Inc. We incorporated in Delaware in 1987, and in 1988 we merged with our predecessor company, which had existed since 1980. World Wrestling Federation and the World Wrestling Federation logo are two of our marks. This prospectus also contains trademarks and trade names of other companies. All trademarks and trade names appearing in this prospectus are the property of their respective holders.

Summary Historical Combined Financial And Other Data

The following table sets forth our summary historical combined financial data for each of the three fiscal years in the period ended April 30, 1999 and as of April 30, 1999, which have been derived from our audited combined financial statements, and summary unaudited pro forma financial data as of, and for the fiscal year ended, April 30, 1999. You should read the summary historical combined financial data in conjunction with our historical combined financial statements, the related notes and the information set forth under "Selected Historical Combined Financial and Other Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this prospectus.

The unaudited pro forma combined balance sheet and statement of operations data included in the table are based upon information in our combined balance sheet as of April 30, 1999 and our combined statement of operations for fiscal 1999, which appear elsewhere in this prospectus, after giving effect to the pro forma adjustments described in the notes to the table. Such adjustments have been made assuming the transactions reflected in the pro forma combined financial data took place on April 30, 1999 for balance sheet purposes and May 1, 1998 for statement of operations purposes. The unaudited pro forma combined financial data are provided for informational purposes only and do not purport to be indicative of the results of operations and financial position that would have been obtained or that may be expected to occur in the future.

We elected, beginning with our fiscal year ended April 30, 1988, to be subject to the provisions of Subchapter S of the Internal Revenue Code. Accordingly, since that time, our taxable income or loss has been included in the federal and certain state income tax returns of our stockholder. The provision for income taxes reflected in our historical combined financial statements since fiscal 1988 relates only to foreign and certain state income taxes for those states that do not recognize Subchapter S corporations. Our stockholders are responsible for the payment of federal and certain state income taxes with respect to our operations, which have been funded by distributions from our undistributed earnings account. Prior to the issuance of shares in the offering, we will terminate our election to be subject to the provisions of Subchapter S and will become subject to the provisions of Subchapter C of the Internal Revenue Code. As a C corporation, we will be fully subject to federal, state and foreign income taxes.

EBITDA represents income from operations plus depreciation and amortization. EBITDA is presented because management believes that such information is considered by certain investors to be an additional basis for evaluating a company's operating performance, leverage and liquidity. EBITDA should not be considered an alternative to measures of operating performance determined in accordance with generally accepted accounting principles or as a measure of our operating results and cash flows or as a measure of our liquidity.

	Fiscal Year Ended April 30,				
	1997	1998	1999		
	(dollars in thousands, except per share data)				
Combined Statement of Operations Data:					
Net revenues	$ 81,863	$ 126,231	$ 251,474		
Cost of revenues	60,958	87,969	146,618		
Selling, general and administrative expenses	25,862	26,117	45,559		
Depreciation and amortization	1,729	1,676	1,946		
Other income (expense), net	(5)	(1,540)	622		
Income (loss) before income taxes	(6,691)	8,929	57,973		
Provision (benefit) for income taxes	(186)	463	1,943		
Net income (loss)	$ (6,505)	$ 8,466	$ 56,030		
Unaudited Pro Forma Combined Statement of Operations Data:					
Historical income before income taxes			$ 57,973		
Pro forma adjustment other than income taxes			2,515	(1)	
Pro forma income before income taxes			55,458		
Pro forma provision for income taxes			22,227	(2)	
Pro forma net income			$ 33,231		
Pro forma earnings per common share (basic and diluted)			$ (3)		
Combined Statement of Cash Flows Data:					
Net cash provided by (used in) operating activities	$ 3,628	$ 6,256	$ 57,646		
Net cash provided by (used in) investing activities	(849)	(1,294)	(14,634)	(4)	
Net cash provided by (used in) financing activities	(1,803)	1,974	(6,082)		
Other Financial Data:					
EBITDA	$ (4,957)	$ 12,145	$ 59,297		
Capital expenditures	892	1,294	3,756		
Other Non-Financial Data:					
Number of live events	199	218	199		
Total attendance	1,080,540	1,599,716	2,273,748		
Average weekly Nielsen rating of Raw is War	2.4	3.1	5.0		
Pay-per-view buys	2,252,200	2,936,000	5,024,700		

	As of April 30,		
	1999	Pro forma, as adjusted 1999 (unaudited)	
	(in thousands)		
Combined Balance Sheet Data:			
Cash and cash equivalents	$ 45,727	$ (5)	(6)
Property and equipment-net	28,377	28,377	
Total assets	130,188	(5)	(6)
Total long-term debt (including current portion)	12,791	12,791	
Amount due stockholder	--	32,000	(7)
Total stockholder's equity	72,260	(8)	

(1) This amount gives pro forma effect to the increase in compensation to Vincent and Linda McMahon pursuant to employment agreements that will become effective upon the closing of the offering. See "Management." Historically, both executives were paid less compensation because they benefited from S corporation distributions to Mr. McMahon.
(2) This amount represents a pro forma estimate of our provision for federal, state and foreign income taxes to give effect to the change in our tax status to a C corporation during fiscal 1999. Prior to the issuance of shares in the offering, we will terminate our status as an S corporation. See "Reclassification of Stock and Prior S Corporation Status."
(3) Based on a weighted average number of common shares outstanding of for the year ended April 30, 1999.
(4) In fiscal 1999, we purchased a 193-room hotel and casino in Las Vegas, Nevada for approximately $10.8 million. We have since determined that the ownership and operation of this property is no longer consistent with our business objectives, and we intend to sell this property during fiscal 2000.
(5) Reflects the distribution of $25.5 million to our stockholder, Mr. McMahon, on June 29, 1999 representing a portion of previously earned and undistributed earnings, which has been fully taxed at the stockholder level. As of June 30, 1999, approximately $14.8 million of undistributed earnings was retained in our company.
(6) Reflects our receipt of the estimated net proceeds of the offering of $.
(7) Reflects the accrual of tax distributions in the amount of $32.0 million relating to estimated federal and state income taxes payable by our stockholders with respect to our earnings in fiscal 1999 and the period from May 1, 1999 through September 30, 1999. On June 29, 1999, we issued an unsecured, 5% interest-bearing note in the principal amount of $32.0 million due April 10, 2000 to our stockholder.
(8) Gives effect to the pro forma adjustments described in notes 5, 6 and 7 above.

RISK FACTORS

You should carefully consider the following factors and other information contained in this prospectus in evaluating our business before deciding whether to invest in shares of our Class A common stock. The risks set forth below are in addition to risks that apply to most businesses.

The failure to continue to create popular live events and televised programming could adversely impact our business.

The creation, marketing and distribution of our live and televised entertainment, including our pay-per-view events, is the core of our business and is critical to our ability to generate revenues. A failure to continue to develop creative and entertaining programs and events would likely lead to a decline in the popularity of our brand of entertainment and would adversely affect our ability to generate revenues and could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

The failure to retain or continue to recruit key performers could harm our business.

Our success depends, in large part, upon our ability to recruit, train and retain athletic performers who have the physical presence, acting ability and charisma to portray characters in our live events and televised programming. We cannot assure you that we will be able to continue to identify, train, and retain such performers in the future. Additionally, we cannot assure you that we will be able to retain our current performers when their contracts expire. Our financial results depend, in part, on the popularity of our key performers. Our failure to attract and retain performers, or a serious or untimely injury to, or the death of, any of our key performers, could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

The loss of the creative services of Vincent McMahon could adversely impact our business.

For the foreseeable future, we will heavily depend on the vision and services of Vincent McMahon. In addition to serving as chairman of our board of directors, Mr. McMahon leads the creative team that develops the story lines and the characters for our televised programming and our live events. Mr. McMahon is also an important member of the cast of performers. The loss of Mr. McMahon due to retirement, disability or death could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock. We do not carry key man life insurance on Mr. McMahon.

The failure to maintain or renew our agreements with key distributors of our television and pay-per-view programming could adversely impact our business.

As our revenues are generated, directly and indirectly, from the distribution of our televised programming, any failure to maintain or renew our arrangements with the distributors of our programs could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

Of the weekly television programming we currently produce, five of the nine hours are seen on the USA Network and two of the nine hours are seen on the United Paramount Network. An agreement that we have with the USA Network with respect to one hour of programming expires in September 2000. The other agreement with that network, which covers the other four hours of programming, expires in September 2001, but may be terminated by either party in September 2000. The agreement that we have with the United Paramount Network expires in September 2000. If we cannot agree on the terms of new contracts with the USA Network or the United Paramount Network, we may have to enter into agreements to carry our programs with other television networks, which may not be available in as many households as the USA Network or the

United Paramount Network. In addition, any such agreements may not be as advantageous to us as our present agreements. We cannot assure you that we will be able to negotiate new agreements with the USA Network, the United Paramount Network or another network with terms as favorable as those in our current agreements. Failure to do so could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

In addition, we have a contract expiring in 2004 with Viewer's Choice, the leading distributor of pay-per-view programming in the United States. The failure of Viewer's Choice to continue to provide services to us under this agreement or our inability to renew this agreement on favorable terms could result in a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

The entertainment market in which we operate is highly competitive, and we may not be able to compete effectively, especially against competitors with greater financial resources or marketplace presence.

In our sports entertainment market, we compete on a national basis primarily with World Championship Wrestling, Inc., a Time Warner company. We compete with WCW in all aspects of our business, including viewership, access to arenas, the sale and licensing of branded merchandise and distribution channels for our televised programs. We also directly compete to find, hire and retain talented performers. WCW has substantially greater financial resources than we do and is affiliated with television cable networks on which WCW's programs are aired. Other sources of competition in our sports entertainment market are regional promoters of wrestling events. Any significant loss of viewers, venues, distribution channels or performers could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

We also compete for entertainment and advertising dollars with professional and college sports and with other entertainment and leisure activities. We face competition from professional and college baseball, basketball, hockey and football, among other activities, in most cities in which we hold live events. We also compete for attendance, broadcast audiences and advertising revenue with a wide range of alternative entertainment and leisure activities. This competition could result in fewer entertainment and advertising dollars spent on our form of sports entertainment, which could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

Because we depend upon our intellectual property rights, our business could be adversely impacted if we are unable to protect those rights.

Our competitive advantage depends in substantial part on our large portfolio of trademarks, service marks, copyrighted material and characters, trade names and other intellectual property rights. Our success is dependent, in part, upon our ability to protect our rights in our intellectual property.

Other parties may infringe on our intellectual property rights and may thereby dilute our brand in the marketplace. Any such infringement of our intellectual property rights would also likely result in our commitment of time and resources to protect these rights. We have engaged, and continue to engage, in litigation with parties that claim or misuse some of our intellectual property. We are involved in significant pending lawsuits relating primarily to the ownership of certain intellectual property rights, in particular, copyrights of characters featured in our live and televised events and our home videos. Similarly, we may infringe on others' intellectual property rights. One or more adverse judgments with respect to these intellectual property rights could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

We are currently a party to an agreement with a third party with respect to our use of the initials "WWF." We have the right to use the initials "WWF" for certain purposes domestically and the name "World Wrestling Federation" and our World Wrestling Federation logo anywhere in the world under our agreement with such

third party. From time to time, disagreements have arisen under that agreement concerning its scope and the limitations on our uses of those initials. Any determination further limiting our use of those initials could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

A decline in general economic conditions or in the popularity of our brand of sports entertainment could adversely impact our business.

Because our operations are affected by general economic conditions and consumer tastes, our future success is unpredictable. The demand for entertainment and leisure activities tends to be highly sensitive to consumers' disposable incomes, and thus a decline in general economic conditions could, in turn, have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

The growing popularity of our brand of sports entertainment has increasingly attracted more fans, resulting in greater shares of television audiences, increased sales of advertising time on our television programs, and increased sales of our branded merchandise. The continued popularity of our brand of entertainment is important to our results of operations and the long-term value of our brand. Public tastes are unpredictable and subject to change and may be affected by changes in the country's political and social climate. A change in public tastes could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

Our insurance may not be adequate.

We hold approximately 200 live events each year primarily in the United States and Canada. This schedule exposes our performers and our employees who are involved in the production of those events to the risk of travel and performance-related accidents, the consequences of which may not be fully covered by insurance. The physical nature of our events exposes our performers to the risk of serious injury or death. Although we have general liability insurance and umbrella insurance policies, and although our performers are responsible for obtaining their own health, disability and life insurance, we cannot assure you that the consequences of any accident or injury will be fully covered by insurance. Our liability resulting from any accident or injury not covered by our insurance could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

We may be prohibited from promoting and conducting our live events if we do not comply with applicable regulations.

In various states in the United States and certain Canadian provinces, athletic commissions and other applicable regulatory agencies require us to comply with their regulations in order for us to promote and conduct our live events. In the event that we fail to comply with the regulations of a particular jurisdiction, we may be prohibited from promoting and conducting our live events in that jurisdiction. The inability to present our live events over an extended period of time or in a number of jurisdictions could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock.

We could incur substantial liabilities if certain pending litigation is resolved unfavorably.

We are currently a party to certain civil litigation which, if concluded adversely to our interests, could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock. Material legal proceedings are more fully described elsewhere in this prospectus. These include a suit by members of the family of Owen Hart, a professional wrestler performing under contract with us, filed on June 15, 1999 in state court in Missouri against us, Vincent and Linda McMahon and nine other defendants, including the manufacturer of the rigging equipment involved, individual equipment riggers and the arena operator, alleging negligence and other claims in connection with the death of Owen Hart during a pay-

per-view event at Kemper Arena in Kansas City, Missouri on May 23, 1999. Plaintiffs seek compensatory and punitive damages in unspecified amounts. In other pending litigation, three former professional wrestlers who had been performers for us have filed separate suits against us relating primarily to the ownership of certain intellectual property rights, in particular copyrights of characters previously featured in our live and televised events. Plaintiffs in these suits seek compensatory and punitive damages.

We will face a variety of risks if we expand into new or complementary businesses in the future.

Over the last 20 years, our core operations have consisted of marketing, promoting and distributing our live and televised entertainment and our branded merchandise. Our current strategic objectives include not only further developing and enhancing our existing business but also entering into new or complementary businesses, such as the creation of new forms of entertainment and brands, the development of new television programming and the development of branded location-based entertainment businesses. The following risks associated with expanding into new or complementary businesses by acquisition, strategic alliance, investment, licensing or other arrangements could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock:

. potential diversion of management's attention and resources from our existing business and an inability to recruit or develop the necessary management resources to manage new businesses;

. unanticipated liabilities or contingencies from new or complementary businesses or ventures;

. reduced earnings due to increased goodwill amortization, increased interest costs and additional costs related to the integration of acquisitions;

. potential reallocations of resources due to the growing complexity of our business and strategy;

. competition from companies then engaged in the new or complementary businesses that we are entering;

. possible additional regulatory requirements and compliance costs;

. dilution of our stockholders' percentage ownership and/or an increase of our leverage when issuing equity or convertible debt securities or incurring debt; and

. potential unavailability on acceptable terms, or at all, of additional financing necessary for expansion.

Our management has broad discretion over the use of proceeds from the offering.

The net proceeds of the offering are estimated to be approximately $ million after deducting the estimated underwriting discount and offering expenses. Management will retain broad discretion as to the use and allocation of those net proceeds. Accordingly, our investors will not have the opportunity to evaluate the economic, financial and other relevant information that we may consider in the application of the net proceeds.

Our controlling stockholder will beneficially own all of our Class B common stock and can exercise significant influence over our affairs.

We have two classes of common stock-- Class A, which carries one vote per share, and Class B, which carries ten votes per share. After the offering, all of the issued and outstanding shares of Class B common stock will be owned by Vincent McMahon directly or as the trustee of a trust for the benefit of his family. As a result, Mr. McMahon will control approximately % of the voting power of the issued and outstanding shares of our common stock (% if the underwriters' over-allotment option is exercised in full). Accordingly, he will be able to control the outcome of substantially all actions requiring stockholder approval, including the election of our directors, appointment of management, the adoption of amendments to our certificate of incorporation and approval of mergers or sales of substantially all of our assets. The interests of Mr. McMahon may conflict with the interests of the holders of our Class A common stock. In addition, the voting power of Mr. McMahon could have the effect of delaying or preventing a change in our control.

A substantial number of shares will be eligible for future sale by our current stockholders, and the sale of those shares could adversely affect our stock price.

Upon completion of the offering, our current stockholders will own approximately % of the outstanding shares of our common stock (% if the underwriters' over-allotment option is exercised in full), and designated key employees, directors, consultants and performers will have the right to purchase shares of Class A common stock through the exercise of immediately exercisable options. We, our directors, executive officers, certain other officers and stockholders have agreed not to offer, sell, contract to sell, swap, make any short sale of, pledge, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act with respect to, grant any option to purchase or otherwise dispose of, or publicly announce his, her or its intention to do any of the foregoing with respect to, any shares of Class A common stock, or any securities convertible into, or exercisable or exchangeable for, any shares of Class A common stock for a period of 180 days after the date of this prospectus without the prior written consent of Bear, Stearns & Co. Inc. After the expiration of a 180-day "lock-up" period, those stockholders and optionholders will be entitled to dispose of a portion of their shares upon compliance with applicable securities laws. We cannot predict the effect, if any, that future sales of these shares or the availability of those shares for future sale will have on the market price of our Class A common stock. Sales of substantial amounts of those shares or the perception that such sales could occur after the expiration of such 180- day period may adversely affect the prevailing market price of our Class A common stock. These factors could also make it more difficult to raise funds through future offerings of Class A common stock.

There has been no prior market for our Class A common stock, and the market price of the shares will fluctuate.

We cannot be sure that an active public market for our Class A common stock will develop or continue after the offering. Prices for our Class A common stock will be determined in the marketplace and may be influenced by many factors, including variations in our financial results, changes in earnings estimates by industry research analysts, investors' perceptions of us and general economic, industry and market conditions. The initial public offering price per share of our Class A common stock has been determined by negotiations among us and the representatives of the underwriters. Investors may not be able to sell their Class A common stock at or above the initial public offering price. We believe there are relatively few comparable companies that have publicly traded equity securities. This may also affect the trading price of our Class A common stock after the offering and make it more difficult for you to evaluate the value of our Class A common stock. The market price of our Class A common stock is likely to be highly volatile and could be subject to wide fluctuations in response to, among other things, the following factors:

. trends in television viewership and changes in audience tastes;

. changes in the popularity of our brand of sports entertainment;

. our operating performance and the performance of similar companies;

. news announcements or other developments relating to us, our principal competitor or our industry;

. changes in earnings estimates or recommendations by research analysts;

. changes in general economic conditions; and

. the significant price and volume volatility in the stock markets that has occurred in recent years and may continue to occur and that is often unrelated to the operating performance of specific companies.

Our operations may suffer temporary disruptions from Year 2000 computer problems resulting in increased expenses, decreased revenues or reduced earnings.

Year 2000 issues exist when computers record years using two digits rather than four and then use those years for arithmetic operations, comparisons or sorting. A two-digit recording program may recognize a date using "00" as 1900 rather than 2000, which could cause the computer system relying on that program to

perform inaccurate computations or fail to operate. While we believe that prior to January 1, 2000 we will have addressed any Year 2000 issues affecting our internal systems, if the steps that we have taken and propose to take are not adequate, or if our significant business partners, vendors or customers do not take appropriate steps, then Year 2000 problems could have a material adverse effect on our business, operating results and financial condition and the price of our Class A common stock. For example, disruptions in cable television systems would seriously hinder our ability to distribute our television and pay-per-view programs until alternative distribution arrangements could be made.

This prospectus contains forward-looking information.

This prospectus contains forward-looking statements regarding our business. When used in this prospectus, the words "anticipates," "plans," "believes," "estimates," "intends," "expects" and "projects" typically identify forward- looking statements, although not all forward-looking statements contain such words. Such statements, including, but not limited to, our statements regarding our business and operating strategies and liquidity and capital resources, are based on management's beliefs, as well as on assumptions made by, and information currently available to, management, and involve risks and uncertainties, certain of which are beyond our control. Our actual results could differ materially from those expressed in any forward-looking statement made by us or on our behalf. In light of these risks and uncertainties, we cannot assure you that any forward-looking information in this prospectus will prove to be accurate.

USE OF PROCEEDS

We intend to use the net proceeds from the offering to provide additional funds for our operations and for general corporate purposes, including funding the expansion of our Internet operations, funding the development of new genres of television programming and upgrading our television and post-production facility. We may also use a portion of the net proceeds to acquire or invest in complementary businesses; however, we currently have no commitments or agreements with respect to any acquisition or investment. We cannot specify with certainty the particular uses for the remaining net proceeds to be received upon the completion of this offering. Accordingly, our management team will have broad discretion in applying the net proceeds. See "Risk Factors--Our management has broad discretion over the use of proceeds from the offering."

DIVIDEND POLICY

We plan to retain all of our earnings, if any, to finance the expansion of our business and for general corporate purposes and do not anticipate paying any cash dividends on our Class A or Class B common stock in the foreseeable future. Our future dividend policy will be determined by our board of directors on the basis of various factors, including our results of operations, financial condition, capital requirements and investment opportunities and the limitations imposed by our credit agreements. Prior to the offering, as an S corporation, we made distributions to our stockholder for federal and state income tax and other purposes, subject to limitations in our credit agreement.

RECLASSIFICATION OF STOCK AND PRIOR S CORPORATION STATUS

On or prior to the closing of the offering, we will amend and restate our certificate of incorporation in the state of Delaware. Pursuant to the certificate of incorporation, as amended and restated, we will be authorized to issue up to shares of $.01 par value common stock, of which shares will be classified as Class A common stock and shares as Class B common stock. The Class A and Class B common stock will be identical in all respects, except that the Class A common stock will be entitled to one vote for each share and the Class B common stock will be entitled to ten votes for each share. The Class B common stock is fully convertible into Class A common stock, on a one-for-one basis, at any time at the option of the holder or upon the transfer of the Class B common stock to any person or entity not affiliated with Vincent McMahon, Linda McMahon or their family. Mr. McMahon and the trust that he created for the benefit of his children hold our common stock and, upon the reclassification, will hold Class B common stock.

We have been subject to taxation under Subchapter S of the Internal Revenue Code of 1986, as amended, since fiscal 1988. As a result, we currently pay no federal income tax and pay only foreign and certain state income taxes. Our earnings are subject to federal and, generally, state income taxation directly at the stockholder level. As an S corporation, we have made periodic distributions to our stockholder for the payment of such taxes without the imposition of a second tax on us.

On June 29, 1999, we issued an unsecured, 5% interest-bearing note in the principal amount of $32.0 million due April 10, 2000 to our stockholder. The note represents estimated federal and state income taxes payable by our stockholders with respect to our income for fiscal 1999 and for the interim period from May 1, 1999 through September 30, 1999. We will terminate our S corporation status prior to the issuance of shares in the offering, at which time we will become subject to corporate income taxation under Subchapter C of the Internal Revenue Code. In the event our S corporation status is terminated after September 30, 1999, we may make an additional distribution to reflect our stockholders' tax liability on our taxable income through the date of the termination of our S corporation status. A portion of the net proceeds of the offering may be used to make any such additional distributions and to fund the payment of the short-term note at maturity. See "Use of Proceeds." In addition, we distributed $25.5 million in cash to Mr. McMahon on June 29, 1999 representing a portion of our previously earned and undistributed earnings, which has been fully taxed at the stockholder level. As of June 30, 1999, approximately $14.8 million of undistributed earnings were retained in our company.

We have entered into a tax indemnification agreement with our stockholders, Mr. McMahon and a trust that he created for the benefit of his family, under which they have agreed to indemnify us for any federal and state income taxes, including interest and penalties, that we may incur, if, for any reason, we are deemed to be a C corporation during any period for which we reported our taxable income as an S corporation. This tax indemnification obligation is limited to the aggregate amount of tax distributions to the stockholders for all periods since fiscal 1995, for which we are subject to tax audit. Purchasers of Class A common stock in the offering will not be parties to the tax indemnification agreement.

CAPITALIZATION

The following table sets forth our combined cash, indebtedness and capitalization as of April 30, 1999 on an actual basis and on a pro forma basis to reflect prior to the issuance of shares in the offering:

. the contribution by our stockholders of the stock of two of our affiliated companies;

. the termination of our status as an S corporation;

. the distribution of $25.5 million in cash to our stockholder representing a portion of our previously earned and undistributed earnings, which has been fully taxed at the stockholder level;

. the issuance to our stockholder of an unsecured, 5% interest-bearing note in the principal amount of $32.0 million due April 10, 2000; and

. the reclassification of our common stock into Class A and Class B common stock.

And as further adjusted to give effect to:

. the offering of shares of Class A common stock at an assumed initial offering price of $ per share; and

. our receipt of the estimated net proceeds of $ from the offering.

This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined financial statements and the related notes included elsewhere in this prospectus.

	April 30, 1999	
	Actual	Pro forma, as adjusted
	(in thousands, except share data)	
Cash and cash equivalents	$45,727	$
Total debt:		
Long-term debt (including current portion)	$12,791	$12,791
Amount due stockholder on April 10, 2000	--	32,000
Total debt	12,791	44,791
Stockholders' equity:		
Class A common stock, $.01 par value; as adjusted, shares authorized, shares issued and outstanding		
Class B common stock, $.01 par value; as adjusted, shares authorized, shares issued and outstanding(1)	3	
Additional paid-in capital	130	
Accumulated comprehensive (loss)	(87)	(87)
Retained earnings	72,214	
Total stockholders' equity	$72,260	$
Total capitalization	$85,051	$

(1) Prior to the offering, two of our affiliated companies were combined with us. As of April 30, 1999, the capital stock of the combining entities was as follows: World Wrestling Federation Entertainment, Inc. (formerly Titan Sports Inc.) common stock, no par value, 12,500 shares authorized, and 100 shares issued and outstanding; Titan Promotions (Canada), Inc. common shares, no par value, unlimited authorization, and 100 shares issued and outstanding, and Stephanie Music Publishing, Inc. common stock, no par value, 5,000 shares authorized, and 100 shares issued and outstanding.

SELECTED HISTORICAL COMBINED FINANCIAL AND OTHER DATA

The following table sets forth our selected historical combined financial data for each of the five fiscal years in the period ended April 30, 1999 and as of the end of each such fiscal year and selected unaudited pro forma financial data as of, and for the fiscal year ended, April 30,1999. The selected historical combined financial data as of April 30, 1998 and 1999 and for the fiscal years ended April 30, 1997, 1998 and 1999 have been derived from the audited combined financial statements included elsewhere in this prospectus. The selected historical combined financial data as of April 30, 1995, 1996 and 1997 and for the fiscal years ended April 30, 1995 and 1996 have been derived from our audited combined financial statements, which have not been included in this prospectus. You should read the selected historical combined financial data in conjunction with our historical combined financial statements, the related notes and the information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this prospectus.

The unaudited pro forma combined balance sheet and statement of operations data included in the table are based upon information in our combined balance sheet as of April 30, 1999 and our combined statement of operations for fiscal 1999, which appear elsewhere in this prospectus, after giving effect to the pro forma adjustments described in the notes to the table. Such adjustments have been made assuming the transactions reflected in the pro forma combined financial data took place on April 30, 1999 for balance sheet purposes and May 1, 1998 for statement of operations purposes. The unaudited pro forma combined financial data are provided for informational purposes only and do not purport to be indicative of the results of operations and financial position that would have been obtained or that may be expected to occur in the future.

We elected, beginning with our fiscal year ended April 30, 1988, to be subject to the provisions of Subchapter S of the Internal Revenue Code. Accordingly, since that time, our taxable income or loss has been included in the federal and certain state income tax returns of our stockholder. The provision for income taxes reflected in our historical combined financial statements since fiscal 1988 relates only to foreign and certain state income taxes for those states that do not recognize Subchapter S corporations. Our stockholders are responsible for the payment of federal and certain state income taxes with respect to our operations, which have been funded by distributions from our undistributed earnings account. Prior to the issuance of shares in the offering, we will terminate our election to be subject to the provisions of Subchapter S and will become subject to the provisions of Subchapter C of the Internal Revenue Code. As a C corporation, we will be fully subject to federal, state and foreign income taxes.

EBITDA represents income from operations plus depreciation and amortization. EBITDA is presented because management believes that such information is considered by certain investors to be an additional basis for evaluating a company's operating performance, leverage and liquidity. EBITDA should not be considered an alternative to measures of operating performance determined in accordance with generally accepted accounting principles or as a measure of our operating results and cash flows or as a measure of our liquidity.

	Fiscal Year Ended April 30,					
	1995	1996	1997	1998	1999	
	(dollars in thousands, except per share data)					
Combined Statement of Operations Data:						
Net revenues	$ 87,352	$ 85,815	$ 81,863	$ 126,231	$ 251,474	
Cost of revenues	60,558	55,172	60,958	87,969	146,618	
Selling, general and administrative expenses	26,205	22,934	25,862	26,117	45,559	
Depreciation and amortization	2,570	2,354	1,729	1,676	1,946	
Other income (expense), net	(2,184)	(2,051)	(5)	(1,540)	622	
Income (loss) before income taxes	(4,165)	3,304	(6,691)	8,929	57,973	
Provision (benefit) for income taxes	266	105	(186)	463	1,943	
Net income (loss)	$ (4,431)	$ 3,199	$ (6,505)	$ 8,466	$ 56,030	
Unaudited Pro Forma Combined Statement of Operations Data:						
Historical income before income taxes					$ 57,973	
Pro forma adjustment other than income taxes					2,515	(1)
Pro forma income before income taxes					55,458	
Pro forma provision for income taxes					22,227	(2)
Pro forma net income					$ 33,231	
Pro forma earnings per common share (basic and diluted)					$	(3)
Combined Statement of Cash Flows Data:						
Net cash provided by (used in) operating activities	$ (2,277)	$ 2,245	$ 3,628	$ 6,256	$ 57,646	
Net cash provided by (used in) investing activities	(1,383)	1,510	(849)	(1,294)	(14,634)	(4)
Net cash provided by (used in) financing activities	(192)	(4,476)	(1,803)	1,974	(6,082)	
Other Financial Data:						
EBITDA	$ 589	$ 7,709	$ (4,957)	$ 12,145	$ 59,297	
Capital expenditures	1,568	343	892	1,294	3,756	
Other Non-Financial Data:						
Number of live events	333	263	199	218	199	
Total attendance	1,163,259	931,954	1,080,540	1,599,716	2,273,748	
Average weekly Nielsen rating of Raw is War	3.0	3.0	2.4	3.1	5.0	
Pay-per-view buys	1,868,900	2,831,700	2,252,200	2,936,000	5,024,700	

	As of April 30,						
	1995	1996	1997	1998	1999	Pro forma, as adjusted 1999 (unaudited)	
	(in thousands)						
Combined Balance Sheet Data:							
Cash and cash equivalents	$ 1,606	$ 885	$ 1,861	$ 8,797	$ 45,727	$	(5)(6)
Property and equipment-net	32,497	27,368	26,499	26,117	28,377	28,377	
Total assets	51,134	46,739	41,856	59,594	130,188		(5)(6)
Total long-term debt (including current portion)	10,332	7,608	8,267	12,394	12,791	12,791	
Amount due stockholder	--	--	--	--	--	32,000	(7)
Total stockholder's equity	23,792	25,304	16,420	22,697	72,260		(8)

(1) This amount gives pro forma effect to the increase in compensation to Vincent and Linda McMahon pursuant to employment agreements that will become effective upon the closing of the offering. See "Management." Historically, both executives were paid less compensation because they benefited from S Corporation distributions to Mr. McMahon.
(2) This amount represents a pro forma estimate of our provision for federal, state and foreign income taxes to give effect to the change in our tax status to a C corporation during fiscal 1999. Prior to the issuance of shares in the offering, we will terminate our status as an S corporation. See "Reclassification of Stock and Prior S Corporation Status."
(3) Based on a weighted average number of common shares outstanding of for the year ended April 30, 1999.
(4) In fiscal 1999, we purchased a 193-room hotel and casino in Las Vegas, Nevada for approximately $10.8 million. We have since determined that the ownership and operation of this property is no longer consistent with our business objectives, and we intend to sell this property during fiscal 2000.
(5) Reflects the distribution of $25.5 million to our stockholder, Mr. McMahon, on June 29, 1999 representing a portion of previously earned and undistributed earnings, which have been fully taxed at the stockholder level. As of June 30, 1999, approximately $14.8 million of undistributed earnings were retained in our company.
(6) Reflects our receipt of the estimated net proceeds of the offering of $.
(7) Reflects the accrual of tax distributions in the amount of $32.0 million relating to estimated federal and state income taxes payable by our stockholders with respect to our earnings in fiscal 1999 and the period from May 1, 1999 through September 30, 1999. On June 29, 1999, we issued an unsecured, 5% interest-bearing note in the principal amount of $32.0 million due April 10, 2000 to our stockholder.
(8) Gives effect to the pro forma adjustments described in notes 5, 6 and 7 above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the audited combined financial statements and related notes included elsewhere in this prospectus.

General

We are an integrated media and entertainment company principally engaged in the development, production, and marketing of television programming, pay-per- view programming, live events and the licensing and sale of branded consumer products featuring our highly successful World Wrestling Federation brand of entertainment. We have experienced significant growth in many aspects of our business. We believe this growth has been driven by a series of management decisions initiated in late 1997 to reposition our business, including:

. Expanding our story lines through the further integration of contemporary themes;

. Increasing our focus on the continuous development of talented young performers to supplement our pool of established talent;

. Developing additional weekly television programming and intensifying our pay-per-view marketing efforts to expand our audience;

. Bringing certain operating activities in-house, including the distribution of home videos and the publication and distribution of direct mail catalogs;

. Expanding the licensing and direct sale of our branded merchandise;

. Negotiating agreements to expand our rights to sell advertising time on our television programming; and

. Establishing a presence on the Internet to further promote our brand, generate additional revenue streams, and provide our fans with a channel for interactive communication.

These new business initiatives, combined with our growing audience appeal, have led to increasingly higher television ratings and greater pay-per-view buys, which have heightened demand for our product offerings, including licensed products, home videos and other branded merchandise.

Our operations are organized around two principal activities:

. The creation, marketing and distribution of our live and televised entertainment and pay-per-view programming. Revenues are derived principally from ticket sales to our live events, purchases of our pay-per-view programs, the sale of television advertising time and the receipt of cable television rights fees.

. The marketing and promotion of our branded merchandise. Revenues are generated from both royalties from the sale by third-party licensees of merchandise and the direct sale by us of merchandise, magazines and home videos.

The combined financial statements include the financial statements of our company, formerly known as Titan Sports Inc., and its wholly-owned subsidiary and certain affiliated companies, which are presented on a combined basis because of their common ownership. Other than our Canadian affiliate, each of these combined entities have been treated as an S corporation for federal income tax purposes. Prior to the issuance of shares in the offering, we will terminate our S corporation status and will thereafter be subject to federal, state and foreign income taxes.

Results of Operations

Fiscal 1999 Compared to Fiscal 1998

Net Revenues. Net revenues were $251.5 million in fiscal 1999 as compared to $126.2 million in fiscal 1998, an increase of $125.3 million, or 99%. Of this increase, $77.4 million was from our live and televised entertainment activities, and $47.9 million was from our branded merchandise activities.

Live and Televised Entertainment. Net revenues were $170.0 million in fiscal 1999 as compared to $92.6 million in fiscal 1998, an increase of $77.4 million, or 84%. This increase was primarily attributable to an increase in pay-per-view revenues of $37.1 million, which resulted from an increase in pay-per-view buys from approximately 2.9 million to approximately 5.0 million, or 72%. Virtually all of our 12 pay-per-view events contributed to this increase. Revenues from attendance at our events increased by $20.8 million in fiscal 1999 primarily as a result of an increase in attendance from approximately 1.6 million in fiscal 1998 to approximately 2.3 million in fiscal 1999, or 44%, and an increase in average ticket prices. Revenues from the sale of advertising time and sponsorships increased by $17.9 million in fiscal 1999 as a result of improved ratings for our shows and new contracts with the USA Network in July 1998 and September 1998, which provided us with the right to sell a substantial majority of the advertising time in our programs.

Branded Merchandise. Net revenues were $81.5 million in fiscal 1999 as compared to $33.6 million in fiscal 1998, an increase of $47.9 million, or 143%. This increase was due primarily to increases in licensing revenues of $17.8 million, home video revenues of $17.7 million, publishing revenues of $5.1 million and direct sale merchandise revenues of $3.1 million. The increase in licensing revenues resulted from heightened demand for our branded products, particularly in the apparel and toy categories. Additionally, we increased the number of our licensees in an effort to broaden our product offerings. In March 1998, we terminated a licensing agreement and began to produce and distribute home videos in-house. The increase in home video revenues was due to the full year impact of this decision and, to a lesser extent, an increase in the number of titles offered for sale in fiscal 1999. Licensing revenues related to home video sales in fiscal 1998 were insignificant. The increase in publishing revenues was due to increased newsstand sales and increased sales of subscriptions. The increase in direct sale merchandise revenues was due to an increase in attendance at our events partially offset by a decrease in per capita spending.

Cost of Revenues. Cost of revenues was $146.6 million in fiscal 1999 as compared to $88.0 million in fiscal 1998, an increase of $58.6 million, or 67%. Of this increase, $30.6 million was from our live and televised entertainment activities, and $28.0 million was from our branded merchandise activities. Gross profit as a percentage of net revenues increased to 42% in fiscal 1999 from 30% in fiscal 1998.

Live and Televised Entertainment. The cost of revenues to create and distribute our live and televised entertainment was $98.1 million in fiscal 1999 as compared to $67.5 million in fiscal 1998, an increase of $30.6 million, or 45%. Gross profit as a percentage of net revenues increased to 42% in fiscal 1999 from 27% in fiscal 1998. The increase in gross profit resulted from increased revenues from higher margin areas of pay-per-view programming and television advertising and, to a lesser extent, increased attendance and higher average ticket prices at our events.

Branded Merchandise. The cost of revenues to market and promote our branded merchandise was $48.5 million in fiscal 1999 as compared to $20.5 million in fiscal 1998, an increase of $28.0 million, or 137%. Gross profit as a percentage of net revenues increased to 40% in fiscal 1999 from 39% in fiscal 1998. The increase in gross profit was due to the commencement in March 1998 of the sale of home video products on a direct basis. This was partially offset by an increase in direct sale merchandise costs related to our concession sales.

Selling, General and Administrative Expenses. Selling, general and administrative expenses, which include corporate overhead expenses, were $45.6 million in fiscal 1999 as compared to $26.1 million in fiscal 1998, an increase of $19.5 million, or 75%. The increase was due primarily to an increase in the number of full-time personnel by 58 persons. This increase reflects the development and implementation of

our home video and new media businesses, the expansion of our advertising sales force to support our new arrangement with the USA Network, an increase in the number of personnel involved in the production of our televised programming, and an increase in administrative personnel. Selling, general and administrative expenses as a percentage of net revenues were 18% in fiscal 1999 as compared to 21% in fiscal 1998. We anticipate that selling, general and administrative expenses will increase by approximately $13.5 million in fiscal 2000, reflecting the full year impact of the increase in headcount in fiscal 1999 and the continued expansion of our business.

Depreciation and Amortization. Depreciation and amortization expense was $1.9 million in fiscal 1999 as compared to $1.7 million in fiscal 1998, an increase of $0.2 million.

Other Income (Expense), Net. In fiscal 1999 we realized net interest income of $0.6 million compared to net interest expense of $1.5 million in fiscal 1998. The change is primarily the result of significantly higher cash balances in fiscal 1999.

Provision for Income Taxes. As an S corporation, we have had to provide only for certain state and foreign income taxes as our principal stockholder was responsible for the payment of federal and certain other state income taxes in these years. Income taxes were $1.9 million in fiscal 1999 as compared to $0.5 million in fiscal 1998. Upon the termination of our S corporation election, we will be directly responsible for paying federal, state and foreign income taxes. After giving effect to our termination of our S corporation election, on a pro forma basis federal, state and foreign income taxes would have been $22.2 million in fiscal 1999, which represents an effective income tax rate of 40%.

Net Income. As a result of the foregoing, S corporation net income was $56.0 million for fiscal 1999 as compared to $8.5 million for fiscal 1998, an increase of $47.5 million, or 559%. On a pro forma basis, giving effect to the termination of our S corporation election and other pro forma adjustments, pro forma net income for fiscal 1999 would have been $33.2 million.

Fiscal 1998 Compared to Fiscal 1997

Net Revenues. Net revenues were $126.2 million in fiscal 1998 as compared to $81.9 million in fiscal 1997, an increase of $44.3 million, or 54%. Of this increase, $28.7 million was from our live and televised entertainment activities, and $15.6 million was from our branded merchandise activities.

Live and Televised Entertainment. Net revenues were $92.6 million in fiscal 1998 as compared to $63.9 million in fiscal 1997, an increase of $28.7 million, or 45%. This increase was primarily attributable to an increase in pay-per-view revenues of $17.1 million, which resulted from an increase in pay-per-view buys from approximately 2.3 million to approximately 2.9 million, or 26%. A substantial portion of this increase was generated by Wrestlemania XIV. Revenues from attendance at our events increased by $8.0 million in fiscal 1998 as a result of an increase in attendance from approximately 1.1 million to approximately 1.6 million, or 45%, and, to a lesser extent, higher average ticket prices. Advertising revenues increased by $2.8 million due to the increase in our television ratings and the expansion of our sponsorship program.

Branded Merchandise. Net revenues were $33.6 million in fiscal 1998 as compared to $18.0 million in fiscal 1997, an increase of $15.6 million, or 87%. The increase in revenues was due primarily to increased revenues from direct sale merchandise revenues of $11.0 million and licensing revenues of $3.8 million. The increase in merchandise revenues was due to higher attendance and a 44% increase in per capita spending at our live events. During fiscal 1997, we made a decision to terminate a licensing agreement relating to our direct mail catalog and to bring this operation in-house. The increase in direct sale merchandise revenues also reflects the impact of our decision to terminate this licensing agreement. The increase in licensing revenues resulted from an increase in the number of licensees and heightened demand for our branded products, particularly action figures.

Cost of Revenues. Cost of revenues was $88.0 million in fiscal 1998 as compared to $61.0 million in fiscal 1997, an increase of $27.0 million, or 44%. Of this increase, $18.5 million was from our live and televised entertainment activities, and $8.5 million was from our branded merchandise activities. Gross profit as a percentage of net revenue was 30% in fiscal 1998 as compared to 26% in fiscal 1997.

Live and Televised Entertainment. The cost of revenues to create and distribute our live and televised entertainment was $67.5 million in fiscal 1998 as compared to $49.0 in fiscal 1997, an increase of $18.5 million, or 38%. Gross profit as a percentage of revenues was 27% in fiscal 1998 as compared to 23% in fiscal 1997. The increase in gross profit was due to the increase in our live event attendance and the increase in our cable television programming rights fees due to the expansion of Raw is War from a one hour to a two hour format. These increases were partially offset by expenditures for special guest talent for Wrestlemania XIII.

Branded Merchandise. The cost of revenues to market and promote our branded merchandise was $20.5 million in fiscal 1998 as compared to $12.0 million in fiscal 1997, an increase of $8.5 million, or 71%. Gross profit as a percentage of revenues was 39% in fiscal 1998 as compared to 33% in fiscal 1997. The increase in gross profit was primarily a result of increased sales of our direct sale merchandise at our events and the full year impact of our decision to terminate an agreement with respect to catalog sales and to handle this function in-house.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $26.1 million in fiscal 1998 as compared to $25.9 million in fiscal 1997, an increase of $0.2 million.

Depreciation and Amortization. Depreciation and amortization expense was $1.7 million in both fiscal 1998 and fiscal 1997.

Other Income (Expense), Net. Interest expense net was $1.5 million in fiscal 1998 as compared to zero in fiscal 1997. The increase reflects higher borrowings related to the mortgage loan obtained in December 1997, partially offset by a decrease in borrowings under the revolving credit facility and lower average borrowing rates.

Provision for Income Taxes. As an S corporation, we have had to provide only for certain state and foreign income taxes as our stockholder was responsible for the payment of federal and certain state income taxes in these years. Income taxes were $0.5 million in fiscal 1998 as compared to an income tax benefit of $0.2 million in fiscal 1997, reflecting modest increases in state and foreign income taxes paid.

Net Income (Loss). As a result of the foregoing, S corporation net income was $8.5 million for fiscal 1998 as compared to a net loss of $6.5 million for fiscal 1997.

Liquidity and Capital Resources

Cash flows from operating activities increased during fiscal 1999 to $57.6 million from $6.3 million in fiscal 1998 and $3.6 million in fiscal 1997. This improvement primarily reflects the increase in operating income that we experienced in fiscal 1999. Working capital (deficiency), consisting of current assets less current liabilities, was $52.7 million, $8.3 million and $(3.9) million as of April 30, 1999, 1998 and 1997, respectively.

Cash flows used in investing activities were $14.6 million in fiscal 1999, $1.3 million in fiscal 1998 and $0.8 million in fiscal 1997. The increase in fiscal 1999 principally reflects the acquisition of a 193-room hotel and casino facility in Las Vegas, Nevada totalling $10.8 million. In addition, we made other payments related to the hotel and casino totaling $1.5 million. We have since determined that the ownership and operation of this particular property is no longer consistent with our business objectives, and we intend to sell this property during fiscal 2000. This property is classified on the combined balance sheet as an asset held for sale. In the future, we may seek to develop branded location-based entertainment businesses directly or through

licensing agreements, joint ventures or other arrangements. Capital expenditures were $3.8 million in fiscal 1999, $1.3 million in fiscal 1998, and $0.9 million in fiscal 1997. The increase in capital expenditures in fiscal 1999 was due primarily to the purchase of equipment for use in our television and post-production facility.

Cash flows (used in) provided by financing activities were $(6.1) million in fiscal 1999, $2.0 million in fiscal 1998, and $(1.8) million in fiscal 1997. We made S corporation distributions to our stockholder totaling $6.5 million in fiscal 1999, $2.2 million in fiscal 1998 and $2.4 million in fiscal 1997. On June 29, 1999, we distributed to Mr. McMahon, our sole stockholder at that date, cash in the amount of $25.5 million out of our earned and undistributed earnings which have been fully taxed at the stockholder level. In addition, we issued an unsecured, 5% interest-bearing note due April 10, 2000 in an amount equal to the estimated income taxes payable by Mr. McMahon in respect of income taxes for fiscal 1999 estimated to be $22.0 million and for the interim period May 1, 1999 through September 30, 1999 estimated to be $10.0 million.

On December 12, 1997, we entered into a mortgage loan agreement with a financial institution under which we borrowed $12.0 million at an annual interest rate of 7.6% to be repaid in monthly installments over 15 years. This term loan is collateralized by our executive offices and production studio, both of which are located in Stamford, Connecticut. Additional collateral includes all leases, agreements and other items relating to our mortgaged property and its operation. The term loan may not be prepaid in whole or in part prior to and through December 31, 2005. Thereafter, the term loan may be prepaid in whole with the payment of a premium. As of July 30, 1999, the outstanding principal amount of the term loan was $11.3 million.

On December 22, 1997, we entered into a $10.0 million revolving credit agreement with a financial institution that expires on December 21, 2000. Interest on outstanding amounts are calculated at the alternate base rate plus 0.5%, or at the Eurodollar rate plus 2.5%, based upon the availability of qualifying receivables which collateralize the loan. In addition to qualifying receivables, this revolving credit agreement is collateralized by certain of our general intangible property, excluding intellectual property. As of July 30, 1999, no amounts were outstanding under the revolving portion of this credit agreement. We intend to seek modifications to our credit agreement to increase the amounts available to borrow on more favorable terms and conditions, extend the length of the term and reflect the termination of our S corporation status. We can give no assurance that we will be able to negotiate acceptable modifications to the revolving credit agreement.

During July 1998, we amended the revolving credit agreement to allow us to make a capital expenditure loan. Pursuant to this amendment, we borrowed $1.6 million at the IBJ swap rate plus 3% (8.9% at July 30, 1999) to be repaid in 29 monthly installments. The studio equipment purchased with the proceeds of the loan, as well as the other collateral under the revolving credit agreement, collateralizes the term loan. As of July 30, 1999, the outstanding principal amount of the loan was $1.0 million, of which $0.6 million was classified on our combined balance sheet as a current liability.

We have entered into various contracts under the terms of which we are required to make guaranteed payments, including:

. Performance contracts with all of our performers, certain of which provide for future minimum guaranteed payments.

. Television distribution agreements with the USA Network that provide for the payment of the greater of a fixed percentage of the revenues from the sale of television advertising time or an annual minimum payment. An agreement with respect to one hour of programming expires in September 2000, and the other agreement with this network, which covers four hours, expires in September 2001 but may be terminated earlier by either party. We have recently entered into a

one year agreement with the United Paramount Network expiring in September 2000, which covers two hours of programming every week and which also provides for a minimum performance payment by us.

. Various operating leases related to our sales offices and warehouse space.

. Employment contracts with certain of our employees, the terms of which are generally for a period of two to three years.

For the next three fiscal years, our aggregate minimum payment obligations under these contracts, including the recent United Paramount Network commitment and the employment agreements with Vincent and Linda McMahon, are $41.3 million for fiscal 2000, $35.7 million for fiscal 2001, and $16.3 million for fiscal 2002. We anticipate that all of these obligations will be satisfied out of cash flow from operating activities.

We believe that cash generated from operations, together with amounts available under the revolving credit agreement and net proceeds from the offering, will be sufficient to meet our working capital, capital expenditure and other cash needs for the next twelve months. Financing our growth strategy may, depending on the size and number of the projects and investments, require the issuance of additional debt and equity securities.

Year 2000 Readiness Disclosure

Overview. We are currently working to eliminate the potential impact on the processing of date-sensitive information by our computer and non-information systems of dates beginning with January 1, 2000. Year 2000 issues exist when computers record years using two digits rather than four, and then use that information for arithmetic operations, comparisons or sorting. A two-digit recording program may recognize a date using "00" as 1900 rather than 2000, which could cause it or the computer on which the program is running to perform inaccurate computations or fail to operate. Year 2000 issues are not limited to computers and can also affect non-information systems, such as elevators, which use embedded technology.

Our Year 2000 project team is composed of internal information systems, operations, finance and executive personnel as well as external information systems consultants. We began our Year 2000 compliance program during 1997 by identifying and assessing the potential impact of the Year 2000 on both our information and non-information systems.

Our Year 2000 project team has divided our operations into the following three categories: management information systems, television programming and facilities.

. Management information systems include all internally developed and externally acquired hardware, software, networking and communications equipment.

. Television programming has been further subdivided into production, graphics and music. Production includes equipment used in our television studio. Graphics includes all special effects hardware and software. Music includes musical instruments and recording equipment used in our music studio.

. Facilities covers all non-information technology systems not included in the television programming category, such as heat, ventilation and air conditioning systems, fire alarms, security systems and elevators.

State of Readiness. We have completed the identification and assessment of all information and non-information systems that process date-sensitive information. We are testing and remediating non-compliant systems and developing contingency plans for systems that may not be Year 2000 compliant by the necessary date.

Management Information Systems. We have either replaced or purchased upgrades to most non-compliant externally purchased software packages. Installation of most upgrades to non-compliant software has been completed. We expect all externally purchased software to be fully compliant by September 1999. All internally developed software programs have been reviewed, and the program code for non-compliant internally developed software programs has been rewritten. All internally developed and externally purchased software has been tested for compliance, and most is currently compliant. All hardware, networking and communications equipment are Year 2000 compliant.

Television Programming. We have contacted substantially all of the manufacturers of our television production equipment. Approximately 90% of these manufacturers have responded to us. The vast majority of those responding have represented that their equipment that is used by us is Year 2000 compliant. We are in the process of upgrading certain television production equipment as recommended by the manufacturers who have responded that their equipment is non-compliant. We have contacted substantially all of the manufacturers of our graphics equipment. We have received responses from approximately 80% of these manufacturers and are in the process of replacing non-compliant graphics equipment. Our non-compliant music equipment has been replaced. All music equipment in our music studio is Year 2000 compliant.

Facilities. We are in the process of replacing all non-information systems that are not Year 2000 compliant. We expect all non-information systems to be compliant by October 1999.

Third Parties. We have sent Year 2000 compliance surveys to all of our significant business partners, vendors and customers. Although we have little or no control over the Year 2000 compliance efforts of these third parties, we are making an effort to determine the level of compliance of each such party. Approximately 60% have responded that they are either compliant or in the process of becoming compliant. We have focused particular attention on the Year 2000 readiness of our primary cable television network carrier, the USA Network. We have received assurances that such cable television network carrier anticipates being Year 2000 compliant. However, we cannot assure you that they will be compliant.

Costs. As of June 30, 1999, we had spent less than $100,000 in our Year 2000 compliance program. We expect to incur additional costs of less than $100,000 to complete our compliance program, excluding the approximately $200,000 cost of a previously planned heating and air-conditioning system replacement. Such amounts include normal system upgrades and replacements. Costs specifically associated with modifying our systems for Year 2000 compliance have been expensed as incurred. Based on our assessment to date, we do not expect the remaining costs of our Year 2000 compliance program to have a material effect on our results of operations, financial position or liquidity.

Risks. Our objective is to achieve timely and substantial Year 2000 compliance. Despite our efforts to reduce the potential negative impact of the Year 2000 problem, certain situations could occur that would adversely impact our business and operations. We believe that prior to January 2000 we will have addressed any Year 2000 issues affecting our internal systems. On the other hand, a reasonably likely worst case scenario is that certain of our significant business partners, cable and network television distributors, vendors or customers will be unable to become Year 2000 compliant on a timely basis. This could negatively impact our revenues. For example, disruptions in cable television systems would seriously hinder our ability to distribute our television and pay-per-view programs. These problems would continue until alternative distribution arrangements could be made.

Contingency Plans. We have identified alternative methods of conducting various operations and functions in the event that certain equipment or third parties are not Year 2000 compliant. These alternatives include manual processing of information, utilizing back-up equipment and identifying alternative business partners and vendors.

Seasonality

Our operating results are not materially affected by seasonal factors; however, because we operate on a fiscal calendar, the number of pay-per-view events recorded in a given quarter may vary. In addition, revenues from our

licensing and direct sale of consumer products, including through our catalogs, monthly magazines and Internet sites, may vary from period to period depending on the volume and extent of licensing agreements and marketing and promotion programs entered into during any particular period of time, as well as the commercial success of the media exposure of our characters and brand. The timing of these events as well as the continued introduction of new product offerings and revenue generating outlets can and will cause fluctuation in quarterly revenues and earnings.

Inflation

During the past three fiscal years, inflation has not had a material effect on our business.

Recent Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities." The statement requires the recognition of all derivatives as either assets or liabilities in the balance sheet and the measurement of those instruments at fair value, and is effective for fiscal years beginning after June 15, 2000, which, therefore, would require us to adopt such statement on May 1, 2001. Although our involvement in derivative type instruments is limited, the adoption of this statement would require us to reflect on our balance sheet the estimated fair value of warrants that we received in connection with certain license agreements. See note 14 to the combined financial statements.

Quantitative and Qualitative Disclosures about Market Risk

No information with respect to market risk has been included as it has not been material to our financial condition or results of operations.

BUSINESS

We are an integrated media and entertainment company, principally engaged in the development, production and marketing of television programming, pay-per- view programming and live events, and the licensing and sale of branded consumer products featuring our highly successful World Wrestling Federation brand. We have been involved in the sports entertainment business for over 20 years, and have developed the World Wrestling Federation into one of the most popular forms of entertainment today.

We believe that our success results from our ability to offer consumers an affordable and exciting entertainment experience. Central to the development of this entertainment experience are our creative and compelling story lines and our roster of approximately 110 talented performers. Each week we advance our story lines, develop our characters and create the drama and excitement that drive our business and attract customers to the World Wrestling Federation.

Our objectives are to broaden our leadership position in the creation, production and promotion of our form of televised and live entertainment events and to leverage our technical and operating skills to pursue complementary entertainment-based business opportunities. Some of the key elements of our strategy are to:

. Continue to produce high quality, branded programming, live events and consumer products for worldwide distribution;

. Expand our existing television and pay-per-view distribution relationships and develop broader distribution arrangements for our branded programming worldwide;

. Increase the licensing and direct sales of our branded products through our distribution channels;

. Grow our Internet operations to further promote our brand and to develop additional sources of revenue;

. Form strategic relationships with other media and entertainment companies to further promote our brand and our products;

. Create new forms of entertainment and brands that complement our existing businesses, including the development of new television programming that will extend beyond our current programming, all of which will appeal to our targeted demographic market; and

. Develop branded location-based entertainment businesses directly or through licensing agreements, joint ventures or other arrangements.

Creative Development and Production

We believe that we have developed the World Wrestling Federation brand into one of the most recognizable sports entertainment brands in the world. We believe our brand can be further leveraged to enhance our existing businesses by:

. Continuing to develop creative story lines, entertaining characters, exciting live events and televised programming;

. Recruiting, developing and maintaining a roster of highly skilled athletes who have the physical presence, acting ability and charisma to develop into popular performers;

. Promoting our brand identity through sponsorships, licensing, marketing, advertising and other activities featuring our performers; and

. Providing opportunities for our performers to utilize their talents in other forms of television programming and film projects.

Our creative team, headed by Vincent McMahon, develops soap opera-like story lines employing the same techniques that are used by many successful dramatic television series. The interactions among the characters reflect a wide variety of contemporary topics, often depicting exaggerated versions of real life situations and

typically containing "good versus evil" or "settling the score" themes. Story lines are usually played out in the wrestling ring, our main stage, and typically unfold on our weekly television shows and pay-per-view events. Woven into the story lines is the ongoing competition for the various World Wrestling Federation Championship titles.

In addition, our creative team develops a character for each performer. Once a character's basic traits have been formulated, we work to define and emphasize those traits through various accessories, including costumes and entrance music. We own the rights to substantially all of our characters, and we exclusively license the rights we do not own through agreements with our performers.

Our success is, in large part, due to the continuing popularity of our performers. We currently have exclusive contracts with approximately 110 performers. Our performers are independent contractors who are highly trained and motivated and portray popular characters such as The Big Show, Kane, Mankind, The Rock, Stone Cold Steve Austin, and The Undertaker. We constantly seek to identify, recruit and develop additional performers for our business. Once recruited, established performers are immediately incorporated into our story lines while less experienced performers are invited to participate in our extensive training program. Promising candidates are often "loaned" to small regional promoters of wrestling events, allowing these new performers to hone their skills by working in front of live audiences and appearing on local television programs. The most successful and popular performers are then incorporated into our television programming and pay-per-view events where their characters are more fully developed.

Live and Televised Entertainment

Live events, television shows and pay-per-view programming are our principal creative and production activities. Revenues from these activities were approximately $63.9 million, $92.6 million and $170.0 million in fiscal 1997, 1998 and 1999, respectively.

Live Events

Live events are the cornerstone of our business and provide the content for our television and pay-per-view programming. Each event is a highly theatrical production, which involves a significant degree of audience participation and employs various special effects, including lighting, pyrotechnics, powerful entrance music, and a variety of props. According to Amusement Business Magazine, we hold the world record for the largest crowd ever to attend an indoor sporting event--93,173 people at Wrestlemania III at the Pontiac Silverdome in 1987.

In fiscal 1999, we held approximately 200 live events in approximately 100 cities in North America, including 18 of the 20 largest metropolitan areas in the United States, as well as several international locations, as illustrated in the chart below:

Metropolitan Area	Arena	Capacity
United States		
New York, New York	Madison Square Garden	19,588
Los Angeles, California	Arrowhead Pond of Anaheim	16,528
Chicago, Illinois	Allstate Arena	18,242
Philadelphia, Pennsylvania	First Union Center	20,193
San Francisco, California	San Jose Arena	17,447
Boston, Massachusetts	Fleet Center	17,948
Dallas, Texas	Reunion Arena	14,913
Washington, D.C.	MCI Center	19,109
Detroit, Michigan	Joe Louis Arena	15,640
Houston, Texas	Compaq Center	16,562
Seattle, Washington	Key Arena	15,661
Cleveland, Ohio	Gund Arena	20,698

Metropolitan Area	Arena	Capacity
United States		
Tampa, Florida	Sun Dome	10,960
Minneapolis, Minnesota	Target Center	18,870
Miami/Ft. Lauderdale, Florida	National Car Rental Center	20,159
Phoenix, Arizona	America West Arena	19,222
Pittsburgh, Pennsylvania	Pittsburgh Civic Arena	17,780
Sacramento, California	Arco Arena	15,894
International		
Toronto, Canada	Skydome	32,155
Manchester, England	The Manchester Evening News Arena	19,503

During the last three years, attendance at our live events has increased dramatically, as illustrated in the chart below:

[CHART APPEARS HERE]

We promote our live events through a variety of media, including television, radio, print, and the Internet. Our revenues from the live events are primarily derived from ticket sales, with prices for most live events averaging approximately $20 per ticket. At Wrestlemania, our premier event, a ringside seat, including the souvenir chair, sells for up to $400. The operator of a venue at which our live event is held typically receives a fixed fee or a percentage of the revenues from ticket and merchandise sales for use of the venue.

Television Programming

We are a leading independent producer of television programming. Relying primarily on our in-house production capabilities, we produce seven shows consisting of nine hours of original programming 52 weeks per year.

Four of our seven television shows are carried by the USA Network, which is available in approximately 75 million households in the United States. These include our flagship two-hour production, Raw is War, and Sunday Night Heat, both of which air in prime time, and Live Wire and Superstars, post-produced "magazine" type shows that air on Saturday and Sunday mornings, and are edited with younger viewers in mind. We also produce WWF Metal and WWF Jakked, which are shown by over 120 broadcast stations across the country in syndication. Our newest show, WWF SmackDown!, which first aired in August 1999, is a two-hour prime time program on the United Paramount Network, which is available in approximately 82 million households in the United States. We voluntarily designate the suitability of each of our shows using standard television industry ratings.

According to the Nielsen ratings, Raw is War was the number one rated regularly scheduled show on cable television for 19 consecutive weeks through June 30, 1999, achieving an average weekly rating of 6.2 for the six months ended June 30, 1999. Further, during the second quarter of fiscal 1999, Raw is War earned 26 of the top 30 hourly rankings on Nielsen's list of the most watched shows on basic cable networks. Since 1997, the popularity of Raw is War has increased significantly, as demonstrated by the consistent increase in the show's Nielsen ratings from December 1996 to June 1999. In addition, since its inception in August 1998, Sunday Night Heat has been rated among the top ten regularly scheduled cable shows, achieving an average weekly Nielsen rating of
3.9. For the USA Network, each rating point is equivalent to approximately 750,000 households. According to the Nielsen rating service, there are 1.4 viewers per household. Based on this data, Raw is War, for the six months ended June 30, 1999, averaged approximately 6.5 million viewers weekly, and Sunday Night Heat, since its inception, has averaged 4.1 million viewers weekly.

[CHART APPEARS HERE]

Our brand of entertainment appeals to a wide demographic audience, and although it is principally directed to audiences aged 18 to 34, it has become particularly popular with two groups in the United States that are highly coveted by advertisers: males aged 18 to 34 and teenagers aged 12 to 17.

We sell advertising time on our television programs to over 50 major advertisers and sponsors. Advertising time and customized sponsorship programs are sold directly by our New York and Chicago-based sales forces since we are uniquely positioned to offer comprehensive advertising programs across all of our media outlets, including our television shows, magazines, Internet sites, and various live and pay-per-view events. We believe our ability to offer our advertisers and sponsors such a comprehensive program enables us to maximize the value of the advertising time in our television programs.

Accordingly, we negotiated a new arrangement with the USA Network pursuant to which we obtained the right to sell a substantial majority of the advertising inventory in our shows, beginning in September 1998, in exchange for our obligation to pay the network the greater of a fixed percentage of our net advertising revenues or a minimum guaranteed amount. Recently, we negotiated a similar arrangement with the United Paramount Network, pursuant to which we sell a substantial majority of the advertising inventory in WWF SmackDown!, which began airing in August 1999, in exchange for our obligation to pay the network the greater of a fixed percentage of our net advertising revenues, less certain other costs, or a minimum guaranteed amount.

We also sell sponsorships designed to meet the promotional needs of advertisers. These range from presenting the Slam Of The Week, a 35-second spot that airs within our television programs, to sponsoring our annual Wrestlemania event. Through these sponsorships, we offer advertisers a full range of our promotional vehicles, including television, Internet and print advertising, arena signage, on-air announcements and special appearances by our performers. The following are some of our leading advertisers and sponsors:

Activision	Gillette	M&M Mars	Sony Playstation
AT&T	Greyhound	Nestle	Toyota
Burger King	GT Interactive	Nintendo	Universal Pictures
Castrol Oil	Hasbro	Paramount Pictures	U.S. Air Force
Chef Boyardee	Honda	Phillips Electronics	U.S. Navy
Coca Cola	MCI	Radio Shack	Wendy's
Fram	Miramax	Sega	Western Union

The following chart shows the growth of our net revenue from television advertising and sponsorships during the past three fiscal years:

[CHART APPEARS HERE]

/1/The shaded portion of the bar represents the revenues from the sale of additional advertising time made available to us under our new arrangement with the USA Network.

Our television programs are viewed in over 150 countries in nine different languages. We edit and produce Spanish-language versions of our shows at our television studio in Stamford, Connecticut. Voice-overs in other languages are inserted by local broadcasters.

Our state-of-the-art facility in Stamford, Connecticut, which houses our television and music recording studios and post-production operations, is staffed by 73 employees, including producers, directors, editors, cameramen, audio engineers, graphic designers, English and Spanish-speaking announcers and an administrative staff that oversees the production schedule. Our staff is augmented by freelance technicians who assist in our remote television broadcasts. We plan to expand our facility and continue to upgrade our production equipment as necessary.

Pay-Per-View Programming

Each pay-per-view event is a live three-hour event that we intensively market and promote through our television shows, our Internet sites, and a variety of other promotional campaigns.

We have been pioneers in both the production and promotion of pay-per-view events, since our first pay-per-view event, Wrestlemania, in 1985. By fiscal 1996, we increased our pay-per-view offerings to 12 per year. Our events consistently rank among the pay-per-view programs achieving the highest number of buys. In fiscal 1999, we had approximately 5 million buys for these events. Wrestlemania XV, which aired on March 28, 1999, was one of the most subscribed pay-per-view programs ever, excluding professional boxing events, with approximately 800,000 buys. On different occasions we have used celebrities and special talent to appear in and promote our pay-per-view events.

As illustrated below, pay-per-view buys of our events have more than doubled over the past three fiscal years, increasing from approximately 2.3 million in fiscal 1997 to approximately 2.9 million in fiscal 1998 and approximately 5.0 million in fiscal 1999.

[CHART APPEARS HERE]

Our premier event, Wrestlemania, has a suggested retail price of $34.95, and each of our other 11 domestic pay-per-view events has a suggested retail price of $29.95. Consistent with industry practices, we share the revenues with the cable systems and pay a fee to Viewer's Choice, the leading distributor of pay- per-view programming in the United States.

Currently, pay-per-view is available to approximately 33 million cable subscribers in the United States, or approximately 40% of total cable subscribers. Viewer's Choice has the capacity to distribute our pay-per-view broadcasts to approximately 29 million cable subscribers. We use other distribution channels to reach the balance of such cable subscribers in the United States. We also have arrangements with DIRECTV and a growing number of other satellite distributors to further increase the potential subscriber base of our pay-per-view events.

Branded Merchandise

We offer a wide variety of branded retail merchandise through both a well- developed domestic and international licensing program and a comprehensive direct sales effort. We and our licensees market this merchandise through a variety of distribution channels, including mass market and specialty retailers, concession stands at our live events, and our television programs, Internet sites, magazines and direct mail catalogs.

Our revenues from the sale of our branded merchandise were approximately $18.0 million, $33.6 million and $81.5 million in fiscal 1997, 1998 and 1999, respectively.

Licensing and Direct Sales

We have a well-developed domestic and international licensing program using our World Wrestling Federation mark and logo, copyrighted works and characters on thousands of retail products, including toys, video games, apparel, and a wide assortment of other items. As part of our strategic repositioning in 1997, we began to aggressively expand the number of licensees from less than 50 to approximately 85. In all of our licensing agreements, we retain creative approval over the design, packaging and location of, and the promotional material associated with, all licensed products to maintain the distinctive style, look and quality of our intellectual property and brand. Our licensing agreements provide that we receive a percentage of the wholesale revenues as a royalty and require minimum guarantees with periodic advances. In addition to our in-house staff, we contract with outside agents to identify, develop and monitor our licensing arrangements. In fiscal 1999, estimated retail revenues from the sale of our branded merchandise through our licensees was approximately $400 million. In addition, we have licensed our brand to a third party to operate theme restaurants. The first such restaurant is expected to open in New York City in late 1999.

Our direct merchandise operations consist of the design, marketing and sale of various products, such as shirts, caps and other items, all of which feature our characters or our World Wrestling Federation logo. All of these products are designed by our in-house creative staff and manufactured by third parties. The merchandise is sold at our live events under arrangements with the arenas, which receive a percentage of the revenues. Our merchandise is also sold through internally developed catalogs, which are distributed periodically as part of WWF Magazine and RAW Magazine. We also sell merchandise on a direct basis via our television shows and our wwfshopzone.com Internet site.

Home Video

We own and continue to amass a video library containing thousands of hours of programming from our pay-per-view events and our television shows dating back to the 1970s. Beginning in the mid-1980s, this library was used in the production and sale of home videos by a licensee. In 1998, we began to produce and market home videos in-house. In addition to producing videos from our library footage, we create new videos utilizing original footage produced specifically for this purpose. We create master tapes and contract with a third party to duplicate and distribute the videos to retailers nationwide, such as Blockbuster Video, Wal-Mart and Target. Our videos are sold at retail sales prices ranging from $14.95 to $19.95.

Unit sales for our first full fiscal year of in-house operations were approximately 2.5 million units. Our home video revenues are derived from sales through approximately 30 unaffiliated distributors and/or direct customers. According to Billboard Magazine, eight of our home videos ranked among the top 10 best selling home videos in the "Sports" category as of June 30, 1999.

Music

Music is an integral part of the entertainment experience at our live events and on our television programs. We compose and record theme songs tailored to our characters in our recording studio in Stamford, Connecticut. We and a third-party music publisher own the rights to this music. A third party manufactures and distributes CDs of our music to retailers nationwide, such as Tower Records, Best Buy, Target and Circuit City.

To date, we have compiled four collections of our music for distribution. Our most recent music compilation, World Wrestling Federation--The Music Volume III, achieved platinum status and reached number 10 on the Billboard 200, selling approximately 1.4 million units as of June 30, 1999.

Publishing

Our publishing operations consist primarily of two monthly magazines, WWF Magazine and RAW Magazine, which are used to help shape and complement our story lines in our television programs and at our live events. We also include our direct marketing catalog in our magazines on a quarterly basis. The magazines

include color photographs taken at recent live events, biographies and features of our performers, and human interest articles. Our newsstand and subscription circulations approximated 3.7 million and 2.1 million, respectively, in fiscal 1999.

Our in-house publishing and editorial departments prepare all of the editorial content and use outside contractors to print and distribute the magazines to subscribers and newsstands. The magazines target different market demographics, with WWF Magazine aimed towards the younger 12 to 16 year old group and RAW Magazine towards readers over 16 years old. Given the nature of the content in RAW Magazine, we include a notation on the cover that the magazine may not be suitable for readers under 16 years old.

New Media

We utilize the Internet to promote our brand, create a community experience among our fans, and market and distribute our various products. Through our network of Internet sites, our fans can purchase our branded merchandise on- line, obtain our latest news and information, including content that is accessible only on-line, stay abreast of our evolving story lines, tap into interactive chat rooms to communicate with each other and our performers, and experience archived video and audio clips of performers and previous media events. We also offer users the ability to purchase our webcast pay-per-view events. We promote wwf.com on our televised programming, at our live events, in our two monthly magazines and in substantially all of our marketing and promotional materials. In addition to wwf.com, our network of sites includes wwfshopzone.com, stonecold.com and wwfdivas.com.

Our desirable demographics, combined with the volume of traffic on our network of Internet sites, enable us to attract prospective advertisers for our web sites. Advertising on our network of sites is priced on a CPM basis determined by page impressions and is primarily sold by us. We continue to build our Internet advertising sales force which will work with our television advertising sales force to market our sites to current and prospective advertisers.

In June 1999, our main site, wwf.com, generated approximately 100 million page views, and, according to Media Metrix, we had approximately 1,581,000 unique visitors, who spent an average of 13.8 minutes on our site during the month. We were the fourth ranked sports-only web site among all audiences, behind ESPN, SportsLineUSA and CNNSI; and among males aged 12 to 17, we were the third ranked entertainment and news information web site. Our Internet presence has been expanding at a rapid rate. We have experienced a significant increase in the number of people visiting our sites and purchasing our products via the Internet. The following table demonstrates the rapid growth of our Internet operations over the past year:

	June 1998	June 1999
Unique Visitors	740,000	1,581,000
Page Views	13,700,000	100,027,000
Merchandise Sales	$ 156,900	$ 207,000
Number of Registered Users	14,000	489,000

We intend to expand our new media operations to leverage our brand and create multiple revenue streams for future growth.

Competition

In our sports entertainment market, we compete on a national basis primarily with WCW. We compete with WCW in all aspects of our business, including viewership, access to arenas, the sale and licensing of branded merchandise and distribution channels for our televised programs. We also directly compete to find, hire and retain talented performers. WCW has substantially greater financial resources than we do and is

affiliated with television cable networks on which WCW's programs are aired. Notwithstanding, we believe that our sports entertainment product is highly differentiated from those of our competitors by our creative capabilities, production values, character development, and story lines. Other sources of competition in our sports entertainment market are regional promoters of wrestling events.

We also compete for entertainment and advertising dollars with professional and college sports and with other entertainment and leisure activities. We face competition from professional and college baseball, basketball, hockey and football, among other activities, in most cities in which we hold live events. We also compete for attendance, broadcast audiences and advertising revenue with a wide range of alternative entertainment and leisure activities.

Trademarks and Copyrights

We have a portfolio of approximately 900 registered and pending trademarks and service marks worldwide and maintain a catalog of approximately 5,000 registered copyrights on all of our merchandise containing artwork, including photographs, magazines, videos and apparel art. The focus of our registration effort is to register marks and works which embody our trademarked and copyrighted characters portrayed by our performers and which encompass images, likenesses or names of these characters, commonly referred to as their trade dress. On an annual basis, we register approximately 1,000 copyrights, trademarks and service marks covering all of the merchandise, publications, home videos, programming and characters featured in our story lines. We have the right to use the initials "WWF" for certain purposes domestically and the name "World Wrestling Federation" and our World Wrestling Federation logo anywhere in the world under our agreement with a third party. Additionally, we currently own over 60 Internet Web domain names and have a network of developed sites, which contribute to the exploitation of our trademarks and service marks worldwide.

We vigorously enforce our intellectual property rights by, among other things, searching the Internet to ascertain unauthorized use of our intellectual property, seizing goods at our live events that feature unauthorized use of our intellectual property and seeking restraining orders in court against any individual or entity infringing on our intellectual property rights.

Employees

As of June 30, 1999, we had 276 full-time employees, none of whom were represented by a union. Of that total, 98 were primarily engaged in organizing and producing live performances and television and pay-per-view shows, 46 were primarily engaged in licensing, merchandising and consumer product sales, and 132 were primarily engaged in management and administration. Our in-house production staff is supplemented with contract personnel on an as-needed basis. We believe that our relationships with our employees are generally satisfactory.

Performers

We have exclusive contracts with approximately 110 performers, ranging from development contracts with prospective performers to long-term guaranteed contracts with established performers. Our performers are independent contractors, whose contracts with us vary depending upon a number of factors, including the individual's popularity with our audience, his or her skill level, his or her prior experience and our needs. Our performers share in a portion of the revenues that we receive. We believe that our relationships with our performers are generally satisfactory.

With limited exceptions, we retain all proprietary rights in perpetuity to any intellectual property that is developed in connection with the characters portrayed by our performers. This includes the character and any associated costumes, names, props, story lines and merchandise.

Properties

We maintain our executive offices, television and music recording studios, post-production operations and warehouses at locations in or near Stamford, Connecticut, and sales offices in New York, Chicago, and Toronto, Canada.

We own the buildings in which our executive and administrative offices, our television and music recording studios and our post-production operations are located. We lease space for our sales offices and warehouse facilities. While we believe that our facilities are adequate for our current needs, over the next two years we plan to renovate and expand our studios and, as a matter of policy, will continue to invest in new state-of-the-art studio equipment.

Our principal properties consist of the following:

Facility (1)	Location	Square Feet	Owned/Leased	Expiration Date of Lease
Executive offices	Stamford, CT	39,900	Owned	--
Production studios	Stamford, CT	114,300(2)	Owned	--
Sales office	New York, NY	7,977	Leased	July 15, 2008
Sales office	Toronto, Canada	3,311	Leased	April 30, 2004
Sales office	Chicago, IL	347	Leased	April 30, 2000
Warehouse	Trumbull, CT	7,900	Leased	Month-to-Month

(1) Does not include our 193-room hotel and casino in Las Vegas, Nevada, which we intend to sell during fiscal 2000. See note 4 to combined financial statements.
(2) Excluding 138,000 square feet of parking space adjacent to the production facilities.

In addition, we own a daycare facility in Stamford, Connecticut on property adjacent to our production facilities, which originally offered child care services only to our employees but is now also open to the public. The licensing and operation of this facility is fully managed by a third-party contractor. However, we have the responsibility to obtain the required licenses and to ensure that the facility meets health, safety, fire and building codes.

Regulation

Live Events

In certain states in the United States we are required to comply with regulations of state athletic commissions and other applicable regulatory agencies in order to promote and conduct our live entertainment. Twenty-four states require that we obtain a promoter's license, which is a corporate license necessary for us to promote our live events and is granted to us on an annual basis. Twenty-one states require our performers and referees to obtain a performer's license, which is an individual license necessary for our performers and referees to perform at our live events and is granted to them on an annual basis. Five states require that our performers maintain a medical license, which entails an annual physical examination. In addition to the annual licenses that certain states require, ten states require that we obtain a permit for each event that we hold. We are also subject to the regulations of athletic commissions in certain Canadian provinces. These commissions require that we obtain promoter's licenses and medical licenses for our performers. We are in substantial compliance with all applicable state and local regulations.

Television Programming

The production and distribution of television programming by independent producers is not directly regulated by the federal or state governments, but the marketplace for television programming in the United States is substantially affected by regulations of the Federal Communications Commission applicable to television stations, television networks and cable television systems and channels. We voluntarily designate the suitability of each of our television shows using standard industry ratings, such as PG (L,V) or TV14.

Other

Currently we own a 193-room hotel in Las Vegas, Nevada, which is subject to applicable regulatory requirements. In addition, we own a daycare facility in Stamford, Connecticut operated by a third party, which is subject to applicable state regulatory requirements.

Legal Proceedings

On May 13, 1991, William R. Eadie, a former professional wrestler who had been one of our performers, filed a lawsuit in state court in Wisconsin against us and Mr. McMahon. The case was removed to the United States District Court for the District of Connecticut on August 7, 1991. The suit alleges that we reached a verbal agreement to compensate Eadie for the use of his ideas in connection with a wrestling tag team called "Demolition" and to employ him for life. Plaintiff is seeking $6.5 million in compensatory damages and unspecified punitive damages. We have denied any liability and are vigorously contesting this action. In a similar action filed against us on April 10, 1992 in the United States District Court for the District of Connecticut, Randy Colley, a former professional wrestler who had been one of our performers, also alleges that we breached an agreement to compensate him for disclosing his idea for a wrestling tag team called "Demolition." He is seeking unspecified compensatory and punitive damages. We have denied any liability and are vigorously defending this action. Colley's claims were consolidated for trial with those of Eadie in the action described above. We believe that both plaintiffs' claims are without merit. On May 20, 1998, a magistrate judge ruled that the plaintiffs' expert on damages could not testify at trial. Thereafter, the plaintiffs engaged a second expert on damages, whose report must be finalized by August 25, 1999. There can be no assurance that we will prevail on our motion. Discovery has not been completed, and no trial date has been scheduled. We believe that an unfavorable outcome in these actions may have a material adverse effect on our financial condition or results of operations.

On August 28, 1996, James Hellwig, a former professional wrestler who had been one of our performers, filed a suit against us in state court in Arizona alleging breach of two separate service contracts, defamation and unauthorized use of servicemarks and trademarks allegedly owned by him. Hellwig is also seeking a declaration that he owns the characters, Ultimate Warrior and Warrior, which he portrayed as a performer under contract with us. Pursuant to mandatory disclosure requirements filed with the court, Hellwig stated that he is seeking approximately $10.0 million in compensatory damages and $5.0 million in punitive damages, or such other amount as may be determined by the court or jury. We have denied all liability and are vigorously defending this action. We believe that Hellwig's claims are without merit. We have asserted counterclaims against him for breach of his service contracts and seek rescission of an agreement by which we transferred ownership of the servicemarks to him. In addition, we filed a separate action in federal district court in Connecticut on March 11, 1998, seeking a declaration that we own the characters, Warrior and Ultimate Warrior, under both contract and copyright law. Hellwig's motion to dismiss the federal case was denied, and we have since moved for summary judgment in the federal proceeding. In the state court proceeding in Arizona, on June 3, 1999, we moved for summary judgment on the two contract claims, the defamation claim, and the other claims of the plaintiff. We believe that an unfavorable outcome in this suit may have a material adverse effect on our financial condition or results of operations.

On June 21, 1996, we filed an action against WCW and Turner Broadcasting Systems, Inc. in the United States District Court for the District of Connecticut, alleging unfair competition and infringement of our copyrights, servicemarks and trademarks with respect to two characters owned by us. We claim that WCW, which contracted with two professional wrestlers who previously had performed under contract for us in the character roles of Razor Ramon and Diesel, misappropriated those characters in WCW's programming and misrepresented the reason that these former World Wrestling Federation professional wrestlers were appearing on WCW programming. During discovery proceedings, which were completed on October 16, 1998, WCW was twice sanctioned by the court for failure to comply with the court's discovery orders. We are seeking damages in the form of revenue disgorgement from WCW and have submitted expert reports supporting our claim for substantial money damages. WCW and TBS have denied any liability.

On May 18, 1998, WCW filed an action against us in the United States District Court for the District of Connecticut and immediately moved to consolidate this action with our pending action against WCW and TBS described above. WCW alleges that we diluted various marks owned by and/or licensed to WCW by disparaging those marks and also claims that we engaged in unfair competition when we aired our "Flashback" series of past World Wrestling Federation performances on USA Network without disclosing that some of the

performers, at the time the series was subsequently broadcast, were then affiliated with WCW. We have denied any liability and are vigorously defending against this action. We have filed a counterclaim for abuse of process, which WCW has moved to dismiss. Discovery is ongoing, and we intend to move for summary judgment when discovery is concluded. We believe that WCW's claims are without merit. WCW has yet to state a claim for damages. We believe that the ultimate liability resulting from such proceeding, if any, will not have a material adverse effect on our financial condition or results of operations.

In addition, on December 11, 1998, WCW filed a suit against us in state court in Georgia alleging that we had breached an existing contract between us and High Road Productions, Inc., a film distribution company, and thereby allegedly interfering with a potential contract between High Road and WCW. WCW seeks unspecified money damages. We have denied all liability, believe that WCW's claims are without merit, and are vigorously defending against the suit. On April 2, 1999, we moved to dismiss and for judgment on the pleadings on the grounds that WCW's complaint fails to state a claim for tortious interference with business relations as a matter of Georgia law. A hearing on the motion was held on July 14, 1999, and the judge has taken the matter under advisement. Only limited discovery has taken place to date. No claims have been filed by High Road against us, and we and High Road have exchanged releases. We believe that the ultimate liability resulting from this proceeding, if any, will not have a material adverse effect on our financial condition or results of operations.

On June 15, 1999, members of the family of Owen Hart, a professional wrestler performing under contract with us, filed suit in state court in Missouri against us, Vincent and Linda McMahon and nine other defendants, including the manufacturer of the rigging equipment involved, individual equipment riggers and the arena operator, as a result of the death of Owen Hart during a pay-per- view event at Kemper Arena in Kansas City, Missouri on May 23, 1999. The specific allegations against us include the failure to use ordinary care to provide proper equipment and personnel for the safety of Owen Hart, the failure to take special precautions when conducting an inherently dangerous activity, endangerment and the failure to warn, vicarious liability for the negligence of the named individual defendants, the failure to properly train and supervise, and the provision of dangerous and unsafe equipment. Plaintiffs seek compensatory and punitive damages in unspecified amounts. We have not yet formally responded to the suit but intend to deny any liability for negligence and other claims asserted against us. We believe that we have meritorious defenses and intend to defend vigorously against the suit. We believe that an unfavorable outcome of this suit may have a material adverse effect on our financial condition or results of operations.

We are not currently a party to any other material legal proceedings. However, we are involved in several other suits and claims in the ordinary course of business, and we may from time to time become a party to other legal proceedings arising in the ordinary course of doing business.

MANAGEMENT

Directors and Executive Officers

The following sets forth, as of July 30, 1999, the names, ages and positions of our directors and executive officers. Following the offering, our board of directors intends to select at least two persons to serve as independent directors.

Name	Age	Position
Vincent K. McMahon	53	Chairman of the Board of Directors
Linda E. McMahon	50	President and Chief Executive Officer, Director
August J. Liguori	47	Executive Vice President and Chief Financial Officer, Director

Set forth below is certain biographical information about our executive officers and directors:

Vincent K. McMahon is our co-founder and has served as the Chairman of our Board of Directors and the boards of directors of our predecessor entities since 1980. From 1971 to 1979, Mr. McMahon worked at Capitol Wrestling Corporation, an enterprise owned by his father, and assisted in the growth of that company's television programming syndication business. Mr. McMahon and his wife, Linda McMahon, founded our predecessor company in 1980 and in 1982 purchased Capitol Wrestling Corporation.

Linda E. McMahon is our co-founder, has served on our Board of Directors since our inception, and has served as our President since May 1993 and Chief Executive Officer since May 1997. In this role, Mrs. McMahon oversees our daily business operations and the development of our technical and administrative functions. Mrs. McMahon and her husband, Vincent McMahon, founded our predecessor company in 1980 and in 1982 purchased Capitol Wrestling Corporation.

August J. Liguori has served as our Executive Vice President, Chief Financial Officer and Treasurer since he joined our company in September 1998. Mr. Liguori has more than 25 years of experience as a senior manager and financial executive for various entertainment companies. From 1996 to 1997, he served as the vice president/finance and chief accounting officer of Marvel Entertainment Group, Inc., and served as its executive vice president and chief financial officer from 1997 to 1998. Marvel filed a voluntary petition for bankruptcy protection under Chapter 11 of the federal bankruptcy laws in December 1996. From 1986 to 1996 he was employed by Atari Corporation, serving as chief financial officer and a member of the board of directors and executive committee from 1991 to 1996.

Key Employees

The following sets forth, as of July 30, 1999, the names, ages and positions of our key employees:

Name	Age	Position
James K. Bell	44	Senior Vice President--Licensing and Merchandising
James F. Byrne	41	Senior Vice President--Marketing
Ed Cohen	43	Senior Vice President--Event Booking and Operations
Kevin Dunn	39	Executive Producer
Edward L. Kaufman	40	Senior Vice President and General Counsel
Shane McMahon	29	President--New Media
James W. Ross	47	Senior Vice President--Talent Relations
James A. Rothschild	38	Senior Vice President--North American Sales
Frank G. Serpe	54	Senior Vice President--Finance and Chief Accounting Officer

Set forth below is certain biographical information about our key employees:

James K. Bell has served as our Senior Vice President of Licensing and Merchandise since October 1996. Since he joined us in March 1995, he has also served as our Vice President of Pay-Per-View and Television Marketing and our Director of Domestic Licensing. Prior to joining us, Mr. Bell served as Vice President of Marketing and Licensing for Rabbit Ears Productions from 1991 to 1996. Prior to that, he was Vice-President of Licensing and Merchandising for the New Jersey Devils and was Director of Licensing and Marketing Worldwide for Jim Henson Productions, Inc. Mr. Bell was declared one of the 50 most influential people in licensing in the September 1998 issue of License magazine.

Ed Cohen has served as our Senior Vice President of Event Booking & Operations since November 1994. He is responsible for routing, negotiating and booking domestic and international arenas for our live events and oversees the marketing of our live events. Previously, Mr. Cohen served as our Vice President of Arena Booking from September 1987. Mr. Cohen has served in a variety of capacities in our arena booking department, including event coordinator, since he joined us in June 1982.

James E. Byrne has served as our Senior Vice President of Marketing since September 1998. Prior to joining us, Mr. Byrne was the Vice President of Marketing at The Carsey-Werner Company, LLC, a situation comedy program supplier to the major networks from 1996 to 1998. Mr. Byrne served as the Vice President of Marketing for Fruit of the Loom, Ltd. from 1990 to 1996. Prior to that, he was involved in the marketing of consumer products for The Walt Disney Company. Mr. Byrne has over 18 years of experience in consumer marketing and publicity and was declared one of the top 100 persons in marketing in the June 1999 issue of Advertising Age magazine.

Kevin Dunn has served as our Executive Producer for both domestic and international programming since 1993. Mr. Dunn is instrumental in the production of our nine hours of weekly television programming and our monthly pay-per-view events. In the ten years prior to his promotion to Executive Producer in 1993, Mr. Dunn held various key positions in our television production department.

Edward L. Kaufman has served as our Senior Vice President and General Counsel since March 1998. Prior to that he served as our Vice President and General Counsel from January 1997. Prior to joining us, Mr. Kaufman was the Director of Business and Legal Affairs at Hanna Barbera, Inc. from July 1995 to December 1996. He previously served as the Director of Organization and Management Resources (Labor Relations) for NBC, Inc. Mr. Kaufman has 15 years of legal experience, including six years in private practice, since his graduation from Stanford Law School in 1984.

Shane McMahon, the son of Vincent and Linda McMahon, represents the fourth generation of his family to be involved in the sports entertainment business. He has served as our President of New Media since July 1998 and has previously served in a variety of capacities throughout our company, including in our sales, marketing, merchandise, and television production departments since joining us in February 1994. Mr. McMahon is an important member of our cast of performers and is also instrumental in the creation, development and promotion of our form of entertainment.

James W. Ross has served as our Senior Vice President of Talent Relations and Wrestling Administration since June 30, 1997. He is responsible for the overall administration of our performer roster. Mr. Ross is also an important member of our cast of performers, serving as the play-by-play ring announcer for our Raw is War and pay-per-view events. Since October 1996, he has served as our Vice President of Wrestling Promotions and an announcer for our events. Prior to that he served as an announcer and creative consultant from 1993 through 1995. Mr. Ross has over 25 years of experience in the sports entertainment business and has held various key positions in the industry, including Vice President of Broadcasting for World Championship Wrestling.

James Alan Rothschild has served as our Senior Vice President of North American Sales since 1998. He currently leads our television advertising sales division, which has offices located in New York, Chicago and Toronto, Canada. Mr. Rothschild served as our Vice-President of Television Sales and Advertising from 1996 to 1998 and Director of Television Sales since he joined us in 1994. He has over 15 years of experience in advertising sales and marketing, working for such other companies as AT&T Corporation and Maclean Hunter Publishing Limited.

Frank G. Serpe, CPA, has served as our Senior Vice President since May 1996 and as our Chief Accounting Officer since September 1998. Prior to that Mr. Serpe served as our Vice President of Finance and Controller from the time that he joined us in November 1986. Prior to joining us, Mr. Serpe worked for CBS, Inc. where he held various positions, including Controller of CBS Software and Director of Financial Reporting in the Consumer Magazine division of CBS, Inc. Mr. Serpe has over 30 years of experience in accounting and finance, including nine years in public accounting.

Composition of our Board and Committees

After the offering, our board of directors will have five members, including two directors who are not employees. The board of directors will have three committees: an audit committee, a compensation committee and an executive committee.

The audit committee will consist of the two independent directors who will be selected by our board of directors following the offering. It will be responsible for: choosing the firm to be appointed as independent accountants to audit our financial statements and to perform services related to the audit; reviewing the scope and results of the audit with those independent accountants; reviewing with management and the independent accountants our year-end operating results; evaluating the adequacy of our internal accounting and control procedures; and reviewing the non-audit services to be performed by our independent accountants, if any, and considering the effect of such performance on their independence.

The compensation committee will consist of Vincent McMahon and the two independent directors. It will be responsible for the design, review, recommendation and approval of compensation arrangements for directors and executive officers, for the approval of such arrangements for our key employees, and for the administration of our 1999 Long Term Incentive Plan, including the approval of grants under such plan to consultants and other non- employees.

The executive committee will consist of Vincent McMahon, Linda McMahon and August Liguori, with Vincent McMahon serving as chair. It will be responsible for the management of our business and affairs, and may exercise all of the powers and authority of the board of directors in connection therewith to the extent permitted by the Delaware General Corporation Law.

Outside Director Compensation

Each director of ours who is not our employee will be entitled to receive an annual director's fee of $25,000. In addition, each non-employee director will be entitled to receive $500 for each meeting of our board of directors or a committee thereof that he or she attends and reimbursement for his or her related expenses.

Executive Compensation

The information set forth below describes the components of the total compensation of our three executive officers for fiscal 1999, including our chief executive officer. The principal components of the cash compensation of these individuals has been their annual base salaries and bonuses.

Summary Compensation Table

		Annual Compensation		Long-Term Compensation Awards	
Name and Principal Position	Fiscal Year	Salary($)	Bonus($)	Securities Underlying Options/SARs(#)	All Other Compensation($)
Vincent K. McMahon, Chairman(1)	1999	250,000	--	--	46,557(2)
Linda E. McMahon, President and Chief Executive Officer(3)	1999	190,000	--	--	1,549(4)
August J. Liguori, Executive Vice President and Chief Financial Officer(5)	1999	227,500	50,000	--	1,615(4)

(1) Effective upon the closing of the offering, Mr. McMahon will enter into an employment agreement providing for an annual base salary of $1.0 million and a performance bonus of up to 100% of base salary based on the attainment of performance goals. See "--Employment Agreements." Since July 1, 1999, Mr. McMahon has been paid on a basis consistent with the terms of the employment agreement. In fiscal 1999, Mr. McMahon received S corporation distributions for income tax and other purposes of approximately $6.5 million. On June 29, 1999, we distributed to Mr. McMahon cash in the amount of $25.5 million out of our earned and undistributed earnings, which have been fully taxed at the stockholder level. In addition, we issued Mr. McMahon an unsecured, 5% interest-bearing note due April 10, 2000 in an amount equal to the estimated income taxes payable by him in respect of income taxes for fiscal 1999 estimated to be $22.0 million and for the interim period May 1, 1999 through September 30, 1999 estimated to be $10.0 million. See "Reclassification of Stock and Prior S Corporation Status."
(2) Includes payments on Mr. McMahon's behalf for additional medical insurance, auto insurance and group term life insurance and the employer matching contribution for our 401(k) plan.
(3) Effective upon the closing of the offering, Mrs. McMahon will enter into an employment agreement providing for an annual base salary of $750,000 and a performance bonus of up to 100% of base salary based on the attainment of performance goals. See "Employment Agreements." Since July 1, 1999, Mrs. McMahon has been paid on a basis consistent with the terms of the employment agreement.
(4) Consists of the employer matching contribution for our 401(k) plan.
(5) Mr. Liguori commenced employment with us on September 1, 1998.

Employment Agreements

Effective upon the closing of the offering, Vincent McMahon and Linda McMahon will be employed by us under separate employment agreements. Mr. McMahon's agreement is for a term of seven years, and Mrs. McMahon's agreement is for a term of four years. The term of each agreement will automatically extend for successive one-year periods unless either party gives notice of non-extension at least 12 months, but no more than 18 months, prior to the then-applicable expiration date. Mr. McMahon's agreement provides for his employment as our Chairman at a base salary of $1.0 million per year. Mrs. McMahon's agreement provides for her employment as our President and Chief Executive Officer at a base salary of $750,000 per year. Mr. and Mrs. McMahon are each entitled to an annual bonus of up to 100% of base salary based upon the attainment of performance goals and to participate in our various employee benefit plans and programs.

Under the employment agreements with Mr. and Mrs. McMahon, in the event we terminate either executive's employment other than for cause, death or disability, or if the executive terminates his or her

employment for good reason, or if the executive terminates his or her employment for any reason within the 90-day period beginning six months after the occurrence of a change in control, we are obligated to pay to the executive compensation and benefits that are accrued but unpaid at the date of termination, plus a lump sum cash amount equal to the amount of the executive's base salary and bonus for the greater of the balance of the contract term or two years and to continue his or her benefit plan participation for such period. If Mr. or Mrs. McMahon dies during the term of his or her agreement, we are obligated to pay to the executive's estate compensation and benefits that are accrued but unpaid as of the date of the executive's death, plus a lump sum amount equal to the amount of the executive's base salary and bonus for two years. If we terminate Mr. or Mrs. McMahon's employment for cause, if either executive resigns without good reason, or if either executive's employment is terminated due to the executive's disability, we are obligated to pay to the executive compensation and benefits accrued but unpaid as of the date of termination. If either Mr. or Mrs. McMahon becomes subject to any change in control excise taxes, we will be obligated to provide such executive a "gross- up" bonus sufficient, on an after-tax basis, to cover any such excise taxes. In addition, the employment agreements of Mr. and Mrs. McMahon contain covenants intended to protect our confidential information and trade secrets as well as non-compete and non-solicitation covenants that, among other things, prohibit the executive from competing with us in professional wrestling or our other core businesses during employment and for a period of one year after termination (other than a resignation within a certain period of time following a change in control, as described above).

In August 1998, we entered into an employment agreement with Mr. Liguori, which expires on August 31, 2001. Pursuant to his agreement, Mr. Liguori received a signing bonus of $50,000 and is entitled to (i) an annual base salary of $350,000, (ii) bonus payments of at least $175,000 on or before June 1 of each year during the term of his agreement, (iii) bonus payments of at least $150,000 on or before September 1, 1999, December 1, 1999, March 1, 2000, September 1, 2000, December 1, 2000 and March 1, 2001, and (iv) a payment on or before August 31, 2001 of $475,000 less any discretionary bonuses previously paid by us to Mr. Liguori and less any contributions made by us on Mr. Liguori's behalf to any 401(k) or profit sharing plan. In addition, we have agreed to reimburse Mr. Liguori for any reasonable and necessary expenses incurred in the performance of his duties. We may terminate the agreement at any time for cause. We may also terminate the agreement at any time in our discretion, provided that we make certain severance payments to Mr. Liguori, which, if such termination occurs on or following September 1, 1999, shall be in the form of (a) a payment in an amount equal to $83,333 multiplied by the number of months Mr. Liguori was actually employed by us, less amounts previously paid by us to Mr. Liguori and (b) six months severance pay at the rate of $29,166 per month, which shall cease if Mr. Liguori secures other employment during such period. In the event of Mr. Liguori's death during the term of the agreement, we have agreed to pay Mr. Liguori's heirs an amount equal to $83,333 multiplied by the number of months Mr. Liguori was actually employed by us, less any amounts previously paid by us to Mr. Liguori. Finally, Mr. Liguori's agreement provides that, in the event that any person other than a member of the family of or heir of Mr. McMahon or Mrs. McMahon acquires control of a majority of our assets, Mr. Liguori will be entitled to receive $3.0 million, less any amounts previously paid to him by us. In addition, our agreement with Mr. Liguori contains a covenant to protect our confidential information and a covenant that prohibits Mr. Liguori from competing with us in the professional wrestling business during employment and for one year after termination.

Long-Term Incentive Plan

Upon the closing of the offering, our 1999 Long-Term Incentive Plan, or LTIP, will become effective. It was established to assist us in attracting and retaining key employees, directors, consultants and performers and to act as an incentive for those individuals to help us achieve our corporate objectives. An initial reserve of shares of Class A common stock has been authorized for issuance under the LTIP. We expect to file a registration statement on Form S-8 with respect to the LTIP after the offering.

The compensation committee of the board of directors will administer the LTIP and will have sole discretionary authority to interpret the LTIP, to establish and modify the rules for the LTIP, to impose

conditions or restrictions on awards granted under the LTIP and to take any other steps in connection with the LTIP that the committee believes are necessary or advisable.

The committee may grant awards under the LTIP in the form of stock options, stock appreciation rights, restricted stock awards, performance awards and other stock-based awards to designated key employees, directors, consultants and performers in its discretion. Each participant will be required to execute an award agreement with us that will set forth the specific terms and conditions of his award, including the term and vesting schedule, if any, of the award. Except under certain circumstances involving a change in our capital structure, no participant may be granted awards with respect to more than shares of Class A common stock during any calendar year.

The committee may designate options granted under the LTIP as incentive stock options or non-qualified stock options. With respect to any stock option granted under the LTIP, the committee will have discretion to set the exercise price for the shares of Class A common stock that may be purchased upon the exercise of that option, except that the exercise price of incentive stock options must generally not be less than the fair market value of the underlying shares. The LTIP provides that fair market value is to be determined according to the closing price per share of the Class A common stock on the Nasdaq National Market, or other national securities exchange on which the Class A common stock may be listed, on the date of the grant. In addition, the exercise price of any incentive stock option granted to any participant who owns more than 10% of the total combined voting power of all classes of our stock must be at least 110% of the fair market value of a share of Class A common stock on the date of the grant and the term of such stock option may not be more than five years. There is a $100,000 limit on the value (based on the grant date value) of an employee's incentive stock options that may become vested and exercisable for the first time in any calendar year.

The LTIP contains an accelerated ownership feature. This feature, which will be implemented only with the approval of the committee, is intended to encourage participants to exercise options prior to their expiration and to retain the shares so acquired, in furtherance of our policy of encouraging stock ownership by our key employees, directors, consultants and performers. Under the accelerated ownership feature, participants who tender previously owned shares or have shares withheld to pay all or a portion of the exercise price of vested stock options and/or to cover any tax liability associated with the exercise of vested stock options may be eligible, in the discretion of the committee, to receive a new option covering the same number of shares as are tendered or withheld for such purposes. The market value on the date of grant of an accelerated option establishes the exercise price of such option, and such option will have a term equal to the remaining term of the original option.

Stock appreciation rights may be granted by the committee to a participant either separate from or in tandem with non-qualified stock options or incentive stock options. Stock appreciation rights may be granted at the time of the stock option grant or, with respect to non-qualified stock options, at any time prior to the exercise of the stock option. A stock appreciation right entitles the participant to receive, upon its exercise, a payment equal to the product of (i) the excess of the fair market value of a share of Class A common stock on the exercise date over the stock appreciation rights exercise price, and
(ii) the number of shares of Class A common stock with respect to which the stock appreciation right is exercised.

The exercise price of a stock appreciation right is determined by the committee, but in the case of stock appreciation rights granted in tandem with stock options, may not be less than the exercise price of the related stock option. Upon exercise of a stock appreciation right, payment will be made in cash or shares of Class A common stock, or a combination thereof, as determined in the discretion of the committee.

Subject to the committee's authority to permit the accelerated exercise of an option granted under the LTIP or to extend the time during which an option granted under the LTIP will be exercisable, an option granted under the LTIP will expire on the first to occur of: the expiration of the option as provided in the related award agreement, the termination of the award upon the lapse of a specific period of time following the termination of the participant's services with us, depending on the reasons for the termination, or ten years from the date of

grant. Under the employment agreements with Mr. and Mrs. McMahon, if we terminate either executive's employment without cause, if the executive terminates his or her employment for good reason, if the executive terminates his or her employment for any reason within the 90 day period beginning six months after the occurrence of a change in control, or if the executive dies, any stock option or other equity based award granted to the executive prior to the date of termination of employment will become fully vested and exercisable as of the date of termination and shall remain exercisable for three years thereafter.

The committee may also award restricted shares of Class A common stock to our key employees, directors, consultants and performers under the LTIP based on performance standards, periods of service or other criteria that the committee establishes. Restricted shares awarded under the LTIP are subject to the terms and conditions contained in the LTIP and the award agreements executed by the participants and may not be transferred, other than by will or the laws of descent and distribution or to an inter vivos trust of which the participant is treated as the owner, pledged or sold prior to the lapse of those restrictions.

The committee may also grant to our key employees, directors, consultants and performers performance awards consisting of the right to receive a payment, which is measured by the fair market value of a specific number of shares of Class A common stock or the increase in that fair market value during a specified period, called the "award period," or a cash award the amount of which is based on the extent to which certain predetermined performance targets are met. The performance targets may be related to our performance or the individual performance of the participant or both and will be set by the committee at its discretion.

The committee is authorized to grant any other cash awards, Class A common stock awards or other types of awards which are valued in whole or in part by reference to the value of Class A common stock. The terms and conditions of such awards and the participants eligible for such awards will be determined by the committee at its discretion.

Unless otherwise provided by the committee in the applicable award agreement, in the event of a change in control (as defined in the LTIP), stock options and stock appreciation rights immediately become exercisable, the restrictions on all restricted shares lapse and all performance awards and other awards immediately become payable.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between our board of directors or compensation committee and the board of directors or compensation committee of any other company, nor has any such interlocking relationship existed in the past.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Vincent McMahon and a trust he established for the benefit of his children are the stockholders of Stephanie Music Publishing, Inc., which holds the rights to various musical compositions utilized by us in connection with our events and promotions, and Titan Promotions (Canada), Inc., which, among other things, promotes our live events in Canada. Prior to the issuance of shares in the offering, the outstanding capital stock of Stephanie Music Publishing, Inc. and Titan Promotions (Canada), Inc. will be contributed to World Wrestling Federation Entertainment, Inc. (formerly, Titan Sports Inc.). Mr. McMahon and the trust will receive no consideration in connection with this transaction.

Mr. McMahon is the sole stockholder of Shane Productions, Inc., an affiliated company which is not included in the combined financial statements, which holds a 21% partnership interest in Titan/Shane Partnership, in which we hold a 79% interest. Mr. McMahon is also the sole stockholder of Shane Distribution Co., an affiliated company, which is not included in the combined financial statements. We had a receivable from Shane Distribution Co. in the amount of $377,000 as of April 30, 1999, which arose in the ordinary course of business.

Linda McMahon is the sole stockholder of Travel Strategies, Inc., which generally handles the business-related travel arrangements of our employees and performers. In addition to paying Travel Strategies, Inc. on a per transaction basis at market rates for each transaction for the travel planning services that company provides to us, we pay a fee to Travel Strategies, Inc. for its overall management of our travel planning requirements, which amounted to approximately $100,000 in fiscal 1999. We had a receivable from the travel agency of $205,000 as of April 30, 1999, which arose in the ordinary course of business.

On June 29, 1999, we distributed to Mr. McMahon, our sole stockholder, cash in the amount of $25.5 million and issued an unsecured note in the principal amount of $32.0 million bearing interest at the rate of 5% per annum and payable on April 10, 2000. This note reflects the amount of estimated federal and state income taxes payable by Mr. McMahon with respect to our earnings for fiscal 1999 and for the interim period from May 1, 1999 through September 30, 1999.

We have entered into a tax indemnification agreement with Mr. McMahon and the trust created by Mr. McMahon for the benefit of his children. The tax indemnification agreement provides for, among other things, the indemnification of us by our S corporation stockholders for any federal and state income taxes (including interest and penalties) we incur, if for any reason, we are deemed to be treated as a C corporation during any period for which we reported our taxable income as an S corporation. The tax indemnification obligations of these stockholders are limited to the aggregate amount of tax distributions to the stockholders for all the periods since fiscal 1995, for which we are subject to a tax audit. Purchasers of Class A common stock in the offering will not be parties to the tax indemnification agreement.

PRINCIPAL STOCKHOLDERS

The following table sets forth, as of July 1, 1999, certain information with respect to the beneficial ownership of our common stock and as adjusted to reflect our sale of Class A common stock in the offering by (i) each person known by us to beneficially own more than five percent of our outstanding common stock, (ii) each of our directors, (iii) each executive officer named in the Summary Compensation Table, and (iv) all of our directors and executive officers as a group. Mr. McMahon and the trust that he established for the benefit of his children are the sole owners of our common stock and upon the completion of the reclassification will own all of the Class B common stock. Prior to the offering, no shares of Class A common stock were issued and outstanding. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. The address of each of the persons in this table is c/o World Wrestling Federation Entertainment, Inc., 1241 East Main Street, Stamford, Connecticut 06902.

Name of Stockholder	Amount and Nature of Beneficial Ownership	Percent of Class	Voting Power Before the Offering	Voting Power After the Offering
Vincent K. McMahon(2)...		70%	100%	
Vincent K. McMahon Irrevocable Deed of Trust, dated June 30, 1999.....		30%		
Linda E. McMahon(3).....				
August J. Liguori(3)....	--	--	--	
All executive officers and directors as a group (three persons)..		100%	100%	

(1) In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person pursuant to options exercisable within 60 days of , 1999 are deemed outstanding for the purposes of the total number of outstanding shares for such person and are not deemed outstanding for such person for all other stockholders.
(2) Includes shares of Class B common stock held under the Vincent K. McMahon Irrevocable Deed of Trust dated June 30, 1999 that benefits Mr. McMahon's children and for which Mr. McMahon serves as the trustee.
(3) Reflects the grant of options under our LTIP at an exercise price equal to the initial public offering price as of the date of, the consummation of the offering.

DESCRIPTION OF CAPITAL STOCK

At the time of the offering, our authorized capital stock will consist of shares of Class A and Class B common stock, $.01 par value, and 20,000,000 shares of preferred stock, $.01 par value.

Common Stock

Voting Rights

Each holder of shares of Class A common stock is entitled to one vote per share and each holder of shares of Class B common stock is entitled to ten votes per share on all matters to be voted on by stockholders. Holders of shares of our common stock are not entitled to cumulate votes in the election of directors.

Dividend Rights

The holders of shares of Class A and Class B common stock are entitled to dividends and other distributions if, as and when declared by our board of directors out of assets legally available therefor, subject to the rights of any holder of shares of preferred stock, any restrictions set forth in our credit facilities and any restrictions set forth in any of our other indebtedness outstanding from time to time. See "Dividend Policy" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources." The holders of the Class A and Class B common stock are entitled to equal per share dividends and distributions.

Other Rights

Upon our liquidation, dissolution or winding up, the holders of the shares of Class A and Class B common stock would be entitled to share pro rata in the distribution of all of our assets remaining after satisfaction of all our liabilities and the payment of the liquidation preference of any outstanding preferred stock. The holders of the Class A and Class B common stock have no preemptive or other subscription rights to purchase our capital stock. No share of our common stock issued in or outstanding prior to the offering is subject to any further call or assessment.

If, at any time, any shares of Class B common stock are beneficially owned by any person other than Vincent McMahon, Linda McMahon, any descendent of either of them, any entity which is wholly owned and is controlled by any combination of such persons or any trust all the beneficiaries of which are any combination of such persons, each of those shares will automatically convert into shares of Class A common stock. In addition, the Class B common stock is fully convertible into Class A common stock, on a one-for-one basis, at any time at the option of the holder.

Preferred Stock

The board of directors has the authority, without further action by the stockholders, to issue up to 20,000,000 shares of preferred stock in one or more series and to fix the number of shares, designations, voting rights, preferences and optional and other special rights and the restrictions or qualifications thereof. The rights, preferences, privileges and powers of each series of preferred stock may differ with respect to dividends, amounts payable on liquidation, voting, conversion, redemption, sinking funds and other matters. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of our common stock and could adversely affect the rights and powers, including voting rights, of holders of shares of our common stock. The existence of authorized and undesignated shares of preferred stock may also have an adverse effect on the market price of the Class A common stock. In addition, the issuance of any shares of preferred stock could have the effect of delaying, deferring or preventing a change of control of us. No shares of preferred stock are outstanding, and we have no current intention to issue any shares of preferred stock.

Section 203 of the Delaware General Corporation Law

We are a Delaware corporation that will be subject to Section 203 of the DGCL ("Section 203") after the offering. Section 203 provides in general that a stockholder acquiring more than 15% of the outstanding voting stock of a corporation subject to Section 203 (an "Interested Stockholder") but less than 85% of such stock may not engage in a Business Combination (as defined in Section 203) with the corporation for a period of three years from the date on which that stockholder became an Interested Stockholder unless (i) prior to such date the corporation's board of directors approved either the Business Combination or the transaction in which the stockholder became an Interested Stockholder or (ii) the Business Combination is approved by the corporation's board of directors and authorized by the holders of at least 66 2/3% of the outstanding voting stock of the corporation not owned by the Interested Stockholder. A "Business Combination" includes a merger, asset sale or other transaction resulting in a financial benefit to a stockholder. Section 203 could prohibit or delay a merger or other takeover or change of control transaction with respect to us and, accordingly, may discourage actions that could result in a premium over the market price for the shares held by the public stockholders.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock will be American Stock Transfer & Trust Company.

Listing

We intend to apply to list our Class A common stock on the Nasdaq National Market under the symbol "WWFE."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to the offering, there has not been any public market for our Class A common stock, and no prediction can be made as to the effect, if any, that market sales of shares of Class A common stock or the availability of shares of Class A common stock for sale will have on the market price of the Class A common stock prevailing from time to time. Nevertheless, sales of substantial amounts of Class A common stock in the public market, or the perception that such sales could occur, could adversely affect the market price of the Class A common stock and could impair our future ability to raise capital through the sale of equity securities. See "Risk Factors--There has been no prior market for our Class A common stock, and the market price of the shares will fluctuate."

Upon consummation of the offering, we will have shares of Class A common stock issued and outstanding. All of the shares of Class A common stock to be sold in the offering and any shares sold upon exercise of the underwriters' over-allotment option will be freely tradable without restrictions or further registration under the Securities Act, except for any shares purchased by an "affiliate" of ours as that term is defined in Rule 144 under the Securities Act, which will be subject to the resale limitations of Rule 144. After completion of the offering, we will have shares of Class B common stock outstanding that are "restricted securities" as that term is defined in Rule 144. Restricted securities may be sold in the public markets only if that sale is registered or if that sale qualifies for an exemption from registration under the Securities Act. Sales of restricted securities in the public market, or the availability of such shares for sale, could have an adverse effect on the price of the Class A common stock. See "Risk Factors--There has been no prior market for our Class A common stock and the market price of the shares will fluctuate" and "Risk Factors--A substantial number of shares will be eligible for future sale by our current stockholders, and the sale of those shares could adversely affect our stock price."

In general, under Rule 144, as currently in effect, a person (or persons whose shares are required to be aggregated) who has beneficially owned shares of common stock for at least one year, including a person who may be deemed an "affiliate" of ours, is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of 1% of the total number of shares of the class of stock outstanding or the average weekly reported trading volume of the class of stock being sold during the four calendar weeks preceding such sale, subject to certain other restrictions. A person who is not deemed an "affiliate" of ours at any time during the three months preceding a sale and who has beneficially owned shares for at least two years is entitled to sell such shares under Rule 144 without regard to the limitations described or referred to above. As defined in Rule 144, an "affiliate" of an issuer is a person that directly or indirectly through the use of one or more intermediaries controls, is controlled by, or is under common control with, such issuer. The foregoing summary of Rule 144 is not intended to be a complete description thereof.

We, our directors, executive officers, and certain of our other officers and stockholders have agreed not to offer, sell, contract to sell, swap, make any short sale of, pledge, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act with respect to, or publicly announce his, her or its intention to do any of the foregoing with respect to, any shares of our common stock, or any securities convertible into, or exercisable or exchangeable for, any shares of common stock for a period of 180 days after the date of this prospectus without the prior written consent of Bear, Stearns & Co. Inc., except that we may issue, and grant options to purchase, shares of Class A common stock under our LTIP.

We intend to file a registration statement on Form S-8 under the Securities Act to register all shares of Class A common stock subject to outstanding stock options and Class A common stock issuable under our LTIP.

UNITED STATES FEDERAL TAX CONSIDERATIONS TO NON-UNITED STATES HOLDERS

The following summary describes certain United States federal income and estate tax consequences that may be relevant to the purchase, ownership and disposition of our Class A common stock by a Non-United States Holder. A "Non- United States Holder" is any person who is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, a foreign partnership or a foreign estate or trust or any other foreign entity. This discussion does not address all aspects of United States federal income and estate taxes and does not deal with foreign, state and local consequences that may be relevant to Non-United States Holders in light of their personal circumstances. Furthermore, this discussion is based on provisions of the Internal Revenue Code of 1986, existing and proposed regulations promulgated thereunder, and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change. Each prospective purchaser of Class A common stock is advised to consult a tax advisor with respect to current and possible future consequences of acquiring, holding and disposing of common stock as well as any tax consequences that may arise under the laws of any United States state, municipality or other taxing jurisdiction.

Dividends

We do not anticipate paying cash dividends on our capital stock in the foreseeable future. See "Dividend Policy." In the event, however, that dividends are paid on shares of our Class A common stock, dividends paid to a Non-United States Holder of our Class A common stock generally will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, assuming certain certification and disclosure requirements are met, dividends that are effectively connected with the conduct of a trade or business by a Non-United States Holder within the United States and, where a tax treaty applies, are attributable to a United States permanent establishment of the Non-United States Holder, are not subject to the withholding tax, but instead are subject to United States federal income tax on a net income basis at the applicable graduated individual or corporate rates. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

In October 1997, the IRS issued final regulations relating to the withholding, backup withholding and information reporting with respect to payments made to Non-United States Holders. The new regulations generally apply to payments made after December 31, 2000, subject to certain transition rules.

Until December 31, 2000, dividends paid to an address outside the United States are presumed to be paid to a resident of such country, unless the payer has knowledge to the contrary, for purposes of the withholding tax discussed above and, under the current interpretation of United States Treasury regulations, for purposes of determining the applicability of a tax treaty rate. To avoid back-up withholding for dividends paid after December 31, 2000, a Non-United States Holder will be required to satisfy certain certification and other requirements which may differ from current requirements. Special rules will apply to dividend payments made after December 31, 2000 to foreign intermediaries, foreign partnerships, United States or foreign wholly-owned entities that are disregarded for United States federal income tax purposes, and entities that are treated as fiscally transparent in the United States, the applicable income tax treaty jurisdiction or both. In addition, United States tax legislation, effective August 4, 1997, denies income tax treaty benefits to foreigners receiving income derived through a partnership or other fiscally transparent entity in certain circumstances.

A Non-United States Holder of our Class A common stock eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the Internal Revenue Service.

Gain on Disposition of Class A Common Stock

A Non-United States Holder generally will not be subject to United States federal income tax with respect to gain recognized on a sale or other disposition of our Class A common stock unless:

. the gain is effectively connected with a trade or business of the Non-United States Holder in the United States and, where a tax treaty applies, is attributable to a United States permanent establishment of the Non-United States Holder,

. in the case of a Non-United States Holder who is an individual and holds Class A common stock as a capital asset, such holder is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met,

. the Non-United States Holder is subject to tax pursuant to the provisions of the United States tax law applicable to certain United States expatriates, or

. we are or have been a "United States real property holding corporation" for United States federal income tax purposes, and the Non-United States Holder owned, directly or pursuant to certain attribution rules, more than 5% of our common stock at any time within the shorter of the five-year period preceding such disposition or such Non-United States Holder's holding period. We believe we are not, and we do not anticipate becoming, a "United States real property holding corporation" for United States federal income tax purposes.

An individual Non-United States Holder described in the first point above will be subject to tax on the net gain from the sale under regular graduated United States federal income tax rates. An individual Non-United States Holder described in the second point above will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by United States-source capital losses (even though the individual is not considered a resident of the United States). If a Non-United States Holder that is a foreign corporation is described in the first point above, it will be subject to tax on its net gain under regular graduated United States federal income tax rates and, in addition, may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits within the meaning of the Code for the year, as adjusted for certain items, unless it qualifies for a lower rate under an applicable income tax treaty.

Federal Estate Tax

Class A common stock owned or treated as owned by an individual Non-United States Holder at the time of death will be included in such holder's gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each Non-United States Holder the amount of dividends paid to such Non-United States Holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the Non- United States Holder resides under the provisions of an applicable income tax treaty.

Until December 31, 2000, backup withholding generally will not apply to dividends paid to a Non-United States Holder at an address outside the United States, unless the payer has knowledge that the payee is a United States person. With respect to dividends paid after December 31, 2000, however, a Non- United States Holder will be subject to back-up withholding unless applicable certification requirements are met to establish non-United States status.

Payment of the proceeds of a sale of common stock within the United States or conducted through certain United States-related financial intermediaries is subject to:

. information reporting; and

. backup withholding (other than payments made before January 1, 2000, by or through certain United States-related financial intermediaries), unless the beneficial owner certifies under penalties of perjury that it is a Non-United States Holder (and the payor does not have actual knowledge that the beneficial owner is a United States person) or the holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a holder's United States federal income tax liability provided the required information is furnished to the IRS.

UNDERWRITING

The United States underwriters named below have severally agreed, subject to the terms and conditions of the United States Underwriting Agreement, to purchase from us the number of shares of Class A common stock set forth opposite their names below:

United States Underwriters	Number of Shares
Bear, Stearns & Co. Inc.	
Credit Suisse First Boston Corporation	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Wit Capital Corporation	
Total	

The international managers named below have severally agreed, subject to the terms and conditions of the International Underwriting Agreement, to purchase from us the number of shares of Class A common stock set forth opposite their names below:

International Managers	Number of Shares
Bear, Stearns International L.P.	
Credit Suisse First Boston (Europe) Limited	
Merrill Lynch International	
Total	

Subject to the terms and conditions of the Underwriting Agreements, the United States underwriters and the international managers have agreed to purchase all of the shares of Class A common stock being sold pursuant to the Underwriting Agreements if any are purchased (excluding shares covered by the over-allotment option).

The United States underwriters and the international managers have advised us that the United States underwriters and the international managers propose to offer our Class A common stock to the public initially at the public offering price set forth on the cover page of this prospectus and to certain dealers at such price less a concession of not more than $ per share. Additionally, the United States underwriters and the international managers may allow, and such dealers may re-allow, a discount of not more than $ per share on sales to certain other dealers. After the initial public offering, the public offering price and other selling terms may be changed by the United States underwriters and the international managers.

We have granted to the United States underwriters and the international managers an option to purchase an aggregate of up to additional shares of our Class A common stock at the initial public offering price, less the underwriting discount set forth on the cover page of this prospectus, solely to cover over-allotments, if any. This option may be exercised in whole or in part at any time within 30 days after the date of this prospectus. To the extent that the United States underwriters and the international managers exercise this option, each United States underwriter and international manager will have an obligation, subject to certain conditions, to purchase a number of shares of our Class A common stock proportionate to such United States underwriter's or international manager's purchase obligation set forth in the foregoing tables.

The offering of the shares is made for delivery, when, as and if accepted by the United States underwriters and the international managers and subject to prior sale and to withdrawal, cancellation or modification of the offering without notice. The United States underwriters and the international managers reserve the right to reject an order for the purchase of shares in whole or in part.

The international managers and the United States underwriters have entered into an Intersyndicate Agreement that provides for the coordination of their activities. Pursuant to the Intersyndicate Agreement, the international managers and the United States underwriters are permitted to sell shares of Class A common stock to each other for purposes of resale at the public offering price, less an amount not greater than the selling concession. Under the terms of the Intersyndicate Agreement, the United States underwriters and any dealer to whom they sell shares of Class A common stock will not offer to sell or sell shares of Class A common stock to persons who are non-United States or non-Canadian persons or to persons they believe intend to resell to persons who are non-United States or non-Canadian persons, and the international managers and any dealer to whom they sell shares of Class A common stock will not offer to sell or sell shares of Class A common stock to United States persons or to Canadian persons or to persons they believe intend to resell to United States persons or to Canadian persons, except in the case of transactions pursuant to the Intersyndicate Agreement.

Pursuant to the Intersyndicate Agreement between the United States underwriters and international managers, sales may be made between the United States underwriters and international managers of any number of shares of Class A common stock as may be mutually agreed. The per share price of any shares so sold shall be the public offering price set forth on the cover page hereof in United States dollars, less an amount not greater than the per share amount of the concession to dealers set forth above.

Pursuant to the Intersyndicate Agreement between the United States underwriters and international managers, each United States underwriter has represented that it has not offered or sold, and has agreed not to offer or sell, any shares of Class A common stock, directly or indirectly, in any province or territory of Canada in contravention of the securities laws thereof and has represented that any offer of shares of Class A common stock in Canada will be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer or sale is made. Each United States underwriter has further agreed to send to any dealer who purchases from it any of the shares of Class A common stock a notice stating in substance that, by purchasing such shares of Class A common stock, such dealer represents and agrees that it has not offered or sold, and will not offer or sell, directly or indirectly, any of such shares of Class A common stock in any province or territory of Canada or to, or for the benefit of, any resident of any province or territory of Canada in contravention of the securities laws thereof and that any offer of shares of Class A common stock in Canada will be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer or sale is made, and that such dealer will deliver to any other dealer to whom it sells any of such shares of common stock a notice containing substantially the same statement as is contained in this sentence.

Pursuant to the Intersyndicate Agreement between the United States underwriters and international managers, each international manager has represented and agreed that:

. it has not offered or sold and, prior to the date six months after the closing date for the sale of shares of Class A common stock to the international managers, will not offer or sell, any shares of Class A common stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

. it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the shares of Class A common stock in, from or otherwise involving the United Kingdom; and

. it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the offering of the shares of Class A common stock to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise be lawfully issued or passed on.

No action has been or will be taken in any jurisdiction (except in the United States) that would permit a public offering of the shares of our Class A common stock, or the possession, circulation or distribution of this prospectus or any other material relating to us or shares of our Class A common stock in any jurisdiction where action for that purpose is required. Accordingly, the shares of our Class A common stock may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the shares of our Class A common stock may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

A prospectus in electronic format is being made available on an Internet web site maintained by Wit Capital. In addition, all dealers purchasing shares from Wit Capital in the offering have agreed to make a prospectus in electronic format available on web sites maintained by each of these dealers. Purchases of shares from Wit Capital are to be made through an account at Wit Capital in accordance with Wit Capital's procedures for opening an account and transacting in securities.

Wit Capital, a member of the National Association of Securities Dealers, Inc., will participate in the offering as one of the managing underwriters. The National Association of Securities Dealers, Inc. approved the membership of Wit Capital on September 4, 1997. Since that time, Wit Capital has acted as an underwriter, e-manager or selected dealer in over 125 public offerings. Except for its participation as a manager in the offering, Wit Capital has no relationship with us or any of our affiliates.

Purchasers of the shares offered by this prospectus may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price set forth on the cover page hereof.

We, our directors, executive officers, certain other officers and stockholders have agreed not to offer, sell, contract to sell, swap, make any short sale of, pledge, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934 with respect to, grant any option to purchase or otherwise dispose of, or publicly announce his, her or its intention to do any of the foregoing with respect to, any shares of Class A common stock, or any securities convertible into, or exercisable or exchangeable for, any shares of Class A common stock for a period of 180 days after the date of this prospectus without the prior written consent of Bear, Stearns & Co. Inc.

In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who has beneficially owned shares for at least one year is entitled to sell within any three-month period commencing 90 days after the date of this prospectus a number of shares that does not exceed the greater of
(1) one percent of the number of shares of Class A common stock then outstanding or (2) the average weekly trading volume of the Class A common stock during the four calendar weeks preceding the required filing of a Form 144 with respect to such sale. Sales under Rule 144 are generally subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. Under Rule 144(k), a person who is not deemed to have been an affiliate of us at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least two years is entitled to sell such shares without having to comply with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

In connection with the offering, the United States underwriters may purchase and sell our Class A common stock in the open market. These transactions may include over-allotment and stabilizing transactions,

"passive" market making and purchases to cover syndicate short positions created in connection with the offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Class A common stock; and syndicate short positions involve the sale by the United States underwriters of a greater number of shares of Class A common stock than they are required to purchase from us in the offering. The United States underwriters also may impose a penalty bid, whereby selling concessions allowed to syndicate members or other broker- dealers in respect of the securities sold in the offering for their account may be reclaimed by the syndicate if such shares of Class A common stock are repurchased by the syndicate in stabilizing or covering transactions. These activities may stabilize, maintain or otherwise affect the market price of the Class A common stock, which may be higher than the price that might otherwise prevail in the open market, and these activities, if commenced, may be discontinued at any time. These transactions may be effected on the Nasdaq National Market, in the over-the-counter market or otherwise.

As permitted by Rule 103 under the Exchange Act, certain United States underwriters (and selling group members, if any) that are market makers ("passive market makers") in the common stock may make bids for or purchases of the Class A common stock in the Nasdaq National Market until such time, if any, when a stabilizing bid for such securities has been made. Rule 103 generally provides that:

. a passive market maker's net daily purchases of the Class A common stock may not exceed 30% of its average daily trading volume in such securities for the two full consecutive calendar months (or any 60 consecutive days ending within the 10 days) immediately preceding the filing date of the registration statement of which this prospectus forms a part;

. a passive market maker may not effect transactions or display bids for the Class A common stock at a price that exceeds the highest independent bid for the Class A common stock by persons who are not passive market makers; and

. bids made by passive market makers must be identified as such.

We have applied to list our Class A common stock on the Nasdaq National Market under the symbol "WWFE." In connection with the listing of the Class A common stock on the Nasdaq National Market, the underwriters will undertake to sell round lots of 100 shares or more to a minimum of 2,000 beneficial owners.

We have agreed to indemnify the several United States underwriters and international managers against certain liabilities, including liabilities under the Securities Act.

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions will be approximately $.

Directed Share Program

At our request, the United States underwriters have reserved for sale, at the offering price, up to 5% of the shares of Class A common stock that will be offered by this prospectus to our directors, officers, employees, independent contractors and performers. Some purchasers of the reserved shares may be required to agree in writing not to sell, transfer, assign, pledge or hypothecate such shares for 180 days from their date of purchase. The number of shares of Class A common stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the United States underwriters to the general public on the same basis as the other shares offered hereby.

LEGAL MATTERS

The validity of the shares of Class A common stock offered by this prospectus will be passed upon for us by Kirkpatrick & Lockhart LLP, Pittsburgh, Pennsylvania. Latham & Watkins, New York, New York has acted as counsel for the underwriters in connection with the offering.

EXPERTS

Our combined financial statements as of April 30, 1998 and 1999 and for each of the three years in the period ended April 30, 1999 included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing in this prospectus and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement under the Securities Act with respect to the shares of our Class A common stock offered hereby. This prospectus, which constitutes part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. The summaries in this prospectus of additional information included in the registration statement or any exhibit thereto are qualified in their entirety by reference to such information or exhibit. For further information with respect to us and our Class A common stock, reference is hereby made to the registration statement and the exhibits and schedules thereto, copies of which may be inspected without charge at the public reference facilities maintained by the Securities and Exchange Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference room. In addition, registration statements and certain other documents filed with the Commission through its Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system are publicly available through the Commission's site on the World Wide Web, located at http://www.sec.gov. The registration statement, including all exhibits thereto and amendments thereof, has been filed with the Commission through EDGAR.

After the offering, we intend to furnish our stockholders with annual reports containing audited financial statements and an opinion thereon expressed by independent public accountants and with quarterly reports containing unaudited financial information for the first three quarters of each fiscal year.

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholder of World Wrestling Federation Entertainment, Inc.:

We have audited the accompanying combined balance sheets of World Wrestling Federation Entertainment, Inc. and related companies (the "Company") as of April 30, 1998 and 1999 and the related combined statements of operations, changes in stockholder's equity and cash flows for each of the three years in the period ended April 30, 1999. The combined financial statements include the accounts of World Wrestling Federation Entertainment, Inc., Titan Promotions (Canada), Inc. and Stephanie Music Publishing, Inc. These entities are under common ownership and management. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the combined financial position of the Company as of April 30, 1998 and 1999 and the combined results of its operations and its combined cash flows for each of the three years in the period ended April 30, 1999 in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP
Stamford, Connecticut
July 16, 1999

World Wrestling Federation Entertainment, Inc.

COMBINED BALANCE SHEETS

AS OF APRIL 30, 1998 AND 1999

(dollars in thousands)

	1998	1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 8,797	$ 45,727
Accounts receivable (less allowance for doubtful accounts of $920 at April 30, 1999)	21,221	37,509
Inventory, net	2,627	2,939
Prepaid expenses and other current assets	832	2,849
Assets held for sale	--	10,183
Total current assets	33,477	99,207
PROPERTY AND EQUIPMENT--Net	26,117	28,377
OTHER ASSETS	--	2,604
TOTAL ASSETS	$59,594	$130,188
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 7,878	$ 5,941
Accrued expenses and other liabilities	12,412	25,821
Accrued income taxes	593	2,291
Deferred income	3,620	11,084
Current portion of long-term debt	709	1,388
Total current liabilities	25,212	46,525
LONG-TERM DEBT	11,685	11,403
COMMITMENTS AND CONTINGENCIES (Note 9)		
STOCKHOLDER'S EQUITY:		
Common stock	3	3
Additional paid-in capital	130	130
Accumulated other comprehensive loss	(99)	(87)
Retained earnings	22,663	72,214
Total stockholder's equity	22,697	72,260
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$59,594	$130,188

See Notes to Combined Financial Statements.

World Wrestling Federation Entertainment, Inc.

COMBINED STATEMENTS OF OPERATIONS

YEARS ENDED APRIL 30, 1997, 1998 AND 1999
(dollars in thousands)

	1997	1998	1999
Net revenues	$81,863	$126,231	$251,474
Cost of revenues	60,958	87,969	146,618
Selling, general and administrative expenses	25,862	26,117	45,559
Depreciation and amortization	1,729	1,676	1,946
Operating income (loss)	(6,686)	10,469	57,351
Other income (expense), net	(5)	(1,540)	622
Income (loss) before income taxes	(6,691)	8,929	57,973
Provision (benefit) for income taxes	(186)	463	1,943
Net income (loss)	$(6,505)	$ 8,466	$ 56,030
UNAUDITED PRO FORMA INFORMATION (Note 3):			
Historical income before income taxes			$ 57,973
Pro forma adjustment other than income taxes			2,515
Pro forma income before income taxes			55,458
Pro forma provision for income taxes			22,227
Pro forma net income			$ 33,231

See Notes to Combined Financial Statements

World Wrestling Federation Entertainment, Inc.

COMBINED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

YEARS ENDED APRIL 30, 1997, 1998 AND 1999
(dollars in thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance, May 1, 1996.....	$ 3	$130	$(49)	$25,219	$25,303
Comprehensive (loss):					
Net (loss).....				(6,505)	(6,505)
Translation adjustment...			(13)		(13)
Total comprehensive income (loss).....					(6,518)
S Corporation distributions.....				(2,365)	(2,365)
Balance, April 30, 1997....	3	130	(62)	16,349	16,420
Comprehensive income:					
Net income.....				8,466	8,466
Translation adjustment...			(37)		(37)
Total comprehensive income.....					8,429
S Corporation distributions.....				(2,152)	(2,152)
Balance, April 30, 1998....	3	130	(99)	22,663	22,697
Comprehensive income:					
Net income.....				56,030	56,030
Translation adjustment...			12		12
Total comprehensive income.....					56,042
S Corporation distributions.....				(6,479)	(6,479)
Balance, April 30, 1999....	$ 3	$130	$(87)	$72,214	$72,260

See Notes to Combined Financial Statements.

World Wrestling Federation Entertainment, Inc.

COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED APRIL 30, 1997, 1998 AND 1999
(dollars in thousands)

	1997	1998	1999
OPERATING ACTIVITIES:			
Net income (loss)	$(6,505)	$ 8,466	$ 56,030
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,729	1,676	1,946
Provision for doubtful accounts	--	--	920
Provision for inventory obsolescence	--	--	1,530
Deferred income taxes	--	--	(483)
Changes in assets and liabilities:			
Accounts receivable	4,965	(8,848)	(17,208)
Inventory	(99)	(2,332)	(1,842)
Prepaid expenses and other current assets	114	(3)	(1,522)
Accounts payable	2,624	1,772	(1,937)
Accrued expenses and other liabilities	1,165	5,558	13,409
Accrued income taxes	(61)	360	1,698
Deferred income	(304)	(393)	5,105
Net cash provided by operating activities	3,628	6,256	57,646
INVESTING ACTIVITIES:			
Purchases of property and equipment	(892)	(1,294)	(14,634)
Proceeds from sale of property and equipment	43	--	--
Net cash used in investing activities	(849)	(1,294)	(14,634)
FINANCING ACTIVITIES:			
Proceeds (repayments) of short-term debt	1,350	(3,300)	--
Proceeds from long-term debt	285	12,000	1,563
Repayments of long-term debt	(975)	(4,478)	(1,166)
Repayments of capital lease obligations	(98)	(96)	--
S Corporation distributions	(2,365)	(2,152)	(6,479)
Net cash provided by (used in) financing activities	(1,803)	1,974	(6,082)
NET INCREASE IN CASH AND CASH EQUIVALENTS	976	6,936	36,930
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	885	1,861	8,797
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,861	$ 8,797	$ 45,727
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid during the year for income taxes	$ 162	$ 106	$ 644
Cash paid during the year for interest	602	2,063	1,143
SUPPLEMENTAL NON-CASH INFORMATION:			
Receipt of warrants (Note 14)	$ --	$ --	$ 2,359

See Notes to Combined Financial Statements.

NOTES TO COMBINED FINANCIAL STATEMENTS
(dollars in thousands, except share data)

1. Basis of Presentation and Business Description

The accompanying combined financial statements which include the accounts of World Wrestling Federation Entertainment, Inc. formerly known as Titan Sports Inc., its wholly-owned subsidiaries, TSI Realty Company and WWF Hotel & Casino Ventures LLC, its majority-owned subsidiary Titan/Shane Partnership, and its affiliated companies, Titan Promotions (Canada), Inc. and Stephanie Music Publishing, Inc., (collectively the "Company"), are presented on a combined basis because of their common ownership. All significant inter-company transactions and balances have been eliminated.

The Company is an integrated media and entertainment company, principally engaged in the development, production and marketing of television programming, pay-per-view programming, live events, and the licensing and sale of branded consumer products featuring its World Wrestling Federation brand of entertainment. The Company's operations are organized around two principal activities:

. Live and televised entertainment, which consists of live events, television programming and pay-per-view programming. Revenues consist principally of attendance at live events, sale of television advertising time, cable television rights fees, and pay-per-view buys.

. Branded merchandise, which consists of licensing and direct sale of merchandise. Revenues include sales of consumer products through third party licensees and direct marketing and sales of merchandise, magazines and home videos.

Prior to the proposed initial public offering of the common stock of World Wrestling Federation Entertainment, Inc. (the "Offering"), the Company plans to enter into a series of transactions to combine the affiliated companies under World Wrestling Federation Entertainment, Inc. These transactions will be accounted for similar to a pooling of interests as Titan Promotions (Canada), Inc. and Stephanie Music Publishing, Inc. have been under common control since their respective formations.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents - Cash and cash equivalents include cash on deposit in overnight deposit accounts and certificates of deposit with original maturities of three months or less.

Accounts Receivable - Accounts receivable relate principally to amounts due the Company from cable companies for certain pay-per-view presentations and balances due from the sale of television advertising, videotapes and magazines.

Inventory - Inventory consists of merchandise sold on a direct sales basis, and videotapes, which are sold through wholesale distributors and retailers. Inventory is stated at the lower of cost (first-in, first-out basis) or market. Substantially all inventories are comprised of finished goods.

Property and Equipment - Property and equipment are stated at historical cost. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets or, when applicable, the life of the lease, whichever is shorter. Vehicles and equipment are depreciated based on estimated useful lives varying from three to five years. Buildings and related improvements are amortized over thirty-one years, the estimated useful life. Maintenance and repairs are charged directly to expense as incurred.

Income Taxes - Other than Titan Promotions (Canada), Inc., the Company is an S Corporation under the Internal Revenue Code for U.S. federal income tax purposes. Accordingly, federal taxable income or loss attributable to the operations of the Company is included in the federal taxable income of the individual

stockholder. The provision for income taxes relates to the foreign operations of the Company and certain state taxes. The deferred state and foreign tax provision is determined under the liability method. Under this method, deferred assets and liabilities are recognized based on differences between financial statement and income tax basis of assets and liabilities using presently enacted tax rates.

Prior to the closing of the Offering, the Company will terminate its S Corporation election and will thereafter be subject to federal, state and foreign income taxes. See Note 3 regarding pro forma income taxes assuming that the Company had not been an S Corporation.

Revenue Recognition - Revenues from live and televised entertainment are recorded when earned, specifically upon the occurrence or airing of the related event. Revenues from the licensing and sale of branded consumer products consist principally of royalty revenues, magazine subscription and newsstand revenues and sales of branded merchandise, net of estimated returns. Royalty revenues are recognized in accordance with the terms of applicable royalty and license agreements with each counter party. In certain situations the Company receives royalty advances from third parties which are deferred and recognized over the term of the related agreements. Subscription revenues are initially deferred and earned pro-rata over the related subscription periods. Sales of merchandise and newsstand magazines are recorded when shipped to third parties.

Foreign Currency Translation - For translation of the financial statements of its Canadian affiliate, the Company has determined that the Canadian dollar is the functional currency. Assets and liabilities are translated at the year-end exchange rate, and income statement accounts are translated at average exchange rates for the year. The resulting translation adjustment is recorded as accumulated other comprehensive income (loss), a component of stockholder's equity. Foreign currency transactions are recorded at the exchange rate prevailing at the transaction date.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Long-Lived Assets - The Company periodically evaluates the carrying value of long-lived assets when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when indicators of impairment are present and undiscounted cash flows estimated to be generated by the asset are less then than the asset's carrying amount. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved.

Segment Reporting - Effective May 1, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 131, "Disclosures About Segments of an Enterprise and Related Information". See Note 13 for a description of the Company's operating segments.

Comprehensive Income - SFAS No. 130, "Reporting Comprehensive Income" was adopted by the Company in the first quarter of fiscal 1999. SFAS 130 establishes standards of reporting and displaying

(dollars in thousands, except share data)

comprehensive income and its components. It requires that all items required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement or financial statement footnote. SFAS 130 defines comprehensive income as the change in equity of a business during a period from transactions and other events and circumstances from non-owner sources. The only source of other comprehensive income (loss) was foreign currency translation adjustments amounting to $(13), $(37), and $12 for the fiscal years ended April 30, 1997, 1998 and 1999, respectively.

Recent Accounting Pronouncements - In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" was released. The statement requires the recognition of all derivatives as either assets or liabilities in the balance sheet and the measurement of those instruments at fair value, and is effective for periods beginning after June 15, 2000, which therefore would require the Company to adopt such statement on May 1, 2001. Although the Company's involvement in derivative type instruments is limited, the impact of adoption of this statement, if adopted currently, would be to reflect the estimated fair value of certain warrants received by the Company in connection with license agreements. See Note 14.

3. Unaudited Pro Forma Information

The unaudited pro forma combined statement of operations information presents the pro forma effects on the historical combined statement of operations for the year ended April 30, 1999 of the additional compensation of $2,515 to the chairman of the board of directors and to the chief executive officer pursuant to employment agreements that become effective upon the closing of the Offering. Additionally, it presents income taxes of $22,227 to give pro forma effect for the year ended April 30, 1999 of the change in the Company's tax status from an S Corporation to a C Corporation, representing an overall effective tax rate of 40%.

4. Assets Held for Sale

Assets held for sale at April 30, 1999 consists primarily of real property of the WWF Hotel & Casino Ventures, LLC located in Las Vegas, Nevada. Management has made a decision to sell the property and is currently soliciting offers. The property is expected to be sold prior to the end of fiscal year 2000. The property was purchased in the second quarter of fiscal year 1999 as part of the Company's expansion project. The assets are being carried at their historical cost, which is less than estimated fair value less costs to sell. In determining the fair value, the Company considered, among other things, the range of preliminary purchase prices being discussed with potential buyers as well as a recent appraisal of the property.

5. Property and Equipment

Property and equipment as of April 30, 1998 and 1999 consists of the following:

	1998	1999
Land, buildings and improvements	$31,049	$31,010
Equipment	16,017	20,170
Vehicles	451	543
	47,517	51,723
Less accumulated depreciation and amortization	21,400	23,346
Total	$26,117	$28,377

Depreciation and amortization expense was $1,729, $1,676 and $1,946 for the years ended April 30, 1997, 1998 and 1999, respectively.

(dollars in thousands, except share data)

6. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities as of April 30, 1998 and 1999 consist of the following:

	1998	1999
Accrued pay-per-view event costs	$ 3,106	$ 5,364
Accrued talent royalties	1,625	4,476
Accrued payroll related costs	3,182	4,355
Accrued television costs	515	3,009
Accrued other	3,984	8,617
Total	$12,412	$25,821

7. Debt

Debt as of April 30, 1998 and 1999 consists of the following:

	1998	1999
GMAC Commercial Mortgage Corporation	$11,892	$11,410
IBJ-Business Credit Corporation	--	1,133
J.L.J. Financial Services Corp	183	88
Charter Financial, Inc	319	160
Total debt	12,394	12,791
Less current portion	709	1,388
Long-term debt	$11,685	$11,403

During December 1997, the Company entered into a mortgage loan agreement with GMAC Commercial Mortgage Corporation, assigned to Citicorp Real Estate, Inc., under the terms of which the Company borrowed $12,000 at an annual interest rate of 7.6%. Principal and interest are to be paid in 180 monthly installments of approximately $112, which commenced on January 1, 1998. The loan is collateralized by the Company's executive offices and television studio in Stamford, CT.

During December 1997, the Company entered into a revolving line of credit agreement with IBJ Schroder Business Credit Corporation ("IBJ") under the terms of which the Company may borrow up to $10,000 at the IBJ alternate base rate plus .50% or the IBJ eurodollar rate plus 2.50%, based upon the availability of qualifying receivables which will collateralize the loan. The IBJ agreement expires in December 2000. The credit agreement contains various financial and operating covenants, which, among other things, requires the maintenance of certain financial ratios, places limitations on distributions to the stockholder and restricts the Company's ability to borrow funds from other sources. In July 1999, the Company obtained a waiver which, among other things, raises the existing limitations on stockholder distributions. At April 30, 1999, there were no outstanding borrowings under the revolving portion of the credit agreement. The Company is obligated to pay an annual .5% commitment fee on the unused portion of the facility during the term of the agreement.

During July 1998, the Company amended its revolving line of credit agreement with IBJ to allow the Company to make a capital expenditure loan, under the terms of which the Company borrowed $1,564 at the IBJ Swap Rate plus 3% (8.92% at April 30, 1999) to be repaid in 29 monthly installments of approximately $54 which commenced on September 1, 1998. The loan is collateralized by the purchased equipment.

(dollars in thousands, except share data)

During February 1997, the Company entered into a Note and Security Agreement with J.L.J. Financial Services Corp. under which the Company borrowed $285 at a fixed interest rate of 10.89%. Principal and interest are to be paid in 36 monthly installments of approximately $9, which commenced on March 1, 1997. The borrowing is collateralized by certain equipment.

During fiscal 1995, the Company entered into a Note and Security Agreement with Charter Financial, Inc. under which the Company borrowed $713 at a fixed interest rate of 10.5%. The borrowing is collateralized by certain equipment. Principal and interest are to be paid in 60 monthly installments of approximately $15, which commenced on April 1, 1995.

Interest expense was $782, $2,019 and $1,125 for the years ended April 30, 1997, 1998 and 1999, respectively, which is included in other income (expense), net in the combined statement of operations.

At April 30, 1999, the scheduled principal repayments under the loan agreements described above were as follows:

Year Ending April 30,	
2000	$ 1,388
2001	1,017
2002	573
2003	619
2004	667
Thereafter	8,527
Total	$12,791

8. Income Taxes

Other than Titan Promotions (Canada), Inc., the Company is an S Corporation for U.S federal income tax purposes. An S Corporation's income or loss and distributions are passed through to, and taken into account by, the corporation's stockholder in computing personal taxable income. Accordingly, no provision for U.S. federal income tax has been made in the accompanying historical combined financial statements. Income tax provision (benefit) in 1997, 1998 and 1999 was $(186), $463 and $1,943 respectively, and was comprised primarily of current state and foreign taxes.

Prior to the closing of the Offering, the Company will no longer be treated as an S Corporation and, accordingly, the Company will be subject to federal, foreign and state income taxes. See Note 3 regarding pro forma income taxes assuming the Company had not been an S Corporation.

The components of the Company's tax provision (benefit) for each of the three years in the period ended April 30, 1999 are as follows:

	1997	1998	1999
Current:			
State and local	$ 86	$414	$2,202
Foreign	(272)	49	224
Deferred:			
State and local	--	--	(413)
Foreign	--	--	(70)
Total	$(186)	$463	$1,943

(dollars in thousands, except share data)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities consist of the following as of April 30, 1998 and 1999:

	1998	1999
Deferred tax assets:		
Accounts receivable	$--	$188
Inventories	15	100
Accrued profit sharing	37	--
Accrued liabilities and reserves	30	65
Other	39	226
Foreign	--	70
	121	649
Deferred tax liabilities:		
Fixed assets and depreciation	95	117
Intangible assets	--	7
Other assets	--	16
	95	140
Total, net	$ 26	$509

The temporary differences described above represent differences between the tax basis of assets or liabilities and their reported amounts in the combined financial statements that will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled. The net deferred tax asset is included in prepaid expenses and other current assets in the combined balance sheet.

9. Commitments and Contingencies

Commitments

The Company has certain commitments, including various non-cancellable operating leases, performance contracts with various performers, employee agreements, and an agreement with a television network, which guarantees the network a minimum payment for advertising during the course of the agreement. Future minimum payments under the leases and other various agreements as of April 30, 1999 are as follows:

Year Ending April 30,	Operating Lease Commitments	Other Commitments	Total
2000	$ 523	$30,419	$30,942
2001	510	27,189	27,699
2002	509	14,028	14,537
2003	468	5,189	5,657
2004	498	3,167	3,665
Thereafter	2,002	6,550	8,552
Total	$4,510	$86,542	$91,052

Rent expense under operating leases was approximately, $175, $170 and $260, for the fiscal years ended April 30, 1997, 1998 and 1999, respectively.

On June 29, 1999 the Company issued to its stockholder an unsecured, 5% interest-bearing note in the principal amount of $32,000 due April 10, 2000. The note represents estimated federal and state income taxes payable by the Company's stockholder with respect to the Company's income for fiscal 1999 and estimated for the interim period May 1, 1999 through September 30, 1999.

Contingencies

On May 13, 1991, William R. Eadie, a former professional wrestler who had been one of the Company's performers, filed a lawsuit in state court in Wisconsin against the Company and the Company's stockholder. The case was removed to the United States District Court for the District of Connecticut on August 7, 1991. The suit alleges that the Company reached a verbal agreement to compensate Eadie for the use of his ideas in connection with a wrestling tag team called "Demolition" and to employ him for life. Plaintiff is seeking $6.5 million in compensatory damages and unspecified punitive damages. The Company has denied any liability and is vigorously contesting this action. In a similar action filed against the Company on April 10, 1992 in the United States District Court for the District of Connecticut, Randy Colley, a former professional wrestler who had been one of the Company's performers, also alleges that the Company breached an agreement to compensate him for disclosing his idea for a wrestling tag team called "Demolition." He is seeking unspecified compensatory and punitive damages. The Company has denied any liability and is vigorously defending this action. Colley's claims were consolidated for trial with those of Eadie in the action described above. The Company believes that both plaintiffs' claims are without merit. On May 20, 1998, a magistrate judge ruled that the plaintiffs' expert on damages could not testify at trial. Thereafter, the plaintiffs engaged a second expert on damages, whose report must be finalized by August 25, 1999. There can be no assurance that the Company will prevail on its motion. Discovery has not been completed, and no trial date has been scheduled. The Company believes that an unfavorable outcome in these actions may have a material adverse effect on its financial position or results of operations.

On August 28, 1996, James Hellwig, a former professional wrestler who had been one of the Company's performers, filed a suit against the Company in state court in Arizona alleging breach of two separate service contracts, defamation and unauthorized use of servicemarks and trademarks allegedly owned by him. Hellwig is also seeking a declaration that he owns the characters, Ultimate Warrior and Warrior, which he portrayed as a performer under contract with the Company. Pursuant to mandatory disclosure requirements filed with the court, Hellwig stated that he is seeking approximately $10 million in compensatory damages and $5 million in punitive damages, or such other amount as may be determined by the court or jury. The Company has denied all liability and is vigorously defending this action. The Company believes that Hellwig's claims are without merit. The Company has asserted counterclaims against him for breach of his service contracts and seeks rescission of an agreement by which the Company transferred ownership of the servicemarks to him. In addition, the Company filed a separate action in federal district court in Connecticut on March 11, 1998, seeking a declaration that the Company owns the characters, Warrior and Ultimate Warrior, under both contract and copyright law. Hellwig's motion to dismiss the federal case was denied, and the Company has since moved for summary judgment in the federal proceeding. In the state court proceeding in Arizona, on June 3, 1999, the Company moved for summary judgment on the two contract claims, the defamation claim, and the other claims of the plaintiff. The Company believes that an unfavorable outcome in this suit may have a material adverse effect on the Company's financial position or results of operations.

On June 21, 1996, the Company filed an action against WCW and Turner Broadcasting Systems, Inc. in the United States District Court for the District of Connecticut, alleging unfair competition and infringement of the Company's copyrights, servicemarks and trademarks with respect to two characters owned by the Company. The Company's claim that WCW, which contracted with two professional wrestlers who previously had performed under contract for the Company in the character roles of Razor Ramon and Diesel, misappropriated those characters in WCW's programming and misrepresented the reason that these former World Wrestling Federation professional wrestlers were appearing on WCW programming. During discovery proceedings, which were completed on October 16, 1998, WCW was twice sanctioned by the court for failure to comply with the court's discovery orders. The Company is seeking damages in the form of revenue disgorgement from WCW and has submitted expert reports supporting the Company's claim for substantial money damages. WCW and TBS have denied any liability.

On May 18, 1998, WCW filed an action against the Company in the United States District Court for the District of Connecticut and immediately moved to consolidate this action with the Company's pending action against WCW and TBS described above. WCW alleges that the Company diluted various marks owned by and/or licensed to WCW by disparaging those marks and also claims that the Company engaged in unfair competition when the Company aired its "Flashback" series of past World Wrestling Federation performances on USA Network without disclosing that some of the performers, at the time the series was subsequently broadcast, were then affiliated with WCW. The Company has denied any liability and is vigorously defending against this action. The Company has filed a counterclaim for abuse of process, which WCW has moved to dismiss. Discovery is ongoing, and the Company intends to move for summary judgment when discovery is concluded. The Company believes that WCW's claims are without merit. WCW has yet to state a claim for damages. The Company believes that the ultimate liability resulting from such proceeding, if any, will not have a material adverse effect on the Company's financial position or results of operations.

In addition, on December 11, 1998, WCW filed a suit against the Company in state court in Georgia alleging that the Company had breached an existing contract between the Company and High Road Productions, Inc., a film distribution company, and thereby allegedly interfering with a potential contract between High Road and WCW. WCW seeks unspecified money damages. The Company has denied all liability, believes that WCW's claims are without merit, and is vigorously defending against the suit. On April 2, 1999, the Company moved to dismiss and for judgment on the pleadings on the grounds that WCW's complaint fails to state a claim for tortious interference with business relations as a matter of Georgia law. A hearing on the motion was held on July 14, 1999, and the judge has taken the matter under advisement. Only limited discovery has taken place to date. No claims have been filed by High Road against the Company, and the Company and High Road have exchanged releases. The Company believes that the ultimate liability resulting from this proceeding, if any, will not have a material adverse effect on the Company's financial position or results of operations.

On June 15, 1999, members of the family of Owen Hart, a professional wrestler performing under contract with the Company, filed suit in state court in Missouri against the Company, the Company's Chairman of the Board of Directors and the Company's President and Chief Executive Officer, and nine other defendants, including the manufacturer of the rigging equipment involved, individual equipment riggers and the arena operator, as a result of the death of Owen Hart during a pay-per-view event at Kemper Arena in Kansas City, Missouri on May 23, 1999. The specific allegations against the Company include the failure to use ordinary care to provide proper equipment and personnel for the safety of Owen Hart, the failure to take special precautions when conducting an inherently dangerous activity, endangerment and the failure to warn, vicarious liability for the negligence of the named individual defendants, the failure to properly train and supervise, and the provision of dangerous and unsafe equipment. Plaintiffs seek compensatory and punitive damages in unspecified amounts. The Company has not yet formally responded to the suit but intends to deny any liability for negligence and

(dollars in thousands, except share data)

other claims asserted against the Company. The Company believes that it has meritorious defenses and intends to defend vigorously against the suit. The Company believes that an unfavorable outcome of this suit may have a material adverse effect on the Company's financial position or results of operations.

The Company is not currently a party to any other material legal proceedings. However, the Company is involved in several other suits and claims in the ordinary course of business, and it may from time to time become a party to other legal proceedings arising in the ordinary course of doing business.

10. Stockholder's Equity

At April 30, 1999, common stock of the Company, by entity, was as follows:

Entity	Par/ Stated Value	Authorized Shares	Issued Shares	Outstanding Shares	$ Amount
World Wrestling Federation Entertainment, Inc.	None	12,500	100	100	$ 2
Titan Promotions (Canada), Inc.	None	Unlimited	100	100	--
Stephanie Music Publishing, Inc.	None	5,000	100	100	1
					$ 3

Prior to the proposed Offering of World Wrestling Federation Entertainment, Inc., the Company plans to combine the affiliated entities under World Wrestling Federation Entertainment, Inc. These transactions will be accounted for similar to a pooling of interests as Titan Promotions (Canada), Inc. and Stephanie Music Publishing, Inc. have been under common control since their respective formations.

In July 1999, the Company adopted the 1999 Long Term Incentive Plan ("LTIP"), which becomes effective upon the closing of the Offering. The LTIP provides for grants of options as incentives and rewards to encourage employees, directors, consultants and performers in the long-term success of the Company. The LTIP provides for grants of options to purchase shares at a purchase price equal to the fair market value on the date of the grant. The LTIP also provides for the grant of other forms of equity based incentive awards as determined by the Compensation Committee of the Board of Directors.

11. Employee Benefit Plans

The Company sponsors a 401(k) defined contribution plan covering substantially all employees. Under this plan, participants are allowed to make contributions based on a percentage of their salaries, subject to a statutorily prescribed annual limit. The Company makes matching contributions of 50 percent of each participant's contributions, up to 6 percent of eligible compensation (maximum 3% matching contribution). The Company may also make additional discretionary contributions to the plan. There were no Company matching contributions to the 401(k) plan in fiscal 1997 or 1998. The Company's expense for matching contributions and additional discretionary contributions to the 401(k) plan was $233 during fiscal 1999.

The Company sponsored a profit sharing plan for the benefit of employees meeting certain eligibility requirements. This profit sharing plan was merged into the Company's 401(k) plan during fiscal 1999, with all assets associated with the profit sharing plan being transferred into the 401(k) plan. There were no contributions to the profit sharing plan in fiscal 1997. The Company's expense under the profit sharing plan was $1,568 during fiscal 1998.

During fiscal 1999 the Company created its Money Purchase Plan. Under this plan, the Company makes a contribution to each participant's account based upon a formula as prescribed by the plan document. The Company's expense under the Money Purchase Plan was $769 during fiscal 1999.

(dollars in thousands, except share data)

12. Related Party Transactions

The Company expensed approximately $1,963 in 1997, $1,063 in 1998 and $123 in 1999 in travel related costs and management fees paid to a travel agency which is owned by the president of the Company. The management fee is paid in return for the travel agency's overall management of the Company's travel planning requirements. Amounts receivable from the travel agency at April 30, 1998 and 1999 was $0 and $205, respectively. These balances arise from transactions conducted in the normal course of business.

The Company has a receivable from Shane Distribution Co. in the amount of $365 and $377 at April 30, 1998 and 1999, respectively. Shane Distribution Co. is a movie distribution company owned by the stockholder of the Company.

13. Segment Information

The Company's operations are conducted within two reportable segments, live and televised entertainment and branded merchandise. The live and televised entertainment segment consists of live events, television programming and pay per view programming. The branded merchandise segment includes consumer products sold through third party licensees and the marketing and sale of merchandise, magazines and home videos. The Company does not allocate corporate overhead to each of the segments and as a result, corporate overhead is a reconciling item in the table below. There are no intersegment revenues. Results of operations and assets from non-U.S. sources are less than 10% of the respective combined financial statement amounts. The table presents information about the financial results of each segment for the years ended April 30, 1997, 1998 and 1999 and assets as of April 30, 1998 and 1999.

	1997	1998	1999
Revenues:			
Live and televised entertainment	$63,913	$ 92,649	$170,045
Branded merchandise	17,950	33,582	81,429
Total revenues	$81,863	$126,231	$251,474
Depreciation and Amortization:			
Live and televised entertainment	$ 648	$ 633	$ 908
Branded merchandise	--	--	--
Corporate	1,081	1,043	1,038
Total depreciation and amortization	$ 1,729	$ 1,676	$ 1,946
Operating Income (Loss):			
Live and televised entertainment	$ 9,344	$ 19,390	$ 61,870
Branded merchandise	3,610	11,159	26,163
Corporate	(19,640)	(20,080)	(30,682)
Total operating income (loss)	$(6,686)	$ 10,469	$ 57,351

Assets:		
Live and televised entertainment	$25,678	$ 39,096
Branded merchandise	5,281	24,118
Unallocated	28,635	66,974
Total assets	$59,594	$130,188

14. Financial Instruments and Off-Balance Sheet Risk

Concentration of Credit Risk - Financial instruments, which potentially subject the Company to concentrations of credit risk, are principally bank deposits and accounts receivable. Cash and cash equivalents are deposited with high credit quality financial institutions. Except for receivables from cable companies related to pay-per-view events, concentrations of credit risk with respect to trade receivables are limited due to the large number of customers. A significant portion of trade receivables for pay-per-view events are due from the Company's pay-per-view administrator, who collects and remits payments to the Company from individual cable system operators. The Company performs ongoing evaluations of its customers' financial condition, including its pay- per-view administrator, and monitors its exposure for credit losses and maintains allowances for anticipated losses.

Fair Value of Financial Instruments - The carrying amounts of cash, cash equivalents, accounts receivable and accounts payable approximate fair value because of the short-term nature and maturity of such instruments. The carrying amount of the Company's long-term debt approximates fair value as the interest rates on the instruments approximate market rates. In addition, the Company has received warrants from three publicly traded companies with whom it has licensing agreements. The estimated fair value of the warrants on the date of receipt aggregated approximately $2,359. Such amount is being recognized as license revenues over the respective license periods. The carrying amount of these warrants is included in other assets at April 30, 1999. The estimated fair value of such warrants was $4,784 at April 30, 1999.

Prospective investors may rely only on the information contained in this prospectus. Neither we nor any United States underwriter has authorized anyone to provide prospective investors with different or additional information. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of the delivery of this prospectus or any sale of these securities.

TABLE OF CONTENTS

Until , 1999 (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our Class A common stock, whether or not participating in the offering, may be required to deliver a prospectus. This is in addition to each dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to its unsold allotments or subscriptions.

World Wrestling Federation Entertainment, Inc.

[LOGO]

Shares

Class A Common Stock

PROSPECTUS

Bear, Stearns & Co. Inc.

Credit Suisse First Boston

Merrill Lynch & Co.

Wit Capital Corporation

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+The information in this preliminary prospectus is not complete and may be +
+changed. We may not sell these securities until the registration statement +
+filed with the Securities and Exchange Commission becomes effective. This +
+preliminary prospectus is not an offer to sell these securities nor a +
+solicitation of an offer to buy these securities in any jurisdiction where +
+the offer or sale is not permitted. +

++ Alternate International Page

SUBJECT TO COMPLETION, DATED AUGUST 3, 1999

PROSPECTUS

Shares

World Wrestling Federation Entertainment, Inc.

[logo]

Class A Common Stock

This is an initial public offering of shares of the Class A common stock of World Wrestling Federation Entertainment, Inc. We are selling all of the shares of Class A common stock by means of this prospectus. Of the shares being offered, the international managers are initially offering shares outside the United States and Canada, and the U.S. underwriters are initially offering shares in the United States and Canada.

Immediately following this offering, we will have outstanding two classes of common stock, the Class A common stock we are offering, and Class B common stock. The holders of Class A common stock are entitled to one vote for each share, whereas the holders of Class B common stock are entitled to ten votes for each share. The rights of holders of Class A common stock and Class B common stock are substantially the same in all other respects.

There is no public market for our Class A common stock at the present time. It is currently estimated that the initial public offering price will be between $ and $ per share.

We intend to apply to list the shares on the Nasdaq National Market under the symbol "WWFE."

See "Risk Factors" beginning on page 10 to read about certain risks that you should consider before buying shares of our Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

The international managers and the U.S. underwriters have an option to purchase up to an additional shares of Class A common stock from us at the public offering price less the underwriting discount.

Bear, Stearns International Limited

Credit Suisse First Boston

Merrill Lynch International

The date of this prospectus is , 1999

Prospective investors may rely only on the information contained in this prospectus. Neither we nor any United States underwriter has authorized anyone to provide prospective investors with different or additional information. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of the delivery of this prospectus or any sale of these securities.

TABLE OF CONTENTS

Until , 1999 (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our Class A common stock, whether or not partici- pating in the offering, may be required to deliver a prospectus. This is in addition to each dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to its unsold allotments or subscriptions.

Alternate International Page

World Wrestling Federation Entertainment, Inc.

[LOGO]

Shares

Class A Common Stock

PROSPECTUS

Bear, Stearns International Limited

Credit Suisse First Boston

Merrill Lynch International

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses, which, in some cases, have been estimated, expected to be incurred in connection with the issuance and distribution of the securities being registered.

Securities and Exchange Commission Registration Fee	$47,955
Nasdaq National Market Listing Fee	*
NASD Filing Fees	17,750
Printing and Engraving Expenses	*
Accounting Fees and Expenses	*
Legal Fees and Expenses	*
Blue Sky Qualification Fees and Expenses	$ 7,500
Transfer Agent Fees and Expenses	*
Miscellaneous	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 102(b)(7) of the General Corporation Law of the State of Delaware (the "DGCL") permits a corporation, in its certificate of incorporation, to limit or eliminate the liability of directors to the corporation or its stockholders for monetary damages for breaches of fiduciary duty, except for liability (a) for any breach of the director's duty of loyalty to the corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) for the unlawful payment of a dividend or an unlawful stock purchase or redemption under Section 174 of the DGCL, or (d) for any transaction from which the director derived an improper personal benefit. The registrant's amended and restated certificate of incorporation will contain the following provision regarding the elimination of liability for its directors:

The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented. Without limiting the generality of the foregoing, no director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

Under Section 145 of the DGCL, a corporation has the power to indemnify directors and officers under certain circumstances, subject to certain limitations, against specified costs and expenses actually and reasonably incurred in connection with an action, suit or proceeding, whether civil, criminal, administrative or investigative. The registrant's amended and restated certificate of incorporation will contain a provision that the registrant indemnify any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer, employee or agent of the registrant or is or was serving at the request of the registrant as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person.

Article VI of the registrant's amended and restated by-laws will contain similar provisions and will permit the registrant to maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the registrant, or is or was serving at the request of the registrant as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him or on his behalf in any such capacity, or arising out of his status as such, whether or not the registrant would have the power to indemnify him against such liability under the provisions of the registrant's by-laws.

The underwriting agreement filed as an exhibit hereto contains provisions pursuant to which each underwriter severally agrees to indemnify the registrant, any person controlling the registrant within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, each director of the registrant, and each officer of the registrant who signs this registration statement with respect to information relating to such underwriter furnished in writing by or on behalf of such underwriter expressly for use in this registration statement.

Item 15. Recent Sales of Unregistered Securities.

Within the past three years, the registrant has not sold any shares of its capital stock.

Item 16. Exhibits and Financial Statement Schedules.

(a) The following exhibits are filed as part of this registration statement:

Exhibit No.	Description of Exhibit
1.1	Form of Underwriting Agreement.*
3.1	Restated Certificate of Incorporation of World Wrestling Federation Entertainment, Inc., as amended.
3.2	Form of Amended and Restated Certificate of Incorporation of World Wrestling Federation Entertainment, Inc.*
3.3	By-laws of World Wrestling Federation Entertainment, Inc.
3.4	Form of Amended and Restated By-laws of World Wrestling Federation Entertainment, Inc.*
4.1	Form of Class A common stock certificate.*
4.2	Form of Class B common stock certificate.*
5.1	Opinion of Kirkpatrick & Lockhart LLP as to the legality of the registrant's Class A common stock.*
10.1	Form of 1999 Long-Term Incentive Plan.
10.2	Form of Employment Agreement with Vincent K. McMahon.
10.3	Form of Employment Agreement with Linda E. McMahon.
10.4	Employment Agreement between Titan Sports Inc. and August J. Liguori, dated as of August 24, 1998.
10.5	License Agreement between USA Networks and Titan Sports Inc., dated as of July 2, 1998.*
10.6	Agreement between USA Networks and Titan Sports Inc., dated as of September 1, 1998.*
10.7	Agreement between Titan Sports Inc. and Viewer's Choice L.L.C., dated as of January 20, 1999.*

* To be filed by amendment.

Exhibit No.	Description of Exhibit
10.8	License Agreement between United Paramount Network and Titan Sports Inc., dated as of , 1999.*
10.9	Revolving Credit and Security Agreement between Titan Sports Inc. and IBJ Schroder Business Credit Corporation, dated as of December 22, 1997.
10.10	Amendment to Revolving Credit and Security Agreement between Titan Sports Inc. and IBJ Schroder Business Credit Corporation, dated as of June 9, 1998.
10.11	Open End Mortgage Deed, Assignment of Rents and Security Agreement between TSI Realty Company and GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.
10.12	Promissory Note issued by TSI Realty Company to GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.
10.13	Environmental Indemnity Agreement among TSI Realty Company, Titan Sports Inc. and GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.
10.14	Assignment of Leases and Rents between TSI Realty Company and GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.
10.15	Form of Tax Indemnification Agreement among World Wrestling Federation Entertainment, Inc., Stephanie Music Publishing, Inc., Vincent K. McMahon and the Vincent K. McMahon Irrevocable Deed of Trust, dated as of June 30, 1999.*
21.1	List of Significant Subsidiaries.
23.1	Consent of Kirkpatrick & Lockhart LLP (included in its opinion filed as Exhibit 5.1 hereto).*
23.2	Consent of Deloitte & Touche LLP.
24.1	Powers of attorney (included in the signature page of this registration statement).
27.1	Financial data schedule.

* To be filed by amendment

(b) Financial statement schedules have been omitted because they are not required under the applicable provisions of Regulation S-X, or because the information that would otherwise be included in such schedules is contained in the registrant's consolidated financial statements or accompanying notes.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event

that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or
(4) or 497(h) under the Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Stamford, Connecticut, on August 3, 1999.

World Wrestling Federation Entertainment, Inc.

/s/ Vincent K. McMahon

By: _____

Vincent K. McMahon
Chairman of the Board of Directors

POWER OF ATTORNEY

We, the undersigned directors and officers of World Wrestling Federation Entertainment, Inc., do hereby constitute and appoint August J. Liguori, Edward L. Kaufman and Frank G. Serpe, or any of them, our true and lawful attorneys and agents, with full power of substitution, to do any and all acts and things in our names and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or any of them, may deem necessary or advisable to enable said corporation to comply with the Securities Act of 1933, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in connection with this registration statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto, and other documents in connection therewith including, without limitation, any registration statements for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act with the Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed on August 3, 1999 by the following persons, in the capacities indicated:

Signature	Title
/s/ Vincent K. McMahon Vincent K. McMahon	Chairman of the Board of Directors
/s/ Linda E. McMahon Linda E. McMahon	President and Chief Executive Officer and Director (Principal Executive Officer)
/s/ August J. Liguori August J. Liguori	Executive Vice President and Chief Financial Officer and Director (Principal Financial Officer)
/s/ Frank G. Serpe Frank G. Serpe	Senior Vice President-Finance and Chief Accounting Officer (Principal Accounting Officer)

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10.11	Open End Mortgage Deed, Assignment of Rents and Security Agreement between TSI Realty Company and GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.
10.12	Promissory Note issued by TSI Realty Company to GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.
10.13	Environmental Indemnity Agreement among TSI Realty Company, Titan Sports Inc. and GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.

Exhibit No.	Description of Exhibit
10.14	Assignment of Leases and Rents between TSI Realty Company and GMAC Commercial Mortgage Corp. (assigned to Citicorp Real Estate, Inc.), dated as of December 12, 1997.
10.15	Form of Tax Indemnification Agreement among World Wrestling Federation Entertainment, Inc., Stephanie Music Publishing, Inc., Vincent K. McMahon and the Vincent K. McMahon Irrevocable Deed of Trust, dated as of June 30, 1999.*
21.1	List of Significant Subsidiaries.
23.1	Consent of Kirkpatrick & Lockhart LLP (included in its opinion filed as Exhibit 5.1 hereto).*
23.2	Consent of Deloitte & Touche LLP.
24.1	Powers of attorney (included in the signature page of this registration statement).
27.1	Financial data schedule.

* To be filed by amendment

EXHIBIT 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

TITAN SPORTS INC.

It is hereby certified that:

1. (a) The present name of the corporation (hereinafter called the "corporation") is Titan Sports Inc.

(b) The name under which the corporation was originally incorporated was WWF, Inc., and the date of filing the original certificate of incorporation of the corporation with the Secretary of State of the State of Delaware was July 28, 1987.

2. The certificate of incorporation of the corporation is hereby amended by striking out Article FOURTH thereof and by substituting in lieu thereof new Article FOURTH which is set forth in the Restated Certificate of Incorporation hereinafter provided for.

3. The provisions of the certificate of incorporation of the corporation as heretofore amended, and as herein amended, are hereby restated and integrated into the single instrument which is hereinafter set forth, and which is entitled Restated Certificate of Incorporation of Titan Sports Inc., without any further amendments other than the amendments herein certified and without any discrepancy between the provisions of the certificate of incorporation as heretofore amended and the provisions of the said single instrument hereinafter set forth.

4. The amendments and the restatement of the certificate of incorporation herein certified have been duly adopted by the stockholders in accordance with the provisions of Sections 228, 242, and 245 of the General Corporation Law of the State of Delaware.

5. The certificate of incorporation of the corporation, as amended and restated herein, shall at the effective time of this Restated Certificate of Incorporation, read as follows:

Restated Certificate of Incorporation

of

Titan Sports Inc.

The undersigned, in order to form a corporation under and pursuant to the provisions of the General Corporation Law of the State of Delaware, does hereby certify as follows:

FIRST: The name of the corporation is:

TITAN SPORTS INC.

SECOND: The address of the corporation's registered office in the State of Delaware is 229 South Street, City of Dover, County of Kent, and the name of its registered agent at such address is Prentice Hall Corporate Services.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock which the corporation shall have authority to issue is 12,500 shares of common stock, each having no par value.

FIFTH: The name and mailing address of the incorporator is as follows:

Luke I. O'Neill, Esq.

Whitman & Ransom
100 Field Point Road
Greenwich, CT 06830

SIXTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the corporation, and for further definition, limitation and regulation of the powers of the corporation and of its directors and stockholders:

(1) Election of directors need not be by written ballot unless the by- laws so provide.

(2) The Board of Directors shall have power, without the assent or vote of the stockholders, to make, alter, amend, change, add to, or repeal the by-laws of the corporation.

(3) Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement, and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

SEVENTH: Personal liability of the directors of the corporation is hereby eliminated to the fullest extent permitted by paragraph (7) of subsection (b) of
Section 102 of the General Corporation Law of the State of Delaware, as the same may be amended from time to time.

EIGHTH: The corporation shall, to the full extent permitted by Section 145 of the Delaware General Corporation Law, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto.

IN WITNESS WHEREOF, I have signed this certificate this 22nd day of December, 1988.

/s/ Vincent M. McMahon

Vincent M. McMahon - President

Attest:

/s/ Linda E. McMahon

Linda E. McMahon - Secretary

CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION

OF

TITAN SPORTS INC.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "corporation") is TITAN SPORTS INC.

2. The restated certificate of incorporation of the corporation is hereby amended by striking out Article FIRST thereof and by substituting in lieu of said Article the following new Article:

"FIRST: The name of the corporation is World Wrestling Federation Entertainment, Inc."

3. The amendment of the certificate of incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 & 242 of the General Corporation Law of the State of Delaware.

Signed on July 29, 1999

/s/ AUGUST J. LIGUORI
---------- August J. Liguori, Executive V.P. & CFO

EXHIBIT 3.3

BY-LAWS

OF

WORLD WRESTLING FEDERATION ENTERTAINMENT, INC.

ARTICLE I

MEETINGS OF STOCKHOLDERS

SECTION 1. Annual Meeting. A meeting of stockholders shall be held annually for the election of directors and the transaction of such other business as is related to the purpose or purposes set forth in the notice of meeting on such date and at such time as may be fixed by the Board of Directors; or if no date and time are so fixed, at ten o'clock A.M. on the second Tuesday in June in each and every year, unless such day shall fall on a legal holiday, in which case such meeting shall be held on the next succeeding business day, at such time as may be fixed by the Board of Directors.

SECTION 2. Special Meetings. Special meetings of the stockholders for any purpose may be called by the Chairman of the Board of Directors, the President or the Secretary, and shall be called by the President or the Secretary at the written request of the holders of record of a majority of the outstanding shares of the Corporation entitled to vote at such meeting. Special meetings shall be held at such time as may be fixed in the call and stated in the notices of meeting or waiver thereof. At any special meeting only such business may be transacted as is related to the purpose or purposes for which the meeting is convened.

SECTION 3. Place of Meetings. Meetings of stockholders shall be held at such place, within or without the State of Delaware or the United States of America, as may be fixed in the call and stated in the notice of meeting or waiver thereof.

SECTION 4. Notice of Meetings; Adjourned Meetings. Notice of each meeting of stockholders shall be given in writing and shall state the place, date and hour of the meeting. The purpose or purposes for which the meeting is called shall be stated in the notice of each special meeting and of each annual meeting at which any business other than the election of directors is to be transacted.

A copy of the notice of any meeting shall be given, personally or by mail, not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting. If mailed, such notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the stockholder at his address as it appears on the record of stockholders.

When a meeting is adjourned for less than thirty days in any one adjournment, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

SECTION 5. Waiver of Notice. The transactions of any meeting of stockholders, however called and with whatever notice, if any, are as valid as though adopted at a meeting duly held after regular call and notice, if:

(a) all the stockholders entitled to vote are present in person or by proxy and no objection to holding the meeting is made by any stockholder; or

(b) a quorum is present either in person or by proxy and no objection to holding the meeting is made by anyone so present, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signed a written waiver of notice, or a consent to the holding of the meeting, or an approval of the action taken as shown by the minutes thereof.

Whenever notice is required to be given to any stockholder, a written waiver thereof signed by such stockholder, whether before or after the time thereon stated, shall be deemed equivalent to such notice. Attendance of a person at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when such stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of stockholders need be specified in any written waiver of notice thereof.

SECTION 6. Qualification of Voters. Except as may be otherwise provided in the Certificate of Incorporation, every stockholder of record shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders for every share standing in his name on the record of stockholders.

SECTION 7. Quorum. At any meeting of the stockholders the presence, in person or by proxy, of the holders of a majority of the shares entitled to vote thereat shall constitute a quorum for the transaction of any business. When a quorum is once present to organize a

meeting, it is not broken by the subsequent withdrawal of any stockholders. The stockholders present may adjourn the meeting despite the absence of a quorum.

SECTION 8. Proxies. Every stockholder entitled to vote at a meeting of stockholders or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. Every proxy must be executed by the stockholder or his attorney-in-fact. No proxy shall be valid after the expiration of three years from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the stockholder executing it, except as otherwise provided therein and as permitted by law. Except as otherwise provided in the proxy, any proxy holder may appoint in writing a substitute to act in his place.

SECTION 9. Voting. Except as otherwise required by law, directors shall be elected by a plurality of the votes cast at a meeting of stockholders by the holders of shares entitled to vote in the election. Whenever any corporate action, other than the election of directors, is to be taken by vote of the stockholders at a meeting, it shall, except as otherwise required by law or the Certificate of Incorporation, be authorized by a majority of the votes cast thereat, in person or by proxy.

SECTION 10. Action Without A Meeting. Whenever stockholders are required or permitted to take any action at a meeting or by vote, such action may be taken without a meeting, without prior notice and without a vote, by consent in writing setting forth the action so taken, signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action

without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

SECTION 11. Record Date. The Board of Directors is authorized to designate a day, not more than sixty days nor less than ten days prior to the day of holding any meeting of stockholders, as the day as of which stockholders entitled to notice of and to vote at such meeting shall be determined; and only stockholders of record on such day shall be entitled to notice or to vote at such meeting.

SECTION 12. List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at the principal place of business of the Corporation or at the place where the meeting is to be held, which place shall be specified in the notice of the meeting. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 13. Inspectors of Election. The Chairman of any meeting of the stockholders may appoint one or more Inspectors of Election. Any Inspector so appointed to act at any meeting of the stockholders, before entering upon the discharge of his duties, shall be sworn faithfully to execute the duties of an Inspector at such meeting with strict impartiality, and according to the best of his ability.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. Power of Board and Qualification of Directors. The business and affairs of the Corporation shall be managed by the Board of Directors.

SECTION 2. Number of Directors. The number of directors constituting the whole Board of Directors shall be such number not less than one nor more than fifteen as may be fixed from time to time by resolution adopted by the stockholders or by the Board.

SECTION 3. Election and Term of Directors. At each annual meeting of stockholders, directors shall be elected to serve until the next annual meeting and until their respective successors are elected and qualified.

SECTION 4. Resignations. Any director of the Corporation may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. Removal of Directors. Any or all of the directors may be removed with or without cause by vote of the stockholders.

SECTION 6. Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors or vacancies occurring in the Board of Directors for any reason, except the removal of directors by stockholders without cause, may be filled by vote of a majority of the directors then in office, even if less than a quorum

exists, or may be filled by the stockholders. Vacancies occurring as a result of the removal of directors by stockholders without cause shall be filled by the stockholders. A director elected to fill a vacancy or a newly created directorship shall be elected to hold office until the next annual meeting of stockholders.

SECTION 7. Executive and Other Committees of Directors. The Board of Directors, by resolution adopted by a majority of the whole Board, may designate from among its members an executive committee and other committees to serve at the pleasure of the Board of Directors, each consisting of one or more directors, and each of which, to the extent provided in the resolution, shall have all the authority of the Board to the full extent authorized by law, including the power or authority to declare a dividend or to authorize the issuance of stock. The Board of Directors may designate one or more directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

SECTION 8. Compensation of Directors. The Board of Directors shall have authority to fix the compensation of directors for services in any capacity, or to allow a fixed sum plus expenses, if any, for attendance at meetings of the Board or of committees designated thereby.

SECTION 9. Interest of Director in a Transaction. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(a) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

(b) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(c) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE III

MEETINGS OF THE BOARD

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such times and places, within or without the State of Delaware or the United States of America, as may from time to time be fixed by the Board.

SECTION 2. Special Meetings; Notice; Waiver. Special meetings of the Board of Directors may be held at any time and place, within or without the State of Delaware or the United States of America, upon the call of the Chairman of the Board, the President or the Secretary, by oral, telegraphic or written notice, duly given or sent or mailed to each director not less than two days before such meeting. Special meetings shall be called by the Chairman of the Board, the President or the Secretary on the written request of any two directors.

Notice of a special meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

A notice, or waiver of notice, need not specify the purpose of any special meeting of the Board of Directors.

SECTION 3. Quorum; Action by the Board; Adjournment. At all meetings of the Board of Directors, a majority of the whole Board shall constitute a quorum for the transaction of business, except that when the number of directors constituting the whole Board shall be an even number, one-half of that number shall constitute a quorum.

The vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board, except as may be otherwise specifically provided by law or by the Certificate of Incorporation or by these By-Laws.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

SECTION 4. Action Without a Meeting. Action taken by a majority of the directors or members of a committee without a meeting is nevertheless Board or committee action if written consent to the action in question is signed by all the directors or members of the committee, as the case may be, and filed with the minutes of the proceedings of the Board or committee, whether done before or after the action so taken.

SECTION 5. Action Taken by Conference Telephone. Members of the Board of Directors or any committee of the Corporation may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

ARTICLE IV

OFFICERS

SECTION 1. Officers. The Board of Directors shall elect a President, a Secretary and a Treasurer of the Corporation and from time to time may elect or appoint one or more Vice Presidents or such other officers as it may determine. Any two or more offices may be held by the same person.

Securities of other corporations held by the Corporation may be voted by any officer designated by the Board and, in the absence of any such designation, by the President, any Vice President, the Secretary, or the Treasurer.

The Board may require any officer to give security for the faithful performance of his duties.

SECTION 2. Chairman of the Board. The Chairman of the Board, if any, shall be the chief executive officer of the Corporation with all of the rights and powers incident to that position.

SECTION 3. President. The President shall be the chief operating officer and, if there is no Chairman of the Board, the chief executive officer of the Corporation with all the rights and powers incident to that position.

SECTION 4. Vice President. The Vice President or Vice Presidents, if any, shall perform such duties as may be prescribed or assigned to them by the Board of Directors or the President. In the absence of the President, the first- elected Executive Vice President shall perform the duties of the President. In the event of the refusal or incapacity of the President to function as such, the first-elected Executive Vice President and the other Vice Presidents, in order of their rank, shall so perform the duties of the President; and the order of rank of such other Vice Presidents shall be determined by the designated rank of their offices, or, in the absence of such designation, by seniority in the office of Vice President; provided that said order or rank may be established otherwise by action of the Board of Directors from time to time.

SECTION 5. Treasurer. The Treasurer shall perform all the duties customary to that office, and shall have the care and custody of the funds and securities of the Corporation. He shall at all reasonable times exhibit his books and accounts to any director upon application, and shall give such bond or bonds for the faithful performance of his duties with such surety or sureties as the Board of Directors from time to time may determine.

SECTION 6. Secretary. The Secretary shall act as Secretary of and shall keep the minutes of the meetings of the Board of Directors and of the Stockholders, have the custody of the seal of the Corporation and perform all of the other duties usual to that office.

SECTION 7. Assistant Treasurer and Assistant Secretary. Any Assistant Treasurer or Assistant Secretary shall perform such duties as may be prescribed or assigned to him by the Board of Directors, the Chairman of the Board or the President. An Assistant Treasurer shall give such bond or bonds for the faithful performance of his duties with such surety or sureties as the Board of Directors from time to time may determine.

SECTION 8. Term of Office; Removal. Each officer shall hold office for such term as may be prescribed by the Board and may be removed at any time by the Board with or without cause. The removal of an officer without cause shall be without prejudice to his contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

SECTION 9. Compensation. The compensation of all officers of the **Corporation shall be fixed by the Board of Directors.**

ARTICLE V

SHARE CERTIFICATES

SECTION 1. Form of Share Certificates. The shares of the Corporation shall be represented by certificates, in such form as the Board of Directors may from time to time prescribe, signed by the President or any Vice President, and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer, and shall be sealed with the seal of the Corporation or a facsimile thereof. The signatures of the officers upon a certificate may be

facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation or its employees. In case any such officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of issue.

SECTION 2. Lost Certificates. In case of the loss, theft, mutilation or destruction of a stock certificate, a duplicate certificate will be issued by the Corporation upon notification thereof and receipt of such proper indemnity as shall be prescribed by the Board of Directors.

SECTION 3. Transfer of Shares. Transfers of shares of stock shall be made upon the books of the Corporation by the registered holder in person or by duly authorized attorney, upon surrender of the certificate or certificates for such shares properly endorsed.

SECTION 4. Registered Stockholders. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends or other distributions and to vote as such owner, and to hold such person liable for calls and assessments, and shall not be bound to recognize any equitable or legal claim to or interest in such share or shares on the part of any other person.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 1. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation and such other appropriate legend as the Board of Directors may from time to time determine.

SECTION 2. Fiscal Year. The fiscal year of the Corporation shall be the twelve months ending December 31 or such other period as may be prescribed by the Board of Directors.

SECTION 3. Checks and Notes. All checks and demands for money and notes or other instruments evidencing indebtedness or obligations of the Corporation shall be signed by such officer or officers or other person or persons as shall be thereunto authorized from time to time by the Board of Directors.

ARTICLE VII

AMENDMENTS

SECTION 1. Power to Amend. By-Laws of the Corporation may be adopted, amended or repealed by the Board of Directors, subject to amendment or repeal by the stockholders entitled to vote thereon.

EXHIBIT 10.1

World Wrestling Federation Entertainment, Inc.

1999 Long-Term Incentive Plan

Article I

Purpose and Adoption of the Plan

1.01 Purpose. The purpose of the World Wrestling Federation Entertainment, Inc., 1999 Long-Term Incentive Plan (as the same may be amended from time to time, the "Plan") is to assist World Wrestling Federation Entertainment, Inc., a Delaware corporation (the "Company") and its Subsidiaries (as defined below) in attracting and retaining highly competent key employees, directors, consultants and performers and to act as an incentive in motivating selected key employees, directors, consultants and performers of the Company and its Subsidiaries (as defined below) to achieve long-term corporate objectives.

1.02 Adoption and Term. The Plan has been approved by the Board of Directors of the Company (the "Board") and the stockholders of the Company to be effective as of the effective date of Company's Registration Statement on Form S-1, as filed with the Securities Exchange Commission in connection with the initial public offering of the Company's Common Stock (the "Effective Date"). The Plan shall remain in effect until terminated by action of the Board; provided, however, that no Incentive Stock Option (as defined below) may be granted hereunder after the tenth anniversary of the Effective Date and the provisions of Articles VII and VIII with respect to performance-based awards to "covered employees" under Section 162(m) of the Code (as defined below) shall expire as of the fifth anniversary of the Effective Date.

Article II

Definitions

For the purposes of this Plan, capitalized terms shall have the following meanings:

2.01 Accelerated Ownership Options shall have the meaning given to such term in Section 6.03.

2.02 Acquiring Corporation shall have the meaning given to such term in Section 9.08(b).

2.03 Award means any grant to a Participant of one or a combination of Non- Qualified Stock Options or Incentive Stock Options described in Article VI, Stock Appreciation Rights described in Article VI, Restricted Shares described in Article VII and Performance Awards described in Article VIII.

2.04 Award Agreement means a written agreement between the Company and a Participant or a written notice from the Company to a Participant specifically setting forth the terms and conditions of an Award granted under the Plan.

2.05 Award Period means, with respect to an Award, the period of time set forth in the Award Agreement during which specified target performance goals must be achieved or other conditions set forth in the Award Agreement must be satisfied.

2.06 Beneficiary means an individual, trust or estate who or which, by a written designation of the Participant filed with the Company or by operation of law, succeeds to the rights and obligations of the Participant under the Plan and an Award Agreement upon the Participant's death.

2.07 Board shall have the meaning given to such term in Section 1.02.

2.08 Change in Control means the first to occur of the following events after the Effective Date: (a) the acquisition in one or more transactions, other than from the Company, by any individual, entity or "group" (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of all outstanding Company Voting Securities;

provided, however, that the following shall not constitute a Change in Control: any acquisition by (1) the Company or any of its subsidiaries, any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries, or (2) any corporation with respect to which, following such acquisition, more than 70% of the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Company Voting Securities immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the Company Voting Securities; or; (b) approval by the stockholders of the Company of a reorganization, merger or consolidation, unless, following such reorganization, merger or consolidation, all or substantially all of the individuals and entities who were the beneficial owners of the Company Voting Securities immediately prior to such reorganization, merger or consolidation, following such reorganization, merger or consolidation beneficially own, directly or indirectly, more than 70% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such reorganization, merger or consolidation in substantially the same proportion as their ownership of the Company Voting Securities immediately prior to such reorganization, merger or consolidation, as the case may be; or (c) the liquidation or dissolution of the Company; (d) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company; and (e) during any period of not more than two years, individuals who constitute the Board as of the beginning of the period and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a) or (b) of this sentence) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at such time or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board. Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred solely as a result of any transaction as provided in subsection (a) or
(b) above following which Vincent K. McMahon and his family (as defined in
Section 267(c)(4) of the Code) retain beneficial ownership of voting securities of, as applicable, the Company, its successor or the ultimate parent corporation or other entity of the chain of corporations or other entities which includes the

Company or its successor, representing voting power that is equal to or greater than that of any other individual, entity or group.

2.09 Code means the Internal Revenue Code of 1986, as amended. References to a section of the Code include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

2.10 Committee means the Compensation Committee of the Board.

2.11 Company shall have the meaning given to such term in Section 1.01.

2.12 Common Stock means Class A Common Stock, par value $.01 per share, of the Company.

2.13 Company Voting Securities means the combined voting power of all outstanding securities of the Company entitled to vote generally in the election of directors of the Company.

2.14 Date of Grant means the date as of which the Committee grants an Award. If the Committee contemplates an immediate grant to a Participant, the Date of Grant shall be the date of the Committee's action. If the Committee contemplates a date on which the grant is to be made other than the date of the Committee's action, the Date of Grant shall be the date so contemplated and set forth in or determinable from the records of action of the Committee; provided, however, that the Date of Grant shall not precede the date of the Committee's action.

2.15 Effective Date shall have the meaning given to such term in Section 1.02.

2.16 Exchange Act means the Securities Exchange Act of 1934, as amended.

2.17 Exercise Price means, with respect to a Stock Appreciation Right, the amount established by the Committee in the related Award Agreement as the amount to be subtracted from the Fair Market Value on the date of exercise in order to determine the amount of the payment to be made to the Participant, as further described in Section 6.01(b).

2.18 Extraordinary Termination shall have the meaning given to such term in Section 6.02(e).

2.19 Fair Market Value means, as of any applicable date, the closing price per share of the Common Stock , as of any given date, on such national securities exchange on which the Common Stock is admitted to trade, or, if none, on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") if the Common Stock is admitted for quotation thereon; provided, however, if there were no sales reported as of such date, Fair Market Value shall be computed as of the last date preceding such date on which a sale was reported; provided, further, that if any such exchange or quotation system is closed on any day on which Fair Market Value is to be determined, Fair Market Value shall be determined as of the first date immediately preceding such date on which such exchange or quotation system was open for trading. In the event the Common Stock is not admitted to trade on a securities exchange or quoted on NASDAQ, the Fair Market Value as of any given date shall be as determined in good faith by the Committee.

2.20 Incentive Stock Option means a stock option within the meaning of Section 422 of the Code.

2.21 Merger means any merger, reorganization, consolidation, share exchange, transfer of assets or other transaction having similar effect involving the Company.

2.22 Non-Qualified Stock Option means a stock option which is not an Incentive Stock Option.

2.23 Options means all Non-Qualified Stock Options and Incentive Stock Options granted at any time under the Plan.

2.24 Original Option shall have the meaning given to such term in Section 6.03.

2.25 Participant means a person designated to receive an Award under the Plan in accordance with Section 5.01.

2.26 Performance Awards means Awards granted in accordance with Article VIII.

2.27 Permanent Disability means a physical or mental disability or infirmity that prevents the performance of a Participant's services for the Company and its Subsidiaries lasting (or likely to last, based on competent medical evidence presented to the Board) for a period of six months or longer. The Board's reasoned and good faith judgment of Permanent Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by such Participant or by any physician or group of physicians or other competent medical expert employed by the Participant or the Company to advise the Board.

2.28 Plan shall have the meaning given to such term in Section 1.01.

2.29 Purchase Price, with respect to Options, shall have the meaning set forth in Section 6.01(b).

2.30 Restricted Shares means Common Stock subject to restrictions imposed in connection with Awards granted under Article VII.

2.31 Retirement means a Participant's retirement at or after age 65.

2.32 Stock Appreciation Rights means Awards granted in accordance with Article VI.

2.33 Subsidiary means a subsidiary of the Company within the meaning of Section 424(f) of the Code.

2.34 Termination of Services means the voluntary or involuntary termination of a Participant's employment, independent contractor or other service relationship with the Company or a Subsidiary for any reason, including death, disability or retirement (in the case of employees). Whether entering military or other government service shall constitute Termination of Services, or whether a Termination of Services shall occur as a result of disability, shall be determined in each case by the Committee in its sole discretion.

Article III

Administration

3.01 Committee. The Plan shall be administered by the Committee. The Committee shall have exclusive and final authority in each determination, interpretation or other action affecting the Plan and its Participants. The Committee shall have the sole discretionary authority to interpret the Plan, to establish and modify administrative rules for the Plan, to impose such conditions and restrictions on Awards as it determines appropriate, and to take such steps in connection with the Plan and Awards granted hereunder as it may deem necessary or advisable. The Committee may delegate such of its powers and authority under the Plan as it deems appropriate to designated officers or employees of the Company. In addition, the Board may exercise any of the authority conferred upon the Committee hereunder. In the event of any such delegation of authority or exercise of authority by the Board, references in the Plan to the Committee shall be deemed to refer to the delegate of the Committee or the Board, as the case may be.

Article IV

Shares

4.01 Number of Shares Issuable. The total number of shares of Common Stock authorized to be issued under the Plan shall be [15% of the fully diluted shares of Common Stock] shares. The number of shares available for issuance under the Plan shall be subject to adjustment in accordance with Section 9.08. The shares to be offered under the Plan shall be authorized and unissued shares of Common Stock, or issued shares of Common Stock which will have been reacquired by the Company.

4.02 Shares Subject to Terminated Awards. Shares of Common Stock covered by any unexercised portions of terminated Options (including canceled Options) granted under Article VI, shares of Common Stock forfeited as provided in Section 7.02(a) and shares of Common Stock subject to any Award that are otherwise surrendered by a Participant or terminated may be subject to new Awards under the Plan. If any shares of Common Stock are withheld from those otherwise issuable or are tendered to the Company, by attestation or otherwise, in connection with the exercise of an Option, only the net number of shares of Common Stock issued as a result of such exercise shall be deemed delivered for purposes of determining the maximum number of shares available for delivery under the Plan. Shares of Common Stock subject to Options, or portions thereof, that have been surrendered in connection with the exercise of Stock Appreciation Rights shall not be available for subsequent Awards under the Plan, but shares of Common Stock issued in payment of such Stock Appreciation Rights shall not be charged against the number of shares of Common Stock available for the grant of Awards hereunder.

Article V

Participation

5.01 Eligible Participants. Participants in the Plan shall be such key employees, directors, consultants and performers of the Company and its Subsidiaries as the

Committee, in its sole discretion, may designate from time to time. The Committee's designation of a Participant in any year shall not require the Committee to designate such person to receive Awards in any other year. The designation of a Participant to receive an Award under one portion of the Plan does not require the Committee to include such Participant under other portions of the Plan. The Committee shall consider such factors as it deems pertinent in selecting Participants and in determining the types and amounts of their respective Awards. Subject to adjustment in accordance with Section 9.08, during any calendar year no Participant shall be granted Awards in respect of more than [3% of the fully diluted shares of Common Stock] shares of Common Stock (whether through grants of Options or Stock Appreciation Rights or other Awards of Common Stock or rights with respect thereto).

Article VI

Stock Options and Stock Appreciation Rights

6.01 Option Awards.

(a) Grant of Options. The Committee may grant, to such Participants as the Committee may select, Options entitling the Participants to purchase shares of Common Stock from the Company in such numbers, at such prices, and on such terms and subject to such conditions, not inconsistent with the terms of the Plan, as may be established by the Committee. The terms of any Option granted under the Plan shall be set forth in an Award Agreement.

(b) Purchase Price of Options. The exercise price of each share of Common Stock which may be purchased upon exercise of any Option granted under the Plan (the "Purchase Price") shall be determined by the Committee; provided, however, that, except in the case of any substituted Options described in Section 9.08(c), the Purchase Price of Incentive Stock Options shall in all cases be equal to or greater than the Fair Market Value on the Date of Grant.

(c) Designation of Options. Except as otherwise expressly provided in the Plan, the Committee may designate, at the time of the grant of an Option, such Option as an Incentive Stock Option or a Non-Qualified Stock Option; provided, however, that an Option may be designated as an Incentive Stock Option only if the applicable Participant is an employee of the Company or a Subsidiary on the Date of Grant.

(d) Special Incentive Stock Option Rules. No Participant may be granted Incentive Stock Options under the Plan (or any other plans of the Company and its Subsidiaries) that would result in Incentive Stock Options to purchase shares of Common Stock with an aggregate Fair Market Value (measured on the Date of Grant) of more than $100,000 first becoming exercisable by such Participant in any one calendar year. Notwithstanding any other provision of the Plan to the contrary, no Incentive Stock Option shall be granted to any person who, at the time the Option is granted, owns stock (including stock owned by application of the constructive ownership rules in Section 424(d) of the Code) possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Subsidiary, unless at the time the Incentive Stock Option is granted the Purchase Price is at least 110% of the Fair Market Value on the Date of Grant of the Common Stock subject to the Incentive Stock Option and the Incentive Stock Option by its terms is not exercisable for more than five (5) years from the Date of Grant.

(e) Rights as a Stockholder. A Participant or a transferee of an Option pursuant to Section 9.04 shall have no rights as a stockholder with respect to the shares of Common Stock covered by an Option until that Participant or transferee shall have become the holder of record of any such shares, and no adjustment shall be made with respect to any such shares of Common Stock for dividends in cash or other property or distributions of other rights on the Common Stock for which the record date is prior to the date on which that Participant or transferee shall have become the holder of record of any shares covered by such Option; provided, however, that Participants are entitled to the adjustments set forth in Section 9.08.

6.02 Stock Appreciation Rights.

(a) Stock Appreciation Right Awards. The Committee is authorized to grant to any Participant one or more Stock Appreciation Rights. Such Stock Appreciation Rights may be granted either independent of or in tandem with Options granted to the same Participant. Stock Appreciation Rights granted in tandem with Options may be granted simultaneously with, or, in the case of Non- Qualified Stock Options, subsequent to, the grant to such Participant of the related Options; provided, however, that: (i) any Option covering any share of Common Stock shall expire and not be exercisable upon the exercise of any Stock Appreciation Right with respect to the same share, (ii) any Stock Appreciation Right covering any share of Common Stock shall expire and not be exercisable upon the exercise of any Option with respect to the same share, and (iii) an Option and a Stock Appreciation Right covering the same share of Common Stock may not be exercised simultaneously. Upon exercise of a Stock Appreciation Right with respect to a share of Common Stock, the Participant shall be entitled to receive an amount equal to the excess, if any, of (A) the Fair Market Value of a share of Common Stock on the date of exercise over (B) the Exercise Price of such Stock Appreciation Right established in the Award Agreement, which amount shall be payable as provided in Section 6.02(c).

(b) Exercise Price. The Exercise Price established for any Stock Appreciation Right granted under this Plan shall be determined by the Committee, but in the case of Stock Appreciation Rights granted in tandem with Options shall not be less than the Purchase Price of the related Options. Upon exercise of Stock Appreciation Rights, the number of shares issuable upon exercise under any related Options shall automatically be reduced by the number of shares of Common Stock represented by such Options which are surrendered as a result of the exercise of such Stock Appreciation Rights.

(c) Payment of Incremental Value. Any payment that may become due from the Company by reason of a Participant's exercise of a Stock Appreciation Right may be paid to the Participant as determined by the Committee (i) all in cash, (ii) all in Common Stock, or (iii) in any combination of cash and Common Stock. In the event that all or a portion of the payment is to be made in Common Stock, the number of shares of Common Stock to be delivered in satisfaction of such payment shall be determined by dividing the amount of such payment or portion thereof by the Fair Market Value on the date of exercise . No fractional share of Common Stock shall be issued to make any payment in respect of Stock Appreciation Rights; if any fractional share would otherwise be issuable, the combination of cash and Common Stock payable to a Participant shall be adjusted as directed by the Committee to avoid the issuance of any fractional share.

6.03 Terms of Stock Options and Stock Appreciation Rights

(a) Conditions on Exercise. An Award Agreement with respect to Options and/or Stock Appreciation Rights may contain such waiting periods, exercise dates and restrictions on exercise (including, but not limited to, periodic installments) as may be determined by the Committee at the time of grant.

(b) Duration of Options and Stock Appreciation Rights. Options and Stock Appreciation Rights shall terminate after the first to occur of the following events:

(i) Expiration of the Option or Stock Appreciation Right as provided in the related Award Agreement; or

(ii) Termination of the Award as provided in Section 6.03(e) following the Participant's Termination of Services; or

(iii) Ten years from the Date of Grant.

(c) Acceleration of Exercise Time. The Committee, in its sole discretion, shall have the right (but shall not in any case be obligated), exercisable at any time after the Date of Grant, to permit the exercise of any Option or Stock Appreciation Right prior to the time such Option or Stock Appreciation Right would otherwise become exercisable under the terms of the related Award Agreement.

(d) Extension of Exercise Time. In addition to the extensions permitted under Section 6.03(e) in the event of Termination of Services, the Committee, in its sole discretion, shall have the right (but shall not in any case be obligated), exercisable on or at any time after the Date of Grant, to permit the exercise of any Option or Stock Appreciation Right after its expiration date described in Section 6.03(e), subject, however, to the limitations described in Sections 6.03(b)(i) and (iii).

(e) Exercise of Options Or Stock Appreciation Rights Upon Termination of Services.

(i) Extraordinary Termination. Unless otherwise provided in the Award Agreement or otherwise determined by the committee at the Date of Grant, in the event that a Participant's Termination of Services by reason of the Participant's death, permanent Disability or, only in the case of employees, Retirement (each an "Extraordinary Termination"), any Options or Stock Appreciation Rights held by the Participant and then exercisable shall remain exercisable solely until the first to occur of
(i) the first anniversary of the Participant's Termination of Services or
(ii) the expiration of the term of the Option or Stock Appreciation Right unless the exercise period is extended by the Committee in accordance with Section 6.03(d). Any Options held by the Participant that are not exercisable at the date of the Extraordinary Termination shall terminate and be cancelled immediately upon such Extraordinary Termination, and any Options or Stock Appreciation Rights described in the preceding sentence that are not exercised within the period described in such sentence shall terminate and be cancelled upon the expiration of such period.

(ii) Other Termination of Services. Unless otherwise provided in the Award Agreement or otherwise determined by the Committee at or after the Date of Grant, in the

event of a Participant's Termination of Services for any reason other than an Extraordinary Termination, any Options or Stock Appreciation Rights held by such Participant that are exercisable as of the date of such termination shall remain exercisable for a period of five (5) business days (or, if shorter, during the remaining term of the Options or Stock Appreciation Rights), unless the exercise period is extended by the Committee in accordance with Section 6.03(d). Any Options or Stock Appreciation Rights held by the Participant that are not exercisable at the date of the Participant's Termination of Services shall terminate and be cancelled immediately upon such termination, and any Options or Stock Appreciation Rights described in the preceding sentence that are not exercised within the period described in such sentence shall terminate and be cancelled upon the expiration of such period.

6.04 Accelerated Ownership Options. With respect to any Option or any stock option granted under the terms of one of the Prior Plans or otherwise (an "Original Option"), the Committee may, but shall in no case be required to, specify, at or after the time of grant of such Original Option, that, subject to the availability of shares of Common Stock under the Plan, a Participant shall be granted a new option (referred to as an "Accelerated Ownership Option") in the event (i) such Participant exercises all or a part of such Original Option by surrendering previously acquired shares of Common Stock in full or partial payment of the exercise price under such Original Option, and/or (ii) a Participant's withholding tax obligation with respect to the exercise of an Original Option is satisfied in whole or in part by the delivery of previously acquired shares of Common Stock by the Participant to the Company or the withholding of shares of Common Stock from the shares otherwise issuable to the Participant upon the exercise of the Original Option. Each such Accelerated Ownership Option shall cover a number of shares of Common Stock equal to the number of shares of Common Stock surrendered in payment of the exercise price under such Original Option and/or surrendered or withheld to pay withholding taxes with respect to such Original Option. Each such Accelerated Ownership Option shall have a Purchase Price per share of Common Stock equal to the Fair Market Value of the Common Stock on the date of exercise of the Original Option in respect of which the Accelerated Ownership Option was granted and shall expire on the stated expiration date of the Original Option. An Accelerated Ownership Option shall be exercisable at any time and from time to time from and after the Date of Grant of such Accelerated Ownership Option, subject to such restrictions on exercisability as may be imposed in the discretion of the Committee. Any Accelerated Ownership Option may provide for the grant, when exercised, of subsequent Accelerated Ownership Options to the extent and upon such terms and conditions, consistent with this Section 6.04, as the Committee in its sole discretion shall specify at or after the time of grant of such Accelerated Ownership Option. An Accelerated Ownership Option shall contain such other terms and conditions, which may include a restriction on the transferability of the shares of Common Stock received upon exercise of the Accelerated Ownership Option, as the Committee in its sole discretion shall deem desirable and which may be set forth in rules or guidelines adopted by the Committee or in the Award Agreements evidencing the Accelerated Ownership Options.

6.05 Exercise Procedures. Each Option or Stock Appreciation Right granted under the Plan shall be exercised by written notice to the Company which must be received by the officer or employee of the Company designated in the Award Agreement at or before the close of business on the expiration date of the Award. The Purchase Price of shares purchased upon exercise of an Option granted under the Plan shall be paid in full in cash by the Participant pursuant to the Award Agreement; provided, however, that in lieu of such cash a Participant may (if authorized by the Committee) pay the Purchase Price in whole or in part by delivering (actually or by attestation) to the Company shares of the Common Stock having a Fair Market Value on the date of exercise of the Option equal to the Purchase Price for the shares being purchased; except

that (i) any portion of the Purchase Price representing a fraction of a share shall in any event be paid in cash and (ii) no shares of the Common Stock which have been held for less than six months may be delivered in payment of the Purchase Price of an Option. Payment may also be made, in the discretion of the Committee, by (i) the delivery (including, without limitation, by fax) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker-dealer to sell or margin a sufficient portion of the shares and deliver the sale or margin loan proceeds directly to the Company to pay for the Purchase Price (ii) the issuance the Participant to the Company of a promissory note in form and substance satisfactory to the Committee. The date of exercise of an Option shall be determined under procedures established by the Committee, and as of the date of exercise the person exercising the Option shall, as between the Company and such person, be considered for all purposes to be the owner of the shares of Common Stock with respect to which the Option has been exercised. Any part of the Purchase Price paid in cash upon the exercise of any Option shall be added to the general funds of the Company and may be used for any proper corporate purpose. Unless the Committee shall otherwise determine, any shares of Common Stock transferred to the Company as payment of all or part of the Purchase Price upon the exercise of any Option shall be held as treasury shares.

6.06 Change in Control. Unless otherwise provided by the Committee in the applicable Award Agreement, in the event of a Change in Control, all Options and Stock Appreciation Rights outstanding on the date of such Change in Control shall become immediately and fully exercisable. The provisions of this Section 6.06 shall not be applicable to any Options or Stock Appreciation Rights granted to a Participant if any Change in Control results from such Participant's beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of Common Stock or Company Voting Securities.

Article VII

Restricted Shares

7.01 Restricted Share Awards. The Committee may grant to any Participant an Award of such number of shares of Common Stock on such terms, conditions and restrictions, whether based on performance standards, periods of service, retention by the Participant of ownership of specified shares of Common Stock or other criteria, as the Committee shall establish. With respect to performance- based Awards of Restricted Shares intended to qualify for deductibility under the "performance-based" compensation exception contained in Section 162(m) of the Code, performance targets will include specified levels of one or more of the following (in absolute terms or relative to one or more other companies or indices): revenues, free cash flow, return on assets, operating income, return on investment, return on stockholders' equity, stock price appreciation, earnings before interest, taxes, depreciation and amortization, earnings per share and/or growth in earnings per share. The terms of any Restricted Share Award granted under this Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with this Plan.

(a) Issuance of Restricted Shares. As soon as practicable after the Date of Grant of a Restricted Share Award by the Committee, the Company shall cause to be transferred on the books of the Company or its agent, shares of Common Stock, registered on behalf of the Participant, evidencing the Restricted Shares covered by the Award, subject to forfeiture to the Company as of the Date of Grant if an Award Agreement with respect to the Restricted Shares covered by the Award is not duly executed by the Participant and timely returned to the Company. All shares of Common Stock covered by Awards under

this Article VII shall be subject to the restrictions, terms and conditions contained in the Plan and the applicable Award Agreements entered into by the appropriate Participants. Until the lapse or release of all restrictions applicable to an Award of Restricted Shares the share certificates representing such Restricted Shares may be held in custody by the Company, its designee, or, if the certificates bear a restrictive legend, by the Participant. Upon the lapse or release of all restrictions with respect to an Award as described in Section 7.01(d), one or more share certificates, registered in the name of the Participant, for an appropriate number of shares as provided in Section 7.01(d), free of any restrictions set forth in the Plan and the related Award Agreement shall be delivered to the Participant.

(b) Stockholder Rights. Beginning on the Date of Grant of a Restricted Share Award and subject to execution of the related Award Agreement as provided in Section 7.01(a), and except as otherwise provided in such Award Agreement, the Participant shall become a stockholder of the Company with respect to all shares subject to the Award Agreement and shall have all of the rights of a stockholder, including, but not limited to, the right to vote such shares and the right to receive dividends; provided, however, that any shares of Common Stock distributed as a dividend or otherwise with respect to any Restricted Shares as to which the restrictions have not yet lapsed, shall be subject to the same restrictions as such Restricted Shares and held or restricted as provided in Section 7.01(a).

(c) Restriction on Transferability. None of the Restricted Shares may be assigned or transferred (other than by will or the laws of descent and distribution or to an inter vivos trust with respect to which the Participant is treated as the owner under Sections 671 through 677 of the Code), pledged or sold prior to the lapse of the restrictions applicable thereto.

(d) Delivery of Shares Upon Vesting. Upon expiration or earlier termination of the forfeiture period without a forfeiture and the satisfaction of or release from any other conditions prescribed by the Committee, or at such earlier time as provided under the provisions of Section 7.03, the restrictions applicable to the Restricted Shares shall lapse. As promptly as administratively feasible thereafter, subject to the requirements of Section 9.05, the Company shall deliver to the Participant or, in case of the Participant's death, to the Participant's Beneficiary, one or more share certificates for the appropriate number of shares of Common Stock, free of all such restrictions, except for any restrictions that may be imposed by law.

7.02 Terms of Restricted Shares.

(a) Forfeiture of Restricted Shares. Subject to Sections 7.02(b) and 7.03, Restricted Shares shall be forfeited and returned to the Company and all rights of the Participant with respect to such Restricted Shares shall terminate unless the Participant continues in the service of the Company or a Subsidiary until the expiration of the forfeiture period for such Restricted Shares and satisfies any and all other conditions set forth in the Award Agreement. The Committee shall determine the forfeiture period (which may, but need not, lapse in installments) and any other terms and conditions applicable with respect to any Restricted Share Award.

(b) Waiver of Forfeiture Period. Notwithstanding anything contained in this Article VII to the contrary, the Committee may, in its sole discretion, waive the forfeiture

period and any other conditions set forth in any Award Agreement under appropriate circumstances (including the death, disability or Retirement of the Participant or a material change in circumstances arising after the date of an Award) and subject to such terms and conditions (including forfeiture of a proportionate number of the Restricted Shares) as the Committee shall deem appropriate.

7.03 Change in Control. Unless otherwise provided by the Committee in the applicable Award Agreement, in the event of a Change in Control, all restrictions applicable to the Restricted Share Award shall terminate fully and the Participant shall immediately have the right to the delivery of share certificates for such shares in accordance with Section 7.01(d).

Article VIII

Performance Awards

8.01 Performance Awards.

(a) Award Periods and Determinations of Awards. The Committee may grant Performance Awards to Participants. A Performance Award shall consist of the right to receive a payment (measured by the Fair Market Value of a specified number of shares of Common Stock, increases in such Fair Market Value during the Award Period and/or a fixed cash amount) contingent upon the extent to which certain predetermined performance targets have been met during an Award Period. Performance Awards may be made in conjunction with, or in addition to, Restricted Share Awards made under Article VII. The Award Period shall be two or more fiscal or calendar years or other annual periods as determined by the Committee. The Committee, in its discretion and under such terms as it deems appropriate, may permit newly eligible Participants, such as those who are promoted or newly hired, to receive Performance Awards after an Award Period has commenced.

(b) Performance Targets. The performance targets may include such goals related to the performance of the Company and/or the performance of a Participant as may be established by the Committee in its discretion. In the case of Performance Awards intended to qualify for deductibility under the "performance-based" compensation exception contained in Section 162(m) of the Code, the targets will include specified levels of one or more of the following (in absolute terms or relative to one or more other companies or indices): revenues, free cash flow, return on assets, operating income, return on investment, return on stockholders' equity, stock price appreciation, earnings before interest, taxes, depreciation and amortization, earnings per share and/or growth in earnings per share. The performance targets established by the Committee may vary for different Award Periods and need not be the same for each Participant receiving a Performance Award in an Award Period. Except to the extent inconsistent with the performance-based compensation exception under Section 162(m) of the Code, in the case of Performance Awards granted to Participants to whom such section is applicable, the Committee, in its discretion, but only under extraordinary circumstances as determined by the Committee, may change any prior determination of performance targets for any Award Period at any time prior to the final determination of the value of a related Performance Award when events or transactions occur to cause such performance targets to be an inappropriate measure of achievement.

(c) Earning Performance Awards. The Committee, on or as soon as practicable after the Date of Grant, shall prescribe a formula to determine the percentage of the applicable Performance Award to be earned based upon the degree of attainment of performance targets.

(d) Payment of Earned Performance Awards. Payments of earned Performance Awards shall be made in cash or shares of Common Stock or a combination of cash and shares of Common Stock, in the discretion of the Committee. The Committee, in its sole discretion, may provide such terms and conditions with respect to the payment of earned Performance Awards as it may deem desirable.

8.02 Terms of Performance Awards.

(a) Termination of Services. Unless otherwise provided below or in
Section 8.03, in the case of a Participant's Termination of Services prior to the end of an Award Period, the Participant will not have earned any Performance Awards for that Award Period.

(b) Retirement. If a Participant's Termination of Services is because of Retirement prior to the end of an Award Period, the Participant will not be paid any Performance Award, unless the Committee, in its sole and exclusive discretion, determines that an Award should be paid. In such a case, the Participant shall be entitled to receive a pro-rata portion of his or her Award as determined under subsection (d).

(c) Death or Disability. If a Participant's Termination of Services is due to death or to disability (as determined in the sole and exclusive discretion of the Committee) prior to the end of an Award Period, the Participant or the Participant's personal representative shall be entitled to receive a pro-rata share of his or her Award as determined under subsection (d).

(d) Pro-Rata Payment. The amount of any payment to be made to a Participant whose Termination of Services occurs by reason of Retirement, death or disability (under the circumstances described in subsections (b) and (c)) will be the amount determined by multiplying (i) the amount of the Performance Award that would have been earned through the end of the Award Period had such services not been terminated by (ii) a fraction, the numerator of which is the number of whole months such Participant was employed during the Award Period, and the denominator of which is the total number of months of the Award Period. Any such payment made to a Participant whose services are terminated prior to the end of an Award Period shall be made at the end of such Award Period, unless otherwise determined by the Committee in its sole discretion. Any partial payment previously made or credited to a deferred account for the benefit of a Participant in accordance with Section 8.01(d) of the Plan shall be subtracted from the amount otherwise determined as payable as provided in this Section 8.02(d).

(e) Other Events. Notwithstanding anything to the contrary in this Article VIII, the Committee may, in its sole and exclusive discretion, determine to pay all or any portion of a Performance Award to a Participant whose Termination of Services occurs prior to the end of an Award Period under certain circumstances (including the death, disability or Retirement of the Participant or a material change in circumstances arising after the Date of Grant), subject to such terms and conditions as the Committee shall deem appropriate.

8.03 Change in Control. Unless otherwise provided by the Committee in the applicable Award Agreement, in the event of a Change in Control, all Performance Awards for all Award Periods shall immediately become fully payable to all Participants and shall be paid to Participants within thirty (30) days after such Change in Control.

Article IX

Other Stock-Based Awards

9.01 Grant of Other Awards. Other stock-based Awards, valued in whole or in part by reference to, or otherwise based on, Common Stock may be granted either alone or in addition to or in conjunction with Awards authorized under other provisions of the Plan; provided, however, that Stock Appreciation Rights shall not be granted except pursuant to the provisions of Article VI hereof. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the persons to whom and the time or times at which such other Awards shall be made, the number of shares of Common Stock to be granted pursuant to such Awards, and all other conditions of the Awards. Any such Award shall be confirmed by an Award Agreement executed by the Committee and the Participant, which Award Agreement shall contain such provisions as the Committee determines to be necessary or appropriate to carry out the intent of this Plan with respect to such Award.

9.02 Terms of Other Awards. In addition to the terms and conditions specified in the Award Agreement, Awards made pursuant to this Article IX shall be subject to the following:

(a) Any Common Stock subject to Awards made under this Article IX may not be sold, assigned, transferred, pledged or otherwise encumbered prior to the date on which the Common Stock is issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses; and

(b) If specified by the Committee in the Award Agreement, the recipient of an Award under this Article IX shall be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents with respect to the Common Stock covered by the Award, and the Committee, in its sole discretion, may provide in the Award Agreement that such amounts be reinvested in additional shares of Common Stock; and

(c) The Award Agreement with respect to any Award shall contain provisions dealing with the disposition of such Award in the event of a Termination of Services prior to the exercise, realization or payment of such Award, whether such termination occurs because of Retirement, disability, death or other reason, with such provisions to take account of the specific nature and purpose of the Award, as well as appropriate provisions regarding acceleration of exercise, realization or payment of such Award upon the occurrence of a Change in Control, and the Committee, in its sole discretion, may waive any or all of the restrictions imposed with respect to any Award under this Article IX.

(d) Common Stock issued pursuant to this Article IX shall be issued for such consideration as the Committee shall determine in its sole discretion.

Article X

Terms Applicable to all Awards Granted under the Plan

10.01 Plan Provisions Control Award Terms. The terms of the Plan shall govern all Awards granted under the Plan, and in no event shall the Committee have the power to grant any Award under the Plan the terms of which are contrary to any of the provisions of the Plan. In the event any provision of any Award granted under the Plan shall conflict with any term in the Plan as constituted on the Date of Grant of such Award, the term in the Plan as constituted on the Date of Grant of such Award shall control.

10.02 Award Agreement. No person shall have any rights under any Award granted under the Plan unless and until the Company and the Participant to whom such Award shall have been granted shall have executed and delivered an Award Agreement or the Participant shall have received and acknowledged notice of the Award authorized by the Committee expressly granting the Award to such person and containing provisions setting forth the terms of the Award.

10.03 Modification of Award After Grant. No Award granted under the Plan to a Participant may be modified (unless such modification does not materially decrease the value of that Award) after its Date of Grant except by express written agreement between the Company and such Participant, provided that any such change (a) may not be inconsistent with the terms of the Plan, and (b) shall be approved by the Committee.

10.04 Limitation on Transfer. Except as provided in Section 7.01(c) in the case of Restricted Shares, a Participant's rights and interest under the Plan may not be assigned or transferred other than by will or the laws of descent and distribution and, during the lifetime of a Participant, only the Participant personally (or the Participant's personal representative) may exercise rights under the Plan. The Participant's Beneficiary may exercise the Participant's rights to the extent they are exercisable under the Plan following the death of the Participant. Notwithstanding the foregoing, the Committee may grant Non- Qualified Stock Options that are transferable, without payment of consideration, to immediate family members of the Participant, to trusts or partnerships for such family members, or to such other parties as the Committee may approve (as evidenced by the applicable Award Agreement or an amendment thereto), and the Committee may also amend outstanding Non-Qualified Stock Options to provide for such transferability. All Awards granted under the Plan, and the shares of Common Stock subject thereto, shall be subject to the terms and conditions of any lock-up agreement entered into by the Company's stockholders in connection with the initial public offering of the Company's stock.

10.05 Withholding Taxes. The Company shall withhold (or secure payment from the Participant in lieu of withholding) of the minimum required amount of any withholding or other tax required by law to be withheld or paid by the Company with respect to any amount payable and/or shares issuable under such Participant's Award or with respect to any income recognized upon a disqualifying disposition of shares received pursuant to the exercise of an Incentive Stock Option, and the Company may defer payment of cash or issuance of shares upon exercise or vesting of an Award unless indemnified to its satisfaction against any liability for any such tax. The amount of such withholding or tax payment shall be determined by the Committee and shall be payable by the Participant at such time as the Committee determines. With the approval of the Committee, the Participant may elect to meet his or her withholding requirement (i) by having withheld from such Award at the appropriate time that number of shares of Common Stock, rounded up to the next whole share, the Fair Market Value of which is equal to the amount of withholding taxes due, (ii) by direct payment to the Company in cash of the minimum amount

of any taxes required to be withheld with respect to such Award or (iii) by a combination of withholding such shares and paying cash.

10.06 Surrender of Awards. Any Award granted under the Plan may be surrendered to the Company for cancellation on such terms as the Committee and the Participant approve.

10.07 Cancellation and Rescission of Awards.

(a) Detrimental Activities. Unless the Award Agreement specifies otherwise, the Committee may cancel, rescind, suspend, withhold or otherwise limit or restrict any vested or unvested Options or other unexpired, unpaid, or deferred Awards at any time if the Participant is not in compliance with all applicable provisions of the Award Agreement and the Plan, or if the Participant engages in any "Detrimental Activity." For purposes of this Section 10.07, "Detrimental Activity" shall mean any of the following which could have a material adverse effect on the Company or its Subsidiaries: (i) the rendering of services for any organization or engaging directly or indirectly in any business which is or becomes competitive with the Company, or which organization or business, or the rendering of services to such organization or business, is or becomes otherwise prejudicial to or in conflict with the interests of the Company; (ii) the disclosure to anyone outside the Company, or the use in other than the Company's business, without prior written authorization from the Company, of any confidential information or material relating to the business of the Company, acquired by the Participant either during or after the service relationship with the Company; (iii) any attempt directly or indirectly to induce any employee, consultant or performer of the Company to be employed or perform services elsewhere or any attempt directly or indirectly to solicit the trade or business of any current or prospective customer, supplier or partner of the Company; or
(iv) any other conduct or act determined to be injurious, detrimental or prejudicial to any interest of the Company.

(b) Upon exercise, payment or delivery pursuant to an Award, the Participant shall certify in a manner acceptable to the Company that he or she is in compliance with the terms and conditions of the Plan. In the event a Participant fails to comply with the provisions of paragraphs (a)(i)-(iv) of this Section 10.07, if applicable, prior to, or during the six months after, any exercise, payment or delivery pursuant to an Award, such exercise, payment or delivery may be rescinded within two years thereafter. In the event of any such rescission, the Participant shall pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery, in such manner and on such terms and conditions as may be required, and the Company shall be entitled to set-off against the amount of any such gain any amount owed to the Participant by the Company.

10.08 Adjustments to Reflect Capital Changes.

(a) Recapitalization. The number and kind of shares subject to outstanding Awards, the Purchase Price or Exercise Price for such shares, the number and kind of shares available for Awards subsequently granted under the Plan and the maximum number of shares in respect of which Awards can be made to any Participant in any calendar year shall be appropriately adjusted to reflect any stock dividend, stock split, or share combination or any recapitalization, merger, consolidation, exchange of shares, liquidation or dissolution of the Company or other change in capitalization with a similar substantive effect upon the Plan or the Awards granted under the Plan. The Committee shall have the power and sole discretion to determine the amount of the adjustment to be made in each case.

(b) Certain Mergers. After any Merger in which the Company is not the surviving corporation or pursuant to which a majority of the shares which are of the same class as the shares that are subject to outstanding Options are exchanged for, or converted into, or otherwise become shares of another corporation, the surviving, continuing, successor or purchasing corporation, as the case may be (the "Acquiring Corporation"), will either assume the Company's rights and obligations under outstanding Award Agreements or substitute awards in respect of the Acquiring Corporation's stock for outstanding Awards, provided, however, that if the Acquiring Corporation does not assume or substitute for such outstanding Awards, the Board shall provide prior to the Merger that any unexercisable and/or unvested portion of the outstanding Awards shall be immediately exercisable and vested as of a date prior to such Merger, as the Board so determines. The exercise and/or vesting of any Award that was permissible solely by reason of this Section 10.08 shall be conditioned upon the consummation of the Merger. Any Awards which are neither assumed by the Acquiring Corporation nor exercised as of the date of the Merger shall terminate effective as of the effective date of the Merger. Comparable rights shall accrue to each Participant in the event of successive Mergers of the character described above.

(c) Options to Purchase Shares or Stock of Acquired Companies. After any Merger in which the Company or a Subsidiary shall be a surviving corporation, the Committee may grant Options or other Awards under the provisions of the Plan, pursuant to Section 424 of the Code or as is otherwise permitted under the Code, in full or partial replacement of or substitution for old stock options granted under a plan of another party to the merger whose shares of stock subject to the old options may no longer be issued following the Merger. The manner of application of the foregoing provisions to such options and any appropriate adjustments in the terms of such stock options shall be determined by the Committee in its sole discretion. Any such adjustments may provide for the elimination of any fractional shares which might otherwise become subject to any Options. The foregoing shall not be deemed to preclude the Company from assuming or substituting for stock options of acquired companies other than pursuant to this Plan. Nothing contained in this Plan shall be construed as prohibiting the Company from granting such replacement or substituted stock options outside of this Plan.

10.09 Legal Compliance. Shares of Common Stock shall not be issued hereunder unless the issuance and delivery of such shares shall comply with applicable laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

10.10 No Right to Service Relationship. No Participant or other person shall have any claim of right to be granted an Award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the service of the Company or any of its Subsidiaries. Unless otherwise agreed by contract, the Company reserves the right to terminate its service relationship with any person at any time and for any reason.

10.11 Awards Not Includable for Benefit Purposes. Payments received by a Participant pursuant to the provisions of the Plan shall not be included in the determination of benefits under any pension, group insurance or other benefit plan applicable to the Participant which is maintained by the Company or any of its Subsidiaries, except as may be provided under the terms of such plans or determined by the Board.

10.12 Governing Law. All determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Delaware, other than the conflict of laws provisions thereof, and construed in accordance therewith.

10.13 No Strict Construction. No rule of strict construction shall be implied against the Company, the Committee or any other person in the interpretation of any of the terms of the Plan, any Award granted under the Plan or any rule or procedure established by the Committee.

10.14 Captions. The captions (i.e., all Section headings) used in the Plan are for convenience only, do not constitute a part of the Plan, and shall not be deemed to limit, characterize or affect in any way any provisions of the Plan, and all provisions of the Plan shall be construed as if no captions had been used in the Plan.

10.15 Severability. Whenever possible, each provision in the Plan and every Award at any time granted under the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan or any Award at any time granted under the Plan shall be held to be prohibited by or invalid under applicable law, then (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (b) all other provisions of the Plan, such Award and every other Award at any time granted under the Plan shall remain in full force and effect.

10.16 Amendment and Termination.

(a) Amendment. The Board shall have complete power and authority to amend the Plan at any time; provided, that no termination or amendment of the Plan may, without the consent of the Participant to whom any Award shall theretofore have been granted under the Plan, materially adversely affect the right of such individual under such Award; and provided further, that no such alteration or amendment of the Plan shall, without approval by the stockholders of the Company (a) increase the total number of shares of Common Stock which may be issued or delivered under the Plan or (b) increase the total number of shares which may be covered by Awards to any one Participant.

(b) Termination. The Board shall have the right and the power to terminate the Plan at any time. No Award shall be granted under the Plan after the termination of the Plan, but the termination of the Plan shall not have any other effect and any Award outstanding at the time of the termination of the Plan may be exercised after termination of the Plan at any time prior to the expiration date of such Award to the same extent such Award would have been exercisable had the Plan not been terminated.

* * * * * *

EXHIBIT 10.2

EMPLOYMENT AGREEMENT

The parties to this Agreement are World Wrestling Federation Entertainment, Inc. (the "Company"), a Delaware corporation, and Vincent K. McMahon, an individual residing in the State of Connecticut (the "Executive"). The Executive and the Company mutually desire to set forth in this Agreement the terms and conditions of a continued employment relationship. The execution and delivery of this Agreement have been duly authorized by the Board of Directors of the Company (the "Board"). This Agreement shall become effective upon the consummation of the initial public offering of the Company's equity securities (the "Effective Date").

NOW, THEREFORE, the Company and the Executive, each intending to be legally bound, hereby mutually covenant and agree as follows:

1. Employment and Term.

(a) Employment. The Company hereby offers to employ the Executive as the Chairman of the Company and the Executive hereby accepts such employment with the Company, for the Term set forth in Paragraph 1(b). During the Term, the Executive shall also serve as Chairman of each significant subsidiary of the Company.

(b) Term. The term of the Executive's employment under this Agreement

(the "Term") shall commence on the Effective Date and end on the seventh (7th) anniversary of the Effective Date, subject to the extension of such Term as set forth in the immediately following sentence or earlier expiration of such Term as provided in Paragraph 7. Unless either the Company or the Executive provides written notice to other, not sooner than 18 months nor later than 12 months prior to the scheduled expiration of the Term as then in effect, the Term shall be automatically extended for an additional period of one year, and the preceding clause of this sentence shall again apply with respect to subsequent extensions of the Term.

2. Duties. The Executive shall report to the Board and perform duties consistent with his position as Chairman as set forth in the Company's by-laws and as directed

by the Board from time to time. In addition, the Executive is a party to a separate booking agreement with the Company pursuant to which, in the capacity of an independent contractor of the Company, the Executive serves as the Company's creative director and performs at various times as a cast member in the Company's wrestling productions. The Executive shall also serve as a member of the Board during the Term. The Executive shall devote substantially his best skill and efforts (reasonable sick leave and vacations excepted) to the performance of his duties under this Agreement; provided, however, that nothing in this Agreement shall preclude the Executive from devoting reasonable periods required for (i) serving as a director or member of a committee of any organization involving no conflict of interest with the interest of the Company or its subsidiaries; (ii) delivering lectures, fulfilling speaking engagements, teaching at educational institutions; (iii) engaging in charitable and community activities; (iv) participating in industry and trade organization activities; and (v) managing his personal investments, so long as such activities do not, in the good faith judgment of the Board, materially interfere with the regular performance of his duties and responsibilities under this Agreement; and, provided further, however, that the Executive shall not be deemed to be in breach of this Agreement solely as a result of his inability to perform services hereunder due to disability (provisions applicable in the event of the Executive's disability are set forth in Paragraphs 7 and 8).

3. Base Salary. For services performed by the Executive for the Company pursuant to this Agreement during the Term, the Company shall pay the Executive a base salary at the rate of at least $1 million per year, payable in accordance with the Company's regular payroll practices (but no less frequently than monthly). Any compensation which may be paid to the Executive under any additional compensation or incentive plan of the Company or which may be otherwise authorized from time to time by the Board (or an appropriate committee thereof) shall be in addition to the base salary to which the Executive shall be entitled under this Agreement.

4. Other Benefits. In addition to the base salary to be paid to the Executive pursuant to Paragraph 3 hereof, the Executive shall also be entitled to the following:

(a) Participation in Plans. The Executive shall be entitled to a bonus opportunity for each fiscal year of up to 100% of his base salary based on the attainment of mutually agreed upon performance goals and objectives. The Executive shall also participate in

the various benefit plans maintained in force by the Company from time to time, including any qualified 401(k), profit sharing and other retirement plans, non- qualified retirement and deferred compensation plans, disability, medical, group life insurance, supplemental life insurance coverage, business travel insurance, sick leave, and other similar retirement and welfare benefit plans, programs and arrangements.

(b) Fringe Benefits. In addition to the foregoing, the Executive shall be entitled to perquisites of office, fringe benefits and other similar benefits no less favorable than those available to other senior executives of the Company. Without limiting the generality of the foregoing, the Executive shall be eligible to receive reimbursement in an amount up to $50,000 in any calendar year for his expenses for cleaning services.

(c) Expense Reimbursement. The Company shall pay or reimburse the Executive, upon a proper accounting, for reasonable business expenses and disbursements incurred by him in the course of the performance of his duties under this Agreement.

(d) Vacation. The Executive shall be entitled to four (4) weeks of vacation during each year of this Agreement, or such greater period as the Board shall approve, without reduction in salary or other benefits.

5. Annual Review of Compensation. During the Term, the compensation package of the Executive shall be reviewed no less frequently than annually by the Board or an appropriate committee thereof to determine whether or not the same should be increased or enhanced in light of the duties and responsibilities of the Executive and the performance thereof. If it is determined that a base salary increase is merited, such increase shall be promptly put into effect and the base salary of the Executive as so increased shall constitute the base salary of the Executive for purposes of Paragraph 3.

6. Covenants of the Executive. In order to induce the Company to enter into this Agreement, the Executive hereby agrees as follows:

(a) Confidentiality. The Executive acknowledges that by reason of his relationship with and service to the Company, the Executive has had and will have access to confidential information relating to operations and technology and know-how which have been developed by the Company and its affiliates and may be developed in the future by the Company and its affiliates, including, without limitation, information and knowledge pertaining to wrestling productions and performances, public relations and marketing, products and their design and manufacture, methods of operation, sales and profit data, customer and supplier lists

and relationships between the Company and its affiliates and its customers, suppliers and others who have business dealings with it, other information not readily available to the public, and plans for future developments relating thereto. In recognition of the foregoing, during the Term and at all times thereafter, the Executive will maintain the confidentiality of all such information and other matters of the Company and its affiliates known to the Executive which are not otherwise in the public domain and will not disclose any such information to any person outside the organization of the Company, wherever located, except as required by law or with the Board's prior written authorization and consent.

(b) Records. All papers, books and records of every kind and description relating to the business and affairs of the Company, or any of its affiliates, whether or not prepared by the Executive, other than personal notes prepared by or at the direction of the Executive, shall be the sole and exclusive property of the Company, and the Executive shall surrender them to the Company at any time upon request by the Secretary of the Company.

(c) Non-Competition. The Executive hereby agrees with the Company that, during the Term and for a period of one year following the Date of Termination (as defined below in Paragraph 7(c)), (i) he shall not, directly or indirectly, engage in, or be employed by, or act as a consultant to, or be a director, officer, owner or partner of or acquire an interest in a business competing with the professional wrestling or other core businesses conducted by the Company or any of its subsidiaries or affiliates, nor without the prior written consent of the Board directly or indirectly have any interest in, own, manage, operate, control, be connected with as a stockholder, joint venturer, officer, employee, partner or consultant, or otherwise engage, invest or participate in any business that is competitive with the professional wrestling or other core businesses conducted by the Company or by any subsidiary or affiliate of the Company; provided, however, that nothing contained in this Paragraph 6(c) shall prevent the Executive from investing or trading in stocks, bonds, commodities, securities, real estate or other forms of investment for the Executive's own account and benefit (directly or indirectly), so long as such investment activities do not significantly interfere with the Executive's services to be rendered hereunder and are consistent with the conflict of interest policies maintained by the Company from time to time, (ii) he shall not actively solicit any employee of the Company or any of its subsidiaries or affiliates to leave the employment thereof and (iii) he shall not induce or attempt to induce any customer,

supplier, licensee or other individual, corporation or other business organization having a business relation with the Company or its subsidiaries or affiliates to cease doing business with the Company or its subsidiaries or in any way interfere with the relationship between any such customer, supplier, licensee or other person and the Company or its subsidiaries or affiliates. Notwithstanding any other provision of this Agreement to the contrary, this Paragraph 6(c) shall not apply following a Change in Control Termination (as hereinafter defined).

(d) Works. All Works (as defined below) created by the Executive during his employment by the Company will be and remain exclusively the property of the Company. "Works" means all material and information created by the Executive in the course of or as a result of the Executive's employment by the Company which is fixed in a tangible medium of expression, including, but not limited to, notes, drawings, memoranda, correspondence, documents, records, notebooks, flow charts, computer programs and source and object codes, regardless of the medium in which they are fixed. Each such Work is a "work for hire" and the Company may file applications to register copyright as author thereof. The Executive will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on such Works to secure or aid in securing copyright protection and will assist the Company or its nominees in filing applications to register claims of copyright in such works. The Executive will not reproduce, distribute, display publicly, or perform publicly, alone or in combination with any data processing or network system, any Works of the Company without the written permission from the Company .

(e) Inventions. All Inventions (as defined below) made or conceived by the Executive, either solely or jointly with others, during the Executive's employment by the Company and within one (1) year after termination of such employment, whether or not such Inventions are made or conceived during the hours of the Executive's employment or with the use of the Company's facilities, materials, or personnel, will be the property of the Company or its nominees. "Invention" means discoveries, concepts, and ideas, whether patentable or not, including, but not limited to apparatus, processes, methods, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective activities of the Company or its subsidiaries. The Executive will, without royalty or any other additional consideration: (i) inform the Company promptly and fully of such Inventions by written reports,

setting forth in detail a description, the operation and the results achieved;
(ii) assign to the Company all the Executive's right, title, and interest in and to such Inventions, any applications for United States and foreign Letters Patent, any continuations, divisions, continuations-in-part, reissues, extensions or additions thereof filed for upon such Inventions and any United States and foreign Letters Patent; (iii) assist the Company or its nominees, at the expense of the Company, to obtain, maintain and enforce such United States and foreign Letters Patent for such Inventions as the Company may elect; and
(iv) execute, acknowledge, and deliver to the Company at its expense such written documents and instruments, and do such other acts, such as giving testimony in support of the Executive's inventorship and invention, as may be necessary in the opinion of the Company to obtain, maintain or enforce the United States and foreign Letters Patent upon such Inventions and to vest the entire right and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions.

(f) Enforcement. The Executive agrees and warrants that the covenants contained herein are reasonable, that valid consideration has been and will be received therefor and that the agreements set forth herein are the result of arms-length negotiations between the parties hereto. The Executive recognizes that the provisions of this Paragraph 6 are vitally important to the continuing welfare of the Company, and its affiliates, and that money damages constitute a totally inadequate remedy for any violation thereof. Accordingly, in the event of any such violation by the Executive, the Company, and its affiliates, in addition to any other remedies they may have, shall have the right to institute and maintain a proceeding to compel specific performance thereof or to issue an injunction restraining any action by the Executive in violation of this Paragraph 6.

7. Termination. Unless earlier terminated in accordance with the following provisions of this Paragraph 7, the Company shall continue to employ the Executive and the Executive shall remain employed by the Company during the entire Term as set forth in Paragraph 1(b). Paragraph 8 hereof sets forth certain obligations of the Company in the event that the Executive's employment hereunder is terminated. Certain capitalized terms used in this Paragraph 7 and Paragraph 8 hereof are defined in Paragraph 7(c) below.

(a) Death or Disability. Except to the extent otherwise expressly stated herein, including without limitation, as provided in Paragraph 8 with respect to certain post-Date of Termination payment obligations of the Company, this Agreement shall terminate immediately as of the Date of Termination in the event of the Executive's death or in the event that the Executive becomes disabled. The Executive will be deemed to be disabled at the end of any twelve
(12) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially the Executive's usual and customary duties under this Agreement, provided that a reputable physician selected by the Company determines in writing that the Executive will, by reason of physical or mental injury or disease, be permanently unable to perform substantially the Executive's usual and customary duties under this Agreement; provided, however, that an injury that prevents the Executive from performing in professional wrestling performances of the Company and its subsidiaries pursuant to his booking contract shall not constitute a disability for purposes of this Agreement so long as Executive remains able to perform his services as Chairman under this Agreement. At any time and from time to time, upon reasonable request therefor by the Company, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Paragraph 12, the Company shall promptly give the Executive written notice of any such determination of the Executive's disability and of the decision of the Company to terminate the Executive's employment by reason thereof. In the event of disability, until the Date of Termination the base salary payable to the Executive under Paragraph 3 hereof shall be reduced dollar-for-dollar by the amount of disability benefits, if any, paid to the Executive in accordance with any disability policy or program of the Company.

(b) Notification of Discharge for Cause or Resignation. In accordance with the procedures hereinafter set forth, the Company may discharge the Executive from his employment hereunder for Cause and the Executive may resign from his employment hereunder for Good Reason or otherwise. Any discharge of the Executive by the Company for Cause or resignation by the Executive for Good Reason shall be communicated by a Notice of Termination to the Executive (in the case of discharge) or the Company (in the case of resignation) given in accordance with Paragraph 12 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific

termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and
(iii) if the Date of Termination is to be other than the date of receipt of such notice, specifies the termination date (which date shall in all events be within fifteen (15) days after the giving of such notice). No purported termination of the Executive's employment for Cause shall be effective without a Notice of Termination. The failure by the Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of the Executive hereunder or preclude the Executive from asserting such fact or circumstances in enforcing the Executive's rights hereunder.

(c) Definitions. For purposes of this Paragraph 7 and Paragraph 8 hereof, the following capitalized terms shall have the meanings set forth below:

(i) "Accrued Obligations" shall mean, as of the Date of Termination, the sum of (A) the Executive's base salary under Paragraph 3 through the Date of Termination to the extent not theretofore paid, (B) the amount of any bonus, incentive compensation, deferred compensation and other cash compensation accrued by the Executive as of the Date of Termination to the extent not theretofore paid and (C) any vacation pay, expense reimbursements and other cash entitlements accrued by the Executive as of the Date of Termination to the extent not theretofore paid.

(ii) "Cause" shall mean any of the following which is materially and demonstrably injurious to the interest, property, operations, business or reputation of the Company or its subsidiaries or affiliates: (a) the Executive's theft or embezzlement, or attempted theft or embezzlement, of money or property of the Company or its subsidiaries or affiliates; (b) the Executive's intentional perpetration or attempted perpetration of fraud, or his participation in a fraud or attempted fraud, on the Company or its subsidiaries; or (c) any intentional act or acts of disloyalty or misconduct by the Executive; or (d) the Executive's conviction of a felony.

(iii) "Change in Control" shall mean the first to occur of the following events after the Effective Date: (a) the acquisition in one or more transactions, other than from the Company, by any individual, entity or "group" (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3

promulgated under the Exchange Act) of 30% or more of the combined voting power of all outstanding Company Voting Securities; provided, however, that the following shall not onstitute a Change in Control: any acquisition by (1) the Company or any of its subsidiaries, any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries, or (2) any corporation with respect to which, following such acquisition, more than 70% of the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Company Voting Securities immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the Company Voting Securities; or; (b) approval by the shareholders of the Company of a reorganization, merger or consolidation, unless, following such reorganization, merger or consolidation, all or substantially all of the individuals and entities who were the beneficial owners of the Company Voting Securities immediately prior to such reorganization, merger or consolidation, following such reorganization, merger or consolidation beneficially own, directly or indirectly, more than 70% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such reorganization, merger or consolidation in substantially the same proportion as their ownership of the Company Voting Securities immediately prior to such reorganization, merger or consolidation, as the case may be; or (c) the liquidation or dissolution of the Company; (d) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company; and (e) during any period of not more than two years, individuals who constitute the Board as of the beginning of the period and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a) or (b) of this sentence) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at such time or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board. Notwithstanding the foregoing, a Change in Control shall not

be deemed to have occurred solely as a result of any transaction as provided in subsection (a) or (b) above following which Vincent K. McMahon and his family (as defined in Section 267(c)(4) of the Code) retain beneficial ownership of voting securities of, as applicable, the Company, its successor or the ultimate parent corporation or other entity of the chain of corporations or other entities which includes the Company or its successor, representing voting power that is equal to or greater than that of any other individual, entity or group.

(iv) "Change in Control Termination" shall mean a termination of employment initiated by the Executive, with or without Good Reason, that occurs within the ninety (90)-day period beginning six (6) months after the occurrence of a Change in Control.

(v) "Date of Termination" shall mean (A) in the event of a discharge of the Executive by the Company for Cause or a resignation by the Executive for Good Reason or in a Change in Control Termination, the date the Executive (in the case of discharge) or the Company (in the case of resignation) receives a Notice of Termination, or any later date specified in such Notice of Termination, as the case may be, (B) in the event of a discharge of the Executive without Cause or a resignation by the Executive without Good Reason, the date the Executive (in the case of discharge) or the Company (in the case of resignation) receives notice of such termination of employment, (C) in the event of the Executive's death, the date of the Executive's death, and (D) in the event of termination of the Executive's employment by reason of disability pursuant to Paragraph 7(a), the date the Executive receives written notice of such termination.

(vi) "Good Reason" shall mean any of the following: (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's positions with the Company as set forth in this Agreement (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Paragraph 2, or any action by the Company which results in diminution in such positions, authority, duties or responsibilities, excluding for this purpose any isolated, insubstantial and inadvertent actions not taken in bad faith and which is remedied by the Company promptly after receipt of written notice thereof given by the Executive in accordance with Paragraph 12; (B) any failure by the Company to comply with any of the provisions of this Agreement, other than any isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company, promptly

after receipt of written notice thereof given by the Executive in accordance with Paragraph 12; or (C) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement.

(vii) "Monthly Bonus Amount" shall mean the greater of (A) the Executive's target annual bonus for the year in which the Date of Termination occurs divided by twelve (12) or (B) the Executive's average annual bonus for the three fiscal years ended prior to the Date of Termination (or such lesser number of fiscal years as has been completed following the Company's conversion to "C corporation" status) divided by twelve (12).

8. Obligations of the Company Upon Termination.

(a) Discharge for Cause, Resignation without Good Reason or Disability. In the event of a discharge of the Executive for Cause or resignation by the Executive without Good Reason, or in the event this Agreement terminates pursuant to Paragraph 7(a) by reason of the disability of the Executive:

(i) the Company shall pay all Accrued Obligations to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination; and

(ii) the Executive, or his beneficiary, heirs or estate in the event of the Executive's death, shall be entitled to receive all benefits accrued by him as of the Date of Termination under all qualified and nonqualified retirement, pension, profit sharing and similar plans of the Company in such manner and at such time as are provided under the terms of such plans and arrangements; and

(iii) except as otherwise expressly provided in this Agreement, all other obligations of the Company hereunder shall cease forthwith.

(b) Death. If the Executive dies during the Term:

(i) the Company shall pay to the Executive in a lump sum in cash within ninety (90) days after the Date of Termination the aggregate of the following amounts:

(A) all Accrued Obligations; and

(B) an amount equal to twenty-four (24) times the sum of (1) the monthly base salary in effect on the Date of Termination pursuant to Paragraph 3 and (2) the Monthly Bonus Amount.

(ii) the Executive's estate shall be entitled to receive all benefits accrued by the Executive as of the Date of Termination under all qualified and nonqualified retirement, pension, profit sharing and similar plans of the Company in such manner and at such time as are provided under the terms of such plans; and

(iii) all stock options and other stock interests or stock-based rights awarded to the Executive by the Company on or before the Date of Termination shall become fully vested and nonforfeitable as of the Date of Termination and shall remain exercisable by the Executive's estate for at least three years following the Date of Termination; and

(iv) except as otherwise expressly provided in this Agreement, all other obligations of the Company hereunder shall cease forthwith.

(c) Discharge without Cause, Resignation for Good Reason or Change in Control
Termination. If the Executive is discharged other than for Cause or disability, the Executive resigns with Good Reason or there is a Change in Control Termination:

(i) the Company shall pay to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination the aggregate of the following amounts:

(A) all Accrued Obligations; and

(B) the greater of (1) twenty-four (24) times the monthly base salary in effect on the Date of Termination pursuant to Paragraph 3 and (2) the balance of the base salary which as of the Date of Termination remains to be paid to the Executive pursuant to Paragraph 3 for the then-remaining Term of this Agreement (such remaining Term to be computed for all purposes in this Paragraph 8 without regard to any early termination thereof as a result of the termination of the Executive's employment); and

(C) the product of (1) the Monthly Bonus Amount multiplied by (2) the greater (I) twenty-four (24) and (II) the number of full calendar months within the period from the Date of Termination through and including the last day of the then-remaining Term of this Agreement.

(ii) for the greater of (A) twenty-four months and (B) the then- remaining Term of this Agreement, the Company shall either (1) arrange to provide the Executive and his dependents, at the Company's cost, with life, disability and health-and-accident

insurance coverage providing substantially similar benefits to those which the Executive and his dependents were receiving immediately prior to the Date of Termination, to the extent the Company continues to maintain benefit plans providing for such benefits for executives generally or (2) in lieu of providing such coverage, pay to the Executive within thirty (30) days after the Date of Termination a lump sum amount in cash equal to two (2) times the projected cost to the Company of providing the extended benefit coverage referred to in clause (1) (as such cost shall be calculated by a nationally recognized benefit consulting firm using reasonable assumptions); and

(iii) the Executive shall be entitled to receive all benefits accrued by him as of the Date of Termination under all qualified and nonqualified retirement, pension, profit sharing and similar plans of the Company in such manner and at such time as are provided under the terms of such plans; and

(iv) all stock options and other stock interests or stock-based rights awarded to the Executive by the Company on or before the Date of Termination shall become fully vested and nonforfeitable as of the Date of Termination and shall remain exercisable for at least three years following the Date of Termination; and

(v) except as otherwise expressly provided in this Agreement, all other obligations of the Company hereunder shall cease forthwith.

(d) Certain Additional Payments by the Company.

(i) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any economic benefit or payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code or any interest and penalties with respect to such excise tax (such excise tax, together with any interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up- Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(ii) All determinations required to be made under this Section 8(d), including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by the Company's regular outside independent public accounting firm (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or such earlier time as is requested by the Company. The initial Gross-Up Payment, if any, shall be paid to the Executive within 5 days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Internal Revenue Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to subsection (iii) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(iii) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the later of either (A) the date the Executive has actual knowledge of such claim, or (B) ten days after the Internal Revenue Service issues to the Executive either a written report proposing imposition of the Excise Tax or a statutory notice of deficiency with respect thereto, and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall: (A) give the Company any information reasonably requested by the Company relating to such claim, (B) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time,

including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company, (C) cooperate with the Company in good faith in order effectively to contest such claim, and (D) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this subsection (iii), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to request or accede to a request for an extension of the statute of limitations with respect only to the tax claimed, or pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations requested or acceded to by the Executive at the Company's request and relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Executive of an amount advanced by the Company pursuant to subsection (iii), the Executive becomes entitled to receive any refund with

respect to such claim, the Executive shall (subject to the Company's complying with the requirements of subsection (iii)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to subsection (iii), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(v) In the event that any state or municipality or subdivision thereof shall subject any Payment to any special tax which shall be in addition to the generally applicable income tax imposed by such state, municipality, or subdivision with respect to receipt of such Payment, the foregoing provisions shall apply, mutatis mutandis, with respect to such special tax.

(e) Payment Obligations Absolute. The Company's obligation to make the payments and the arrangements provided for herein shall be absolute and unconditional, and shall not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or any other party. Each and every payment made hereunder by the Company shall be final, and the Company shall not seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto, for any reasons whatsoever.

(f) Contractual Rights to Benefits. This Agreement establishes and vests in the Executive a contractual right to the benefits to which he is entitled hereunder. The Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Agreement.

9. Indemnification. The Company shall defend and hold the Executive harmless to the fullest extent permitted by applicable law in connection with any claim, action, suit, investigation or proceeding arising out of or relating to performance by the Executive of

services for, or action of the Executive as a director, officer or employee of the Company, or of any other person or enterprise at the request of the Company. Expenses incurred by the Executive in defending a c laim, action, suit or investigation or criminal proceeding shall be paid by the Company in advance of the final disposition thereof upon the receipt by the Company of an undertaking by or on behalf of the Executive to repay said amount unless it shall ultimately be determined that the Executive is entitled to be indemnified hereunder; provided, however, that this indemnification arrangement shall not apply to a nonderivative action commenced by the Company against the Executive. The foregoing shall be in addition to any indemnification rights the Executive may have by law, contract, charter, by-law or otherwise.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of the Executive and the successors and assigns of the Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, acquisition of property or stock, liquidation, or otherwise) to all or a significant portion of its assets, by agreement in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place. Regardless whether such agreement is executed, this Agreement shall be binding upon any successor of the Company in accordance with the operation of law and such successor shall be deemed the "Company" for purposes of this Agreement.

11. Cost of Enforcement. In the event of litigation with respect to the Executive's rights under this Agreement, if the Executive or his beneficiary substantially prevails in such litigation, then all of the Executive's or beneficiary's reasonable attorneys' fees and costs and expenses associated with the proceedings shall be paid by the Company.

12. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed within the continental United States by first class certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) to the Board or the Company, to:

1241 East Main Street
P. O. Box 3857
Stamford, CT 06902

(b) to the Executive, to:

Addresses may be changed by written notice sent to the other party at the last recorded address of that party.

13. No Assignment. Except as otherwise expressly provided herein, this Agreement is not assignable by any party and no payment to be made hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or other charge.

14. Execution in Counterparts. This Agreement may be executed by the parties hereto in two or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall constitute one and the same instrument, and all signatures need not appear on any one counterpart.

15. Jurisdiction and Governing Law. Jurisdiction over disputes with regard to this Agreement shall be exclusively in the courts of the State of Connecticut, and this Agreement shall be construed and interpreted in accordance with and governed by the laws of the State of Connecticut, other than the conflict of laws provisions of such laws.

16. Severability. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such judgment shall not affect, impair or invalidate the remainder of this Agreement.

17. Prior Understandings. This Agreement embodies the entire understanding of the parties hereof, and supersedes all other oral or written agreements or understandings between them regarding the subject matter hereof. Notwithstanding the foregoing, nothing in this Agreement is intended to affect in any way the Executive's rights and obligations under his booking agreement with the Company. No change, alteration or modification hereof may be made except in a writing, signed by each of the parties hereto. The headings in this Agreement are for convenience and reference only and shall not be construed as part of this Agreement or to limit or otherwise affect the meaning hereof.

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

Attest: World Wrestling Federation Entertainment, Inc.

_____ By:_____

Title:_____

EXECUTIVE

Vincent K. McMahon

EXHIBIT 10.3

EMPLOYMENT AGREEMENT

The parties to this Agreement are World Wrestling Federation Entertainment, Inc. (the "Company"), a Delaware corporation, and Linda E. McMahon, an individual residing in the State of Connecticut (the "Executive"). The Executive and the Company mutually desire to set forth in this Agreement the terms and conditions of a continued employment relationship. The execution and delivery of this Agreement have been duly authorized by the Board of Directors of the Company (the "Board"). This Agreement shall become effective upon the consummation of the initial public offering of the Company's equity securities (the "Effective Date").

NOW, THEREFORE, the Company and the Executive, each intending to be legally bound, hereby mutually covenant and agree as follows:

1. Employment and Term.
(a) Employment. The Company hereby offers to employ the Executive as the President and Chief Executive Officer of the Company and the Executive hereby accepts such employment with the Company, for the Term set forth in Paragraph 1(b). During the Term, the Executive shall also serve as President and Chief Executive Officer of each significant subsidiary of the Company.

(b) Term. The term of the Executive's employment under this Agreement

(the "Term") shall commence on the Effective Date and end on the fourth (4th)
anniversary of the Effective Date, subject to the extension of such Term as set forth in the immediately following sentence or earlier expiration of such Term as provided in Paragraph 7. Unless either the Company or the Executive provides written notice to other, not sooner than 18 months nor later than 12 months prior to the scheduled expiration of the Term as then in effect, the Term shall be automatically extended for an additional period of one year, and the preceding clause of this sentence shall again apply with respect to subsequent extensions of the Term.

2. Duties. The Executive shall report to the Board and perform duties consistent with her position as President and Chief Executive Officer as set forth in the Company's by-laws and as directed by the Board from time to time. The Executive shall also serve as a member of the Board during the Term. The Executive shall devote substantially her best skill and efforts (reasonable sick leave and vacations excepted) to the performance of her duties under this Agreement; provided, however, that nothing in this Agreement shall preclude the Executive from devoting reasonable periods required for (i) serving as a director or member of a committee of any organization involving no conflict of interest with the interest of the Company or its subsidiaries; (ii) delivering lectures, fulfilling speaking engagements, teaching at educational institutions; (iii) engaging in charitable and community activities; (iv) participating in industry and trade organization activities; and (v) managing her personal investments, so long as such activities do not, in the good faith judgment of the Board, materially interfere with the regular performance of her duties and responsibilities under this Agreement; and, provided further, however, that the Executive shall not be deemed to be in breach of this Agreement solely as a result of her inability to perform services hereunder due to disability (provisions applicable in the event of the Executive's disability are set forth in Paragraphs 7 and 8).

3. Base Salary. For services performed by the Executive for the Company pursuant to this Agreement during the Term, the Company shall pay the Executive a base salary at the rate of at least $750,000 per year, payable in accordance with the Company's regular payroll practices (but no less frequently than monthly). Any compensation which may be paid to the Executive under any additional compensation or incentive plan of the Company or which may be otherwise authorized from time to time by the Board (or an appropriate committee thereof) shall be in addition to the base salary to which the Executive shall be entitled under this Agreement.

4. Other Benefits. In addition to the base salary to be paid to the Executive pursuant to Paragraph 3 hereof, the Executive shall also be entitled to the following:

(a) Participation in Plans. The Executive shall be entitled to a bonus opportunity for each fiscal year of up to 100% of her base salary based on the attainment of mutually agreed upon performance goals and objectives. The Executive shall also participate in the various benefit plans maintained in force by the Company from time to time, including any

qualified 401(k), profit sharing and other retirement plans, non-qualified retirement and deferred compensation plans, disability, medical, group life insurance, supplemental life insurance coverage, business travel insurance, sick leave, and other similar retirement and welfare benefit plans, programs and arrangements.

(b) Fringe Benefits. In addition to the foregoing, the Executive shall be entitled to perquisites of office, fringe benefits and other similar benefits no less favorable than those available to other senior executives of the Company.

(c) Expense Reimbursement. The Company shall pay or reimburse the Executive, upon a proper accounting, for reasonable business expenses and disbursements incurred by him in the course of the performance of her duties under this Agreement.

(d) Vacation. The Executive shall be entitled to four (4) weeks of vacation during each year of this Agreement, or such greater period as the Board shall approve, without reduction in salary or other benefits.

5. Annual Review of Compensation. During the Term, the compensation package of the Executive shall be reviewed no less frequently than annually by the Board or an appropriate committee thereof to determine whether or not the same should be increased or enhanced in light of the duties and responsibilities of the Executive and the performance thereof. If it is determined that a base salary increase is merited, such increase shall be promptly put into effect and the base salary of the Executive as so increased shall constitute the base salary of the Executive for purposes of Paragraph 3.

6. Covenants of the Executive. In order to induce the Company to enter into this Agreement, the Executive hereby agrees as follows:

(a) Confidentiality. The Executive acknowledges that by reason of her relationship with and service to the Company, the Executive has had and will have access to confidential information relating to operations and technology and know-how which have been developed by the Company and its affiliates and may be developed in the future by the Company and its affiliates, including, without limitation, information and knowledge pertaining to wrestling productions and performances, public relations and marketing, products and their design and manufacture, methods of operation, sales and profit data, customer and supplier lists and relationships between the Company and its affiliates and its customers, suppliers and others

who have business dealings with it, other information not readily available to the public, and plans for future developments relating thereto. In recognition of the foregoing, during the Term and at all times thereafter, the Executive will maintain the confidentiality of all such information and other matters of the Company and its affiliates known to the Executive which are not otherwise in the public domain and will not disclose any such information to any person outside the organization of the Company, wherever located, except as required by law or with the Board's prior written authorization and consent.

(b) Records. All papers, books and records of every kind and description relating to the business and affairs of the Company, or any of its affiliates, whether or not prepared by the Executive, other than personal notes prepared by or at the direction of the Executive, shall be the sole and exclusive property of the Company, and the Executive shall surrender them to the Company at any time upon request by the Secretary of the Company.

(c) Non-Competition. The Executive hereby agrees with the Company that, during the Term and for a period of one year following the Date of Termination (as defined below in Paragraph 7(c)), (i) she shall not, directly or indirectly, engage in, or be employed by, or act as a consultant to, or be a director, officer, owner or partner of or acquire an interest in a business competing with the professional wrestling or other core businesses conducted by the Company or any of its subsidiaries or affiliates, nor without the prior written consent of the Board directly or indirectly have any interest in, own, manage, operate, control, be connected with as a stockholder, joint venturer, officer, employee, partner or consultant, or otherwise engage, invest or participate in any business that is competitive with the professional wrestling or other core businesses conducted by the Company or by any subsidiary or affiliate of the Company; provided, however, that nothing contained in this Paragraph 6(c) shall prevent the Executive from investing or trading in stocks, bonds, commodities, securities, real estate or other forms of investment for the Executive's own account and benefit (directly or indirectly), so long as such investment activities do not significantly interfere with the Executive's services to be rendered hereunder and are consistent with the conflict of interest policies maintained by the Company from time to time, (ii) she shall not actively solicit any employee of the Company or any of its subsidiaries or affiliates to leave the employment thereof and (iii) she shall not induce or attempt to induce any customer, supplier, licensee or other individual, corporation or other business organization having a business

relation with the Company or its subsidiaries or affiliates to cease doing business with the Company or its subsidiaries or in any way interfere with the relationship between any such customer, supplier, licensee or other person and the Company or its subsidiaries or affiliates. Notwithstanding any other provision of this Agreement to the contrary, this Paragraph 6(c) shall not apply following a Change in Control Termination (as hereinafter defined).

(d) Works. All Works (as defined below) created by the Executive during her employment by the Company will be and remain exclusively the property of the Company. "Works" means all material and information created by the Executive in the course of or as a result of the Executive's employment by the Company which is fixed in a tangible medium of expression, including, but not limited to, notes, drawings, memoranda, correspondence, documents, records, notebooks, flow charts, computer programs and source and object codes, regardless of the medium in which they are fixed. Each such Work is a "work for hire" and the Company may file applications to register copyright as author thereof. The Executive will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on such Works to secure or aid in securing copyright protection and will assist the Company or its nominees in filing applications to register claims of copyright in such works. The Executive will not reproduce, distribute, display publicly, or perform publicly, alone or in combination with any data processing or network system, any Works of the Company without the written permission from the Company.

(e) Inventions. All Inventions (as defined below) made or conceived by the Executive, either solely or jointly with others, during the Executive's employment by the Company and within one (1) year after termination of such employment, whether or not such Inventions are made or conceived during the hours of the Executive's employment or with the use of the Company's facilities, materials, or personnel, will be the property of the Company or its nominees. "Invention" means discoveries, concepts, and ideas, whether patentable or not, including, but not limited to apparatus, processes, methods, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective activities of the Company or its subsidiaries. The Executive will, without royalty or any other additional consideration: (i) inform the Company promptly and fully of such Inventions by written reports, setting forth in detail a description, the operation and the results achieved;
(ii) assign to the

Company all the Executive's right, title, and interest in and to such Inventions, any applications for United States and foreign Letters Patent, any continuations, divisions, continuations-in-part, reissues, extensions or additions thereof filed for upon such Inventions and any United States and foreign Letters Patent; (iii) assist the Company or its nominees, at the expense of the Company, to obtain, maintain and enforce such United States and foreign Letters Patent for such Inventions as the Company may elect; and (iv) execute, acknowledge, and deliver to the Company at its expense such written documents and instruments, and do such other acts, such as giving testimony in support of the Executive's inventorship and invention, as may be necessary in the opinion of the Company to obtain, maintain or enforce the United States and foreign Letters Patent upon such Inventions and to vest the entire right and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions.

(f) Enforcement. The Executive agrees and warrants that the covenants contained herein are reasonable, that valid consideration has been and will be received therefor and that the agreements set forth herein are the result of arms-length negotiations between the parties hereto. The Executive recognizes that the provisions of this Paragraph 6 are vitally important to the continuing welfare of the Company, and its affiliates, and that money damages constitute a totally inadequate remedy for any violation thereof. Accordingly, in the event of any such violation by the Executive, the Company, and its affiliates, in addition to any other remedies they may have, shall have the right to institute and maintain a proceeding to compel specific performance thereof or to issue an injunction restraining any action by the Executive in violation of this Paragraph 6.

7. Termination. Unless earlier terminated in accordance with the following provisions of this Paragraph 7, the Company shall continue to employ the Executive and the Executive shall remain employed by the Company during the entire Term as set forth in Paragraph 1(b). Paragraph 8 hereof sets forth certain obligations of the Company in the event that the Executive's employment hereunder is terminated. Certain capitalized terms used in this Paragraph 7 and Paragraph 8 hereof are defined in Paragraph 7(c) below.

(a) Death or Disability. Except to the extent otherwise expressly stated herein, including without limitation, as provided in Paragraph 8 with respect to certain post-Date

of Termination payment obligations of the Company, this Agreement shall terminate immediately as of the Date of Termination in the event of the Executive's death or in the event that the Executive becomes disabled. The Executive will be deemed to be disabled at the end of any twelve (12) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially the Executive's usual and customary duties under this Agreement, provided that a reputable physician selected by the Company determines in writing that the Executive will, by reason of physical or mental injury or disease, be permanently unable to perform substantially the Executive's usual and customary duties under this Agreement. At any time and from time to time, upon reasonable request therefor by the Company, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Paragraph 12, the Company shall promptly give the Executive written notice of any such determination of the Executive's disability and of the decision of the Company to terminate the Executive's employment by reason thereof. In the event of disability, until the Date of Termination the base salary payable to the Executive under Paragraph 3 hereof shall be reduced dollar-for-dollar by the amount of disability benefits, if any, paid to the Executive in accordance with any disability policy or program of the Company.

(b) Notification of Discharge for Cause or Resignation. In accordance with the procedures hereinafter set forth, the Company may discharge the Executive from her employment hereunder for Cause and the Executive may resign from her employment hereunder for Good Reason or otherwise. Any discharge of the Executive by the Company for Cause or resignation by the Executive for Good Reason shall be communicated by a Notice of Termination to the Executive (in the case of discharge) or the Company (in the case of resignation) given in accordance with Paragraph 12 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and
(iii) if the Date of Termination is to be other than the date of receipt of such notice, specifies the termination date (which date shall in all events be within fifteen (15) days after the giving of such notice). No purported termination of the Executive's

employment for Cause shall be effective without a Notice of Termination. The failure by the Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of the Executive hereunder or preclude the Executive from asserting such fact or circumstances in enforcing the Executive's rights hereunder.

(c) Definitions. For purposes of this Paragraph 7 and Paragraph 8 hereof, the following capitalized t erms shall have the meanings set forth below:

(i) "Accrued Obligations" shall mean, as of the Date of Termination, the sum of (A) the Executive's base salary under Paragraph 3 through the Date of Termination to the extent not theretofore paid, (B) the amount of any bonus, incentive compensation, deferred compensation and other cash compensation accrued by the Executive as of the Date of Termination to the extent not theretofore paid and (C) any vacation pay, expense reimbursements and other cash entitlements accrued by the Executive as of the Date of Termination to the extent not theretofore paid.

(ii) "Cause" shall mean any of the following which is materially and demonstrably injurious to the interest, property, operations, business or reputation of the Company or its subsidiaries or affiliates: (a) the Executive's theft or embezzlement, or attempted theft or embezzlement, of money or property of the Company or its subsidiaries or affiliates; (b) the Executive's intentional perpetration or attempted perpetration of fraud, or her participation in a fraud or attempted fraud, on the Company or its subsidiaries; or (c) any intentional act or acts of disloyalty or misconduct by the Executive; or (d) the Executive's conviction of a felony.

(iii) "Change in Control" shall mean the first to occur of the following events after the Effective Date: (a) the acquisition in one or more transactions, other than from the Company, by any individual, entity or "group" (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of all outstanding Company Voting Securities; provided, however, that the following shall not constitute a Change in Control: any acquisition by (1) the Company or any of its subsidiaries, any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries, or (2) any corporation with respect to which, following such acquisition, more

than 70% of the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Company Voting Securities immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the Company Voting Securities; or; (b) approval by the shareholders of the Company of a reorganization, merger or consolidation, unless, following such reorganization, merger or consolidation, all or substantially all of the individuals and entities who were the beneficial owners of the Company Voting Securities immediately prior to such reorganization, merger or consolidation, following such reorganization, merger or consolidation beneficially own, directly or indirectly, more than 70% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such reorganization, merger or consolidation in substantially the same proportion as their ownership of the Company Voting Securities immediately prior to such reorganization, merger or consolidation, as the case may be; or (c) the liquidation or dissolution of the Company; (d) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company; and (e) during any period of not more than two years, individuals who constitute the Board as of the beginning of the period and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a) or (b) of this sentence) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at such time or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board. Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred solely as a result of any transaction as provided in subsection (a) or (b) above following which Vincent K. McMahon and his family (as defined in Section 267 (c)(4) of the Code) retain beneficial ownership of voting securities of, as applicable, the Company, its successor or the ultimate parent corporation or other entity of the chain of corporations or other

entities which includes the Company or its successor, representing voting power that is equal to or greater than that of any other individual, entity or group.

(iv) "Change in Control Termination" shall mean a termination of employment initiated by the Executive, with or without Good Reason, that occurs within the ninety (90)-day period beginning six (6) months after the occurrence of a Change in Control.

(v) "Date of Termination" shall mean (A) in the event of a discharge of the Executive by the Company for Cause or a resignation by the Executive for Good Reason or in a Change in Control Termination, the date the Executive (in the case of discharge) or the Company (in the case of resignation) receives a Notice of Termination, or any later date specified in such Notice of Termination, as the case may be, (B) in the event of a discharge of the Executive without Cause or a resignation by the Executive without Good Reason, the date the Executive (in the case of discharge) or the Company (in the case of resignation) receives notice of such termination of employment, (C) in the event of the Executive's death, the date of the Executive's death, and (D) in the event of termination of the Executive's employment by reason of disability pursuant to Paragraph 7(a), the date the Executive receives written notice of such termination.

(vi) "Good Reason" shall mean any of the following: (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's positions with the Company as set forth in this Agreement (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Paragraph 2, or any action by the Company which results in diminution in such positions, authority, duties or responsibilities, excluding for this purpose any isolated, insubstantial and inadvertent actions not taken in bad faith and which is remedied by the Company promptly after receipt of written notice thereof given by the Executive in accordance with Paragraph 12; (B) any failure by the Company to comply with any of the provisions of this Agreement, other than any isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company, promptly after receipt of written notice thereof given by the Executive in accordance with Paragraph 12; or (C) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement.

(vii) "Monthly Bonus Amount" shall mean the greater of (A) the Executive's target annual bonus for the year in which the Date of Termination occurs divided by twelve (12) or (B) the Executive's average annual bonus for the three fiscal years ended prior to the Date of Termination (or such lesser number of fiscal years as has been completed following the Company's conversion to "C corporation" status) divided by twelve (12).

8. Obligations of the Company Upon Termination.

(a) Discharge for Cause, Resignation without Good Reason or Disability.
In the event of a discharge of the Executive for Cause or resignation by the Executive without Good Reason, or in the event this Agreement terminates pursuant to Paragraph 7(a) by reason of the disability of the Executive:

(i) the Company shall pay all Accrued Obligations to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination; and

(ii) the Executive, or her beneficiary, heirs or estate in the event of the Executive's death, shall be entitled to receive all benefits accrued by him as of the Date of Termination under all qualified and nonqualified retirement, pension, profit sharing and similar plans of the Company in such manner and at such time as are provided under the terms of such plans and arrangements; and

(iii) except as otherwise expressly provided in this Agreement, all other obligations of the Company hereunder shall cease forthwith.

(b) Death. If the Executive dies during the Term:
(i) the Company shall pay to the Executive in a lump sum in cash within ninety (90) days after the Date of Termination the aggregate of the following amounts:

(A) all Accrued Obligations; and

(B) an amount equal to twenty-four (24) times the sum of (1) the monthly base salary in effect on the Date of Termination pursuant to Paragraph 3 and (2) the Monthly Bonus Amount.

(ii) the Executive's estate shall be entitled to receive all benefits accrued by the Executive as of the Date of Termination under all qualified and nonqualified retirement, pension, profit sharing and similar plans of the Company in such manner and at such time as are provided under the terms of such plans; and

(iii) all stock options and other stock interests or stock-based rights awarded to the Executive by the Company on or before the Date of Termination shall become fully vested and nonforfeitable as of the Date of Termination and shall remain exercisable by the Executive's estate for at least three years following the Date of Termination; and

(iv) except as otherwise expressly provided in this Agreement, all other obligations of the Company hereunder shall cease forthwith.

(c) Discharge without Cause, Resignation for Good Reason or Change in Control Termination. If the Executive is discharged other than for Cause or disability, the Executive resigns with Good Reason or there is a Change in Control Termination:

(i) the Company shall pay to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination the aggregate of the following amounts:

(A) all Accrued Obligations; and

(B) the greater of (1) twenty-four (24) times the monthly base salary in effect on the Date of Termination pursuant to Paragraph 3 and (2) the balance of the base salary which as of the Date of Termination remains to be paid to the Executive pursuant to Paragraph 3 for the then-remaining Term of this Agreement (such remaining Term to be computed for all purposes in this Paragraph 8 without regard to any early termination thereof as a result of the termination of the Executive's employment); and

(C) the product of (1) the Monthly Bonus Amount multiplied by (2) the greater (I) twenty-four (24) and (II) the number of full calendar months within the period from the Date of Termination through and including the last day of the then-remaining Term of this Agreement.

(ii) for the greater of (A) twenty-four months and (B) the then- remaining Term of this Agreement, the Company shall either (1) arrange to provide the Executive and her dependents, at the Company's cost, with life, disability and health-and-accident insurance coverage providing substantially similar benefits to those which the Executive and her dependents were receiving immediately prior to the Date of Termination, to the extent the Company continues to maintain benefit plans providing for such benefits for executives generally or (2) in lieu of providing such coverage, pay to the Executive within thirty (30) days

after the Date of Termination a lump sum amount in cash equal to two (2) times the projected cost to the Company of providing the extended benefit coverage referred to in clause (1) (as such cost shall be calculated by a nationally recognized benefit consulting firm using reasonable assumptions); and

(iii) the Executive shall be entitled to receive all benefits accrued by him as of the Date of Termination under all qualified and nonqualified retirement, pension, profit sharing and similar plans of the Company in such manner and at such time as are provided under the terms of such plans; and

(iv) all stock options and other stock interests or stock-based rights awarded to the Executive by the Company on or before the Date of Termination shall become fully vested and nonforfeitable as of the Date of Termination and shall remain exercisable for at least three years following the Date of Termination; and

(v) except as otherwise expressly provided in this Agreement, all other obligations of the Company hereunder shall cease forthwith.

(d) Certain Additional Payments by the Company.

(i) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any economic benefit or payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code or any interest and penalties with respect to such excise tax (such excise tax, together with any interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up- Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(ii) All determinations required to be made under this Section 8(d), including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by the Company's regular outside independent public accounting firm (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company

and the Executive within 15 business days of the Date of Termination, if applicable, or such earlier time as is requested by the Company. The initial Gross-Up Payment, if any, shall be paid to the Executive within 5 days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Internal Revenue Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to subsection (iii) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(iii) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the later of either (A) the date the Executive has actual knowledge of such claim, or (B) ten days after the Internal Revenue Service issues to the Executive either a written report proposing imposition of the Excise Tax or a statutory notice of deficiency with respect thereto, and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day period following the date on which she gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall: (A) give the Company any information reasonably requested by the Company relating to such claim, (B) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company, (C) cooperate with the Company in good faith in order effectively to contest such claim, and (D) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay

directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this subsection (iii), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to request or accede to a request for an extension of the statute of limitations with respect only to the tax claimed, or pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations requested or acceded to by the Executive at the Company's request and relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Executive of an amount advanced by the Company pursuant to subsection (iii), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of subsection (iii)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to subsection (iii), a

determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(v) In the event that any state or municipality or subdivision thereof shall subject any Payment to any special tax which shall be in addition to the generally applicable income tax imposed by such state, municipality, or subdivision with respect to receipt of such Payment, the foregoing provisions shall apply, mutatis mutandis, with respect to such special tax.

(e) Payment Obligations Absolute. The Company's obligation to make the payments and the arrangements provided for herein shall be absolute and unconditional, and shall not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or any other party. Each and every payment made hereunder by the Company shall be final, and the Company shall not seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto, for any reasons whatsoever.

(f) Contractual Rights to Benefits. This Agreement establishes and vests in the Executive a contractual right to the benefits to which she is entitled hereunder. The Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Agreement.

9. Indemnification. The Company shall defend and hold the Executive harmless to the fullest extent permitted by applicable law in connection with any claim, action, suit, investigation or proceeding arising out of or relating to performance by the Executive of services for, or action of the Executive as a director, officer or employee of the Company, or of any other person or enterprise at the request of the Company. Expenses incurred by the Executive in defending a claim, action, suit or investigation or criminal proceeding shall be paid by the Company in advance of the final disposition thereof upon the receipt by the Company of

an undertaking by or on behalf of the Executive to repay said amount unless it shall ultimately be determined that the Executive is entitled to be indemnified hereunder; provided, however, that this indemnification arrangement shall not apply to a nonderivative action commenced by the Company against the Executive. The foregoing shall be in addition to any indemnification rights the Executive may have by law, contract, charter, by-law or otherwise.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of the Executive and the successors and assigns of the Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, acquisition of property or stock, liquidation, or otherwise) to all or a significant portion of its assets, by agreement in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place. Regardless whether such agreement is executed, this Agreement shall be binding upon any successor of the Company in accordance with the operation of law and such successor shall be deemed the "Company" for purposes of this Agreement.

11. Cost of Enforcement. In the event of litigation with respect to the Executive's rights under this Agreement, if the Executive or her beneficiary substantially prevails in such litigation, then all of the Executive's or beneficiary's reasonable attorneys' fees and costs and expenses associated with the proceedings shall be paid by the Company.

12. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed within the continental United States by first class certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) to the Board or the Company, to:
1241 East Main Street
P. O. Box 3857
Stamford, CT 06902

(b) to the Executive, to:

Addresses may be changed by written notice sent to the other party at the last recorded address of that party.

13. No Assignment. Except as otherwise expressly provided herein, this Agreement is not assignable by any party and no payment to be made hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or other charge.

14. Execution in Counterparts. This Agreement may be executed by the parties hereto in two or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall constitute one and the same instrument, and all signatures need not appear on any one counterpart.

15. Jurisdiction and Governing Law. Jurisdiction over disputes with regard to this Agreement shall be exclusively in the courts of the State of Connecticut, and this Agreement shall be construed and interpreted in accordance with and governed by the laws of the State of Connecticut, other than the conflict of laws provisions of such laws.

16. Severability. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such judgment shall not affect, impair or invalidate the remainder of this Agreement.

17. Prior Understandings. This Agreement embodies the entire understanding of the parties hereof, and supersedes all other oral or written agreements or understandings between them regarding the subject matter hereof. No change, alteration or modification hereof may be made except in a writing, signed by each of the parties hereto. The headings in this Agreement are for convenience and reference only and shall not be construed as part of this Agreement or to limit or otherwise affect the meaning hereof.

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

Attest:	World Wrestling Federation Entertainment, Inc.
_____	By:_____

Title:_____

EXECUTIVE

Linda E. McMahon

EXHIBIT 10.4

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into as of this twenty- fourth (24th) day of August, 1998, effective as of September 1, 1998 by and between Titan Sports, Inc. ("Titan"), with offices at 1241 East Main Street, Stamford, Connecticut 06902, and August J. Liguori, an individual residing at 15 Horton Court, West Harrison, New York 10604 ("Employee"), individually referred to as a "party" and collectively referred to as the "parties."

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DUTIES/ACCOUNTABILITIES: In Employee's capacity as Titan's Chief Financial Officer, Employee shall perform those duties and accountabilities as directed by Titan's Chairman Vince McMahon, Titan's President and Chief Executive Officer Linda McMahon or their designee ("Duties"): Reporting to the Chairman, President/CEO, Employee will be responsible for all of the financial aspects of Titan, including, but not limited to, managing the relationships with financial ventures outside Titan. Employee will direct the functions of budgeting, financial analysis, revenue operations, general accounting, information systems, auditing and billing. Employee will also be responsible for:

. Directing and monitoring all of the financial affairs of Titan including the control function as well as tax and audit activities.

. Establishing appropriate controls over capital funding, financial expenditures and investment decisions.

. Participating as a key figure in Titan's business and strategic planning process.

. Providing the necessary information and analysis to effectively control and manage the financial health and well being of Titan.

. Developing adequate information reporting systems that support Titan's operational, financial and administrative functions.

. Performing all other duties and activities requested by the Chairman and the President/CEO.

2. TERM: The term of this Agreement shall commence on September 1, 1998

and, unless terminated earlier as set forth below, end on August 31, 2001 ("Term").

3. TERRITORY: The territory for this Agreement shall be the entire world.

4. COMPENSATION: Provided that Employee performs his duties to the full satisfaction of Titan, Titan shall pay Employee as follows:

a) Fifty Thousand Dollars ($50,000) within ten (10) business days of the date that Titan signs this Agreement;

b) Base salary of Three Hundred Fifty Thousand Dollars ($350,000) for each year during the Term of this Agreement, payable in equal biweekly installments;

c) Bonus payments of One Hundred Seventy-Five Thousand Dollars ($175,000) each on or before June 1, 1999, June 1, 2000 and June 1, 2001;

d) Bonus payments of One Hundred Fifty Thousand Dollars ($150,000) each on or before September 1, 1999, December 1, 1999, March 1, 2000, September 1, 2000, December 1, 2000 and March 1, 2001; and

e) A balloon payment on or before August 31, 2001 in the amount of Four Hundred Seventy-Five Thousand Dollars ($475,000) less any profit sharing and 401(k) monies contributed to Employee by Titan and further less any bonus payments paid by Titan to Employee during the Term of this Agreement in addition to those set forth in paragraphs 4(a), 4(c) and 4(d) above.

5. EXPENSES: Titan shall reimburse Employee for any reasonable and necessary expenses incurred in the performance of his duties hereunder, including any reasonable and necessary travel and lodging expenses, provided that reimbursement hereunder shall be subject to Titan's policies regarding such reimbursement, now or hereafter adopted by Titan, that any and all such expenses are approved in advance by Vince McMahon or Linda McMahon and only upon receipt of adequate supporting documentation therefor. All such expenses shall be reimbursed within thirty (30) calendar days following submission to and approval by Titan of an invoice no more frequently than on a monthly basis.

6. BENEFITS: Employee shall be eligible during the Term of this Agreement for those benefits generally available to employees of Titan. Employee shall be eligible for three (3) weeks of vacation per year during the Term of this Agreement. Additionally, should Titan be the subject of an initial public offering, Employee shall be granted stock options to the same extent as those provided to other senior executives of Titan.

7. TERMINATION:

(a) Titan may terminate this Agreement immediately if Employee engages in any act of fraud, theft, deceit or unethical conduct, and Titan shall have no further obligation to Employee, financial or otherwise, under this Agreement.

(b) Titan may terminate this Agreement at any time for any reason in its sole discretion, provided that:

(i) Should such termination occur during the first year of this Agreement (September 1, 1998 - August 31, 1999), Titan's only remaining obligation hereunder shall be to pay Employee the difference between One Million

Dollars ($1,000,000) and what Titan has paid Employee to that point during the first year of this Agreement;

(ii) Should such termination occur in the second or third year of this Agreement, Titan shall pay Employee Eight-Three Thousand Three Hundred Thirty-Three Dollars ($83,333.00) multiplied by the number of months (including proportions thereof) worked by Employee for Titan minus the amount of money paid by Titan to that point. Additionally, Titan shall pay Employee six (6) months of severance pay at the rate of Twenty-Nine Thousand One Hundred Sixty-Six Dollars ($29,166.00) per month, which shall cease as soon as Employee secures other employment and in exchange for which Employee shall execute a full and final release and waiver of any and all claims he may have against Titan.

(c) Should Employee resign at any point during the Term of this Agreement, Titan shall have no further obligation thereafter to Employee under this Agreement, whether financial or otherwise.

(d) Notwithstanding anything to the contrary set forth above, should a third party other than a family member or heir of Linda or Vince McMahon assume ownership and control of a majority of the assets of Titan, such company shall be obligated to pay Employee Three Million Dollars ($3,000,000) minus the amount of all payments received by Employee under this Agreement to the point of purchase.

(e) Notwithstanding anything to the contrary set forth above, should Employee die during the first year of this Agreement, Titan shall pay Employee's heirs the difference between One Million Dollars ($1,000,000) and what Titan has paid Employee to that point during the first year of this Agreement. Should Employee die during the second or third year of this Agreement, Titan shall pay Employee's heirs Eighty-Three Thousand Three Hundred Thirty-Three Dollars
($83,333.00) multiplied by the number of months (including proportions thereof) worked by Employee by Titan minus the amount of money paid by Titan to that point.

8. WORK FOR HIRE: Employee hereby acknowledges that all duties performed hereunder were specifically ordered or commissioned by Titan ("Work"); that the Work constitutes and shall constitute a work-made-for-hire as defined in the United States Copyright Act of 1976; that Titan is and shall be the author of said work-made-for-hire and the owner of all rights in and to the Work throughout the universe, in perpetuity and in all languages, for all now known or hereafter existing uses, media and forms, including, without limitation, the copyrights therein and thereto throughout the universe for the initial term and any and all extensions and renewals thereof; and that Titan shall have the right to make such changes therein and such uses thereof as it may deem necessary or desirable. To the extent that the Work is not recognized as a work-made-for- hire, Employee hereby assigns, transfers and conveys to Titan, without reservation, all of Employee's right, title and interest throughout the universe in perpetuity in the Work, including, without limitation, all rights of copyright and copyright renewal in said Work or any part thereof.

9. CONFIDENTIALITY/NON-COMPETE: Employee acknowledges and agrees that it is a condition precedent to this Agreement that he sign the Confidentiality and Non-Compete Agreement, which is attached hereto as Exhibit A and hereby incorporated herein by reference and made a part hereof.

10. ASSIGNMENT: This Agreement contemplates the personal services of Employee and is not assignable by Employee. Titan may assign this Agreement in whole or in part, without limitation or restriction.

11. ARBITRATION: The parties agree that if a claim or controversy should arise concerning this Agreement, or the breach of any obligation arising under this Agreement, or the interpretation of this Agreement, such dispute shall be resolved by binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association with the arbitration to be held in Stamford, Connecticut. The parties shall each pay one-half (1/2) of the costs of the arbitrator and the arbitrator shall thereafter award costs and attorneys' fees to the prevailing party. The arbitration award shall be binding and non- appealable, and may be entered as a final judgment in any court having jurisdiction over the award.

12. NOTICES: Any notices are to be sent by certified mail, return receipt requested, federal express, or first class postal service and addressed as follows:

TO TITAN: Titan Sports, Inc.
Attn: Linda E. McMahon
President and Chief Executive Officer
1241 East Main Street
Stamford, CT 06902

TO EMPLOYEE: August J. Liguori
15 Horton Court
West Harrison, NY 10604

13. GOVERNING LAW: This Agreement shall be governed by the laws of the State of Connecticut governing contracts entered into and to be fully performed therein.

14. SEVERABILITY: In the event that any provision or portion of this Agreement shall be declared invalid or unenforceable for any reason by a court of competent jurisdiction, such provision or portion shall be considered separate and apart from the remainder of this Agreement, which shall remain in full force and effect.

15. NAME AND LIKENESS: Titan and its licensees and/or assignees shall have the exclusive and perpetual right, but not the obligation, to use and license the use of Employee's name, photograph, likeness and approved biographical data ("Name and Likeness") for the purpose of advertising, marketing, promoting, publicizing and exploiting any matter related to the Duties performed hereunder with Employee's permission, which shall not be unreasonably withheld.

16. INDEMNITY: a) Employee shall hold Titan, its parent, subsidiary and affiliate companies and the directors, officers, employees, licensees, successors, assigns and agents of the foregoing, harmless from and against all claims, liabilities, damages, costs and attorneys' fees arising from any action by Employee outside the course and scope of his employment hereunder.

b) Titan shall hold Employee harmless from and against all claims, liabilities, damages, costs and attorneys' fees arising solely from the performance of Employee's Duties within the course and scope of Employee's employment hereunder.

17. REMEDIES: The waiver by either party of any breach hereof shall not be deemed a waiver of any prior or subsequent breach hereof. All remedies of either party shall be cumulative and the pursuit of one remedy shall not be deemed a waiver of any other remedy.

18. NO AGENCY: No agency relationship is created between Titan and Employee by virtue of this Agreement. Employee has no authority in excess of One Hundred Thousand ($100,000) US Dollars to bind Titan to any contract, agreement or other obligation with any third parties, unless such contract, agreement or other obligation is co-signed by Titan's President and CEO Linda McMahon.

19. INTEGRATION: This Agreement contains the complete understanding existing between the parties on the subjects covered and supersedes any previous written or verbal understandings with respect thereto. This Agreement may not be amended except by a writing signed by authorized representatives of Employee and Titan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

AUGUST J. LIGUORI ("Employee")	TITAN SPORTS, INC. ("Titan")
By:_____ August J. Liguori	By:_____ Linda E. McMahon President & Chief Executive Officer

Ommitted Exhibit

EXHIBIT A: Confidentiality/Non-Compete/Agreement

EXHIBIT 10.9

REVOLVING CREDIT

AND

SECURITY AGREEMENT

IBJ SCHRODER BUSINESS CREDIT CORPORATION
(AS LENDER AND AS AGENT)

WITH

TITAN SPORTS INC.

(BORROWER)

As of December 22, 1997

TABLE OF CONTENTS

REVOLVING CREDIT AND SECURITY AGREEMENT

Revolving Credit and Security Agreement ("Agreement") dated December __, 1997 among TITAN SPORTS INC., a corporation organized under the laws of the State of Delaware ("Borrower"), the financial institutions which are now or hereafter become parties to the Agreement (collectively, the "Lenders" and individually, a "Lender") and IBJ SCHRODER BUSINESS CREDIT CORPORATION, a corporation organized under the laws of the State of New York ("IBJS"), as agent for Lenders (IBJS, in such capacity, the "Agent").

IN CONSIDERATION of the mutual covenants and undertakings herein contained, each of Borrower and Lenders hereby agree as follows:

1. (A) General Definitions. When used in this Agreement, the following terms shall have the following meanings:

"Advance Rate" shall mean the Receivables Advance Rate.

"Affiliate" of any Person shall mean (a) any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (i) to vote 5% or more of the securities having ordinary voting power for the election of directors of such Person, or (ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agreement" shall have the meaning set forth in the preamble hereof.

"Alternate Base Rate" shall mean, for any day, a rate per annum equal to the higher of (i) the Base Rate in effect on such day and (ii) the Federal Funds Rate in effect on such day plus 1/2 of 1%.

"Ancillary Agreements" shall mean all agreements, instruments, and documents including, without limitation, mortgages, guaranties, pledges, powers of attorney, consents, assignments, contracts, notices, security agreements, trust agreements whether heretofore, concurrently, or hereafter executed by or on behalf of any Borrower or delivered to Agent or any Lender, relating to this Agreement or to the Transactions.

"Authority" shall have the meaning set forth in Section 12(f)(iii) hereof.

"Bank" shall mean IBJ Schroder Bank & Trust Company, together with its

successors and assigns.

"Base Rate" shall mean the base commercial lending rate of Bank as publicly announced to be in effect from time to time, such rate to be adjusted automatically, without notice, on the effective date of any change in such rate. This rate of interest is determined from

time to time by Bank as a means of pricing some loans to its customers and is neither tied to any external rate of interest or index nor does it necessarily reflect the lowest rate of interest actually charged by Bank to any particular class or category of customers of Bank.

"Blocked Account" shall have the meaning set forth in Section 23 hereof.

"Borrower" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

"Business Day" shall mean any day other than a day on which commercial banks in New York are authorized or required by law to close.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. (S)(S) 9601 et

seq.

"Change of Ownership" shall mean (a) any transfer (whether in one or more transactions) of ownership of more than 50% of the common stock of Borrower held by the Original Owner (including for the purposes of the calculation of percentage ownership, any shares of common stock into which any capital stock of Borrower held by the Original Owner is convertible or for which any such shares of the capital stock of Borrower or of any other Person may be exchanged and any shares of common stock issuable to the Original Owner upon exercise of any warrants, options or similar rights which may at the time of calculation be held by the Original Owner) to a Person who is neither an Original Owner nor an Affiliate of an Original Owner or (b) any merger, consolidation or sale of substantially all of the property or assets of Borrower.

"Closing Date" shall mean December __, 1997 or such other date as may be agreed upon by the parties hereto.

"Code" shall mean the Internal Revenue Code of 1986, as amended from

time to time and the regulations promulgated thereunder.

"Collateral" shall mean and include:

(a) all Receivables;

(b) all General Intangibles;

(c) all of Borrower's right, title and interest in and to (i) all merchandise returned or rejected by Customers, relating to or securing any of the Receivables; (ii) all of Borrower's rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lien or, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; (iii) all additional amounts due to Borrower from any Customer relating to the Receivables; (iv) all of Borrower's contract rights, rights of payment which have been earned under a contract right, instruments, documents, chattel paper, warehouse receipts, deposit accounts and money;

(d) all of Borrower's ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computer software (whether owned by Borrower or in which it has an interest), computer programs, tapes, disks and documents relating to (a), (b) and (c) of this Section; and

(e) all proceeds and products of (a), (b), (c) and (d) in whatever form, including, but not limited to: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements or documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

"Commitment Percentage" of any Lender shall mean the percentage set forth below such Lender's name on the signature page hereof as same may be adjusted upon any assignment by a lender pursuant to Section 16 hereof.

"Commitment Transfer Supplement" shall mean a document in the form of Exhibit 1(a) hereto, properly completed and otherwise in form and substance satisfactory to Agent by which the Purchasing Lender purchases and assumes a portion of the obligation of Lenders to make Revolving Advances under this Agreement.

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and other third parties, domestic or foreign, necessary to carry on Borrower's business, including, without limitation, any Consents required under all applicable federal, state or other applicable law.

"Contract Year" shall mean the twelve-month period commencing on the Closing Date and ending on the first anniversary date and each successive twelve-month period thereafter.

"Customer" shall mean and include the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Borrower, pursuant to which Borrower is to deliver any personal property or perform any services.

"Debt" of any Borrower at a particular date shall mean all amounts

which would, in conformity with GAAP, be included under liabilities on a balance sheet of Borrower at such date.

"Default" shall mean an event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 5(a) hereof.

"Depository Accounts" shall have the meaning set forth in Section 23 hereof.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Rate Loan" shall mean any Loan that bears interest based upon the Alternate Base Rate.

"Earnings Before Interest and Taxes" shall mean for Borrower and its Subsidiaries on a consolidated basis for any period, the sum of (i) net income
(or loss) for such period (excluding extraordinary gains and losses, plus (ii)

all interest expense for such period, plus (iii) all charges against income for

such period for federal, state and local taxes actually paid.

"EBITDA" shall mean for Borrower and its Subsidiaries on a consolidated basis for any period, the sum of (i) Earnings Before Interest and Taxes for such period plus (ii) depreciation expenses for such period, plus

(iii) amortization expenses for such period.

"Eligible Receivables" shall mean and include with respect to Borrower each Receivable of Borrower arising in the ordinary course of Borrower's business which Agent, in its sole credit judgment, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent's perfected security interest and no other lien other than Permitted Liens, and is evidenced by an invoice, bill of lading or other documentary evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

(a) it arises out of a sale made by Borrower to an Affiliate of Borrower or to a Person controlled by an Affiliate of Borrower;

(b) it is due or unpaid more than ninety (90) days after the due date not to exceed one hundred twenty (120) days after the original event date;

(c) fifty percent (50%) or more of the Receivables from the Customer are not deemed Eligible Receivables hereunder. Such percentage may, in Agent's sole discretion, be increased or decreased from time to time;

(d) any covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached;

(e) the Customer shall (i) apply for, suffer, or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or call a meeting of its creditors, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, any petition which is filed

against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

(f) the sale is to a Customer outside the continental United States of America, unless the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its sole discretion;

(g) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper;

(h) Agent believes, in its sole judgment, that collection of such Receivable is insecure or that such Receivable may not be paid by reason of the Customer's financial inability to pay;

(i) the Customer is the United States of America, any state or any department, agency or instrumentality of any of them, unless the Borrower effectuates an assignment of its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-
Section 3727 and 41 U.S.C. Sub-Section 15 et seq.) or has otherwise complied

with other applicable statutes or ordinances;

(j) the goods giving rise to such Receivable have not been shipped and delivered to and accepted by the Customer or the services giving rise to such Receivable have not been performed by Borrower and accepted by the Customer or the Receivable otherwise does not represent a final sale;

(k) such Receivable causes the aggregate amount of Receivables of the Customer to exceed a credit limit determined by Agent in its sole discretion;

(l) the Receivable is subject to any offset, deduction, defense, dispute, or counterclaim, the Customer is also a creditor or supplier of Borrower or the Receivable is contingent in any respect or for any reason;

(m) the Borrower has made any agreement with a Customer for any deduction therefrom, except for discounts or allowances made in the ordinary course of business for prompt payment, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(n) shipment of the merchandise or the rendition of services has not been completed;

(o) any return, rejection or repossession of the merchandise has occurred;

(p) such Receivable is not payable to Borrower; or

(q) such Receivable is not otherwise satisfactory to Agent as determined in good faith by Agent in the exercise of its discretion in a reasonable manner.

"Equipment" shall mean and include all of Borrower's goods (excluding Inventory) whether now owned or hereafter acquired and wherever located including, without limitation, all equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings, fixtures, parts, accessories and all replacements and substitutions therefor or accessions thereto.

"Eurodollar Rate Loan" shall mean any Loan at any time that bears interest based on the Eurodollar Rate.

"Eurodollar Rate" shall mean for any Eurodollar Rate Loan for the then current Interest Period relating thereto the rate per annum (such Eurodollar Rate to be adjusted to the next higher 1/100 of one (1%) percent) equal to the quotient of (a) LIBOR, divided by (b) a number equal to 1.00 minus the aggregate of the rates (expressed as a decimal) of reserve requirements current on the day that is two Business Days prior to the beginning of the Interest Period (including without limitation basic, supplemental, marginal and emergency reserves) under any regulation promulgated by the Board of Governors of the Federal Reserve System (or any other governmental authority having jurisdiction over the Bank) as in effect from time to time, dealing with reserve requirements prescribed for Eurocurrency funding including any reserve requirements with respect to "Eurocurrency liabilities" under Regulation D of the Board of Governors of the Federal Reserve System.

"Event of Default" shall mean the occurrence of any of the events set forth in Section 19.

"Federal Funds Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day which is a Business Day, the average of quotations for such day on such transactions received by Bank from three Federal funds brokers of recognized standing selected by Bank.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to any fiscal period, the ratio of (a) EBITDA plus capitalized lease payments made

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by Borrower and its Subsidiaries on a consolidated basis during such period,

minus capital expenditures made by Borrower and its Subsidiaries on a consolidated basis during such period to (b) all Senior Debt Payments during such period.

"Formula Amount" shall have the meaning set forth in paragraph 2(a).

"GAAP" shall mean generally accepted accounting principles, practices

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and procedures in the United States of America in effect from time to time.

"General Intangibles" shall mean and include all of Borrower's general intangibles other than Intellectual Property, whether now owned or hereafter acquired including, without limitation, all choses in action, causes of action, corporate or other business records, franchises, licenses, customer lists, tax refunds, tax refund claims, computer programs, all claims

under guaranties, security interests or other security held by or granted to Borrower to secure payment of any of the Receivables by a Customer.

"Hazardous Substance" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as defined in CERCLA, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), RCRA or any other applicable

environmental law and in the regulations adopted pursuant thereto.

"IBJS" shall have the meaning set forth in the preamble hereof.

"Intellectual Property" means and includes all of Borrower's patents, patent applications, trademarks, trade names, service marks, trade secrets, goodwill, copyrights, design rights and copyright registrations.

"Interest Period" shall mean the period provided for any Eurodollar Rate Loan pursuant to Section 4(d) hereof.

"Inventory" shall mean and include as to Borrower all of Borrower's now owned or hereafter acquired goods, merchandise and other personal property, wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in Borrower's business or used in selling or furnishing such goods, merchandise and other personal property, and all documents of title or other documents representing them.

"Issuer" shall mean any Person who issues a Letter of Credit.

"Lender" and "Lenders" shall have the meaning ascribed to such term in the Preamble and shall include each person which is a transferee, successor or assign of any Lender.

"Letter of Agreement" shall mean that certain Letter of Credit and Security Agreement dated as of the Closing Date executed by Borrower to the Bank, as same may be amended from time to time.

"Letter of Credit Fees" shall have the meaning set forth in Section 5(b)(vii) hereof.

"Letters of Credit" shall have the meaning set forth in Section 2(j) hereof.

"LIBOR" shall mean for any Eurodollar Rate Loan for the then current Interest Period relating thereto, the rate per annum quoted by Agent to Borrower two (2) Business Days prior to the first day of such Interest Period as the rate available to Bank in the interbank market for offshore Dollar deposits in immediately available funds for a period equal to such Interest Period and in an amount equal to the amount of such Eurodollar Rate Loan.

"Loans" means the Revolving Advances, Letters of Credit and all other extensions of credit hereunder.

"Maximum Revolving Amount" means $10,000,000.

"Net Worth" shall mean, at a particular date, (a) the aggregate amount of all assets of Borrower on a consolidated basis as may be properly classified as such in accordance with GAAP consistently applied and such other assets as are properly classified as "intangible assets" under GAAP, less (b) the aggregate amount of all liabilities of Borrower on a consolidated basis.

"Obligations" shall mean and include all Loans, all advances, debts, liabilities, obligations, covenants and duties owing by Borrower to Agent or Lenders (or any corporation that directly or indirectly controls or is controlled by or is under common control with Agent or Lenders) of every kind and description (whether or not evidenced by any note or other instrument and whether or not for the payment of money or the performance or non-performance of any act), direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, whether existing by operation of law or otherwise now existing or hereafter arising including, without limitation, any debt, liability or obligation owing from Borrower to others which Agent or Lenders may have obtained by assignment or otherwise and further including, without limitation, all interest, charges or any other payments Borrower is required to make by law or otherwise arising under or as a result of this Agreement and the Ancillary Agreements, together with all reasonable expenses and reasonable attorneys' fees chargeable to Borrower's account or incurred by Agent or Lenders in connection with Borrower's account whether provided for herein or in any Ancillary Agreement and including, without limitation, all obligations of Borrower to Bank under the Letter of Credit Agreement.

"Original Owners" shall mean Vincent K. McMahon.

"Payment Office" shall mean initially One State Street, New York, New York 10004; thereafter, such other office of Agent, if any, which it may designate by notice to Borrower and to each Lender to be the Payment Office.

"Permitted Liens" shall mean (i) liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business securing sums not overdue; (ii) liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, relating to employees, securing sums (a) not overdue or (b) being diligently contested in good faith provided that adequate reserves with respect thereto are maintained on the books of Borrower in conformity with GAAP, (iii) liens in favor of Agent or any Lender, (iv) liens for taxes (a) not yet due or (b) being diligently contested in good faith, provided that adequate reserves with respect thereto are maintained on the books of Borrower in conformity with GAAP, (v) liens specified on Schedule 1(a) hereto, (vi) liens for purchase money obligations, provided that (1) the indebtedness secured by any such lien is permitted under Section 12 (n) hereof and (2) such lien encumbers only the asset so purchased and (vii) liens with respect to capitalized leases, provided, that indebtedness under such capitalized leases is permitted under Section 12(n) hereof.

"Person" shall mean any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture, entity or government (whether Federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

"Purchasing Lender" shall have the meaning set forth in Section 16 hereof.

"Realty" shall mean TSI Realty Company, a Delaware corporation.

"Receivables" shall mean and include as to Borrower all of Borrower's accounts, contract rights, instruments (including those evidencing indebtedness owed to Debtor by its Affiliates), documents, chattel paper, general intangibles relating to accounts, drafts and acceptances, and all other forms of obligations owing to Borrower arising out of or in connection with the sale or lease of Inventory or the rendition of services, all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Receivables Advance Rate" shall have the meaning set forth in the definition of Receivables Availability.

"Receivables Availability" means the amount of Revolving Advances against Eligible Receivables Lenders may from time to time during the term of this Agreement make available to Borrower up to eighty-five percent (85%) ("Receivables Advance Rate") of the net face amount of Borrower's Eligible Receivables.

"Register" shall have the meaning set forth in Section 16 hereof.

"Required Lenders" shall mean Lenders holding at least sixty-six and two-thirds percent (66.67%) of the Revolving Advances or if no Revolving Advances are outstanding, Lenders holding at least sixty-six and two-thirds percent (66.67%) of the Commitment Percentages.

"Revolving Advances" shall mean Loans other than Letters of Credit.

"Revolving Credit Note" shall mean the $10,000,000 Revolving Credit Note substantially in the form of Exhibit 1(b) dated the Closing Date executed by Borrower in favor of Agent, together with all replacements and substitutions thereof.

"Revolving Interest Rate" shall mean an interest rate per annum equal to (a) the sum of the Alternate Base Rate plus one-half of one percent (.50%) with respect to Domestic Rate Loans and (b) the sum of the Eurodollar Rate plus two and one-half percent (2.50%) with respect to Eurodollar Rate Loans.

"Senior Debt Payments" shall mean and include all cash actually expended by Borrower on a consolidated basis to make (a) interest payments on Loans hereunder, plus

(b) payments for all fees, commissions and charges set forth herein and with respect to any Loans, plus (c) capitalized lease payments, plus (d) payments

with respect to any other indebtedness for borrowed money.

"Settlement Date" shall mean the Closing Date and thereafter Wednesday of each week unless such day is not a Business Day in which case it shall be the next succeeding Business Day.

"Subsidiary" shall mean a corporation or other entity of whose shares of stock or other ownership interests having ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such person.

"Tax Distribution" shall mean in respect of any fiscal year or portion thereof, distributions to enable the shareholders of Borrower to pay their respective federal, state and local income tax liability (including with respect to estimated taxes) arising out of, measured solely by and limited in an aggregate amount to the net income of Borrower for such fiscal year or portion thereof. For the purpose of the preceding sentence, "federal, state and local income tax liability" shall be computed at a uniform rate which shall be the sum of (i) the maximum federal income tax rate then in effect under (S) 1 of the Code, plus (ii) the maximum state and local income tax rate then in effect under applicable law for any shareholder of Borrower; it being understood that the federal portion of the income tax liability shall be computed after taking into account offsetting deductions for the state and local portion of such income tax liability. In the event that tax returns of Borrower in respect of a year shall indicate that excess Tax Distributions have been made in respect of such year, then Borrower shall correspondingly reduce the next Tax Distributions scheduled to be made to make up, as nearly as possible, such difference.

"Term" shall mean the Closing Date through December __, 2000, subject

to acceleration upon the occurrence of an Event of Default hereunder or other termination hereunder.

"Transactions" shall mean the transactions contemplated by this **Agreement and the Ancillary Agreements.**

"Transferee" shall have the meaning set forth in Section 16(ii) hereof.

"Undrawn Availability" at a particular date shall mean an amount equal to (a) the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Amount, minus (b) the sum of (i) the outstanding amount of Revolving Advances plus (ii) all amounts due and owing to Borrower's trade creditors which are

outstanding beyond normal trade terms.

(B) Accounting Terms. As used in this Agreement, the Revolving Credit Note, or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1 or elsewhere in this Agreement and accounting terms

partly defined in Section 1 to the extent not defined, shall have the respective meanings given to them under GAAP.

(C) Uniform Commercial Code Terms. All terms used herein and defined in the Uniform Commercial Code as adopted in the State of New York shall have the meaning given therein unless otherwise defined herein.

(D) Certain Matters of Construction. The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements, including, without limitation, references to any of the Ancillary Agreements shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

2. Revolving Advances.

(a) Subject to the terms and conditions set forth herein and in the Ancillary Agreements, each Lender, severally and not jointly, will make Revolving Advances to Borrower from time to time during the Term which, in the aggregate at any time outstanding, will not exceed such Lender's Commitment Percentage of the lesser of (x) the Maximum Revolving Amount less the aggregate amount of outstanding Letters of Credit less the minimum Undrawn Availability requirement set forth in Section 12(q) hereof or (y) an amount equal to the sum of:

(i) Receivables Availability, minus

(ii) the aggregate amount of outstanding Letters of Credit, minus

(iii) the minimum Undrawn Availability requirement set forth in Section 12(q) hereof minus;

(iv) such reserves as Agent may reasonably deem proper and necessary from time to time.

The sum of 2(a)(i) minus (iv) shall be referred to as the "Formula Amount."

(b) Notwithstanding the limitations set forth above, Lenders retain the right to lend Borrower from time to time such amounts in excess of such limitations as Lenders may determine in their sole discretion.

(c) Borrower acknowledges that the exercise of Lenders' discretionary rights hereunder may result during the Term in one or more increases or decreases in the Advance Rate and Borrower hereby consents to any such increases or decreases which may limit or restrict

advances requested by Borrower, provided, however, that to the extent any decrease in the Advance Rate or the establishment by Agent of any reserves results in a decrease in the calculation of subsection 2(a)(y) by at least $1,000,000, then Borrower may, at its option, upon three (3) Business Days' notice to Agent, have the ability to permanently reduce the Maximum Revolving Amount by a like amount without incurring any early termination fee pursuant to
Section 18 hereof, provided, further, that concurrently with any such permanent reduction, Borrower shall be obligated to prepay the outstanding balance of Revolving Advances to the extent necessary to comply with Section 2(i) below after giving effect to such permanent reduction.

(d) If Borrower does not pay any interest, fees, costs or charges to Lenders when due, Borrower shall thereby be deemed to have requested, and Agent, for the ratable benefit of Lenders is hereby authorized at its discretion to make and charge to Borrower's account, a Revolving Advance to Borrower as of such date in an amount equal to such unpaid interest, fees, costs or charges.

(e) Any sums expended by Agent or Lenders due to Borrower's failure to perform or comply with its obligations under this Agreement, including but not limited to the payment of taxes, insurance premiums or leasehold obligations, shall be charged to Borrower's account as a Revolving Advance and added to the Obligations.

(f) Agent will account to Borrower monthly with a statement of all Revolving Advances and other advances, charges and payments made pursuant to this Agreement, and such account rendered by Agent shall be deemed final, binding and conclusive, absent manifest error, unless Agent is notified by Borrower in writing to the contrary within sixty (60) days of the date each account was rendered specifying the item or items to which objection is made.

(g) During the Term, Borrower may borrow, prepay and reborrow Revolving Advances, all in accordance with the terms and conditions hereof.

(h) Borrower shall apply the proceeds of the Loans to provide for its working capital needs.

(i) The aggregate balance of Revolving Advances outstanding at any time shall not exceed the lesser of the Formula Amount or the Maximum Revolving Amount, in each case less the minimum Undrawn Availability requirements set forth in Section 12(q) hereof.

(j) Letters of Credit. Subject to the terms and conditions hereof, Agent shall issue or cause the issuance of standby Letters of Credit ("Letters of Credit") on behalf of Borrower, provided, however, that Agent will not be required to issue or cause to be issued any Letters of Credit to the extent that the face amount of such Letters of Credit would then cause the sum of (i) the outstanding Revolving Advances plus (ii) outstanding Letters of Credit to exceed

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the lesser of (x) the Maximum Revolving Amount or (y) the Formula Amount. The maximum amount of outstanding Letters of Credit shall not exceed $4,000,000 in the aggregate at any time. All disbursements or payments related to Letters of Credit shall be deemed to be Domestic Rate Loans consisting of Revolving Advances and shall bear interest at the applicable Revolving

Interest Rate for Domestic Rate Loans; Letters of Credit that have not been drawn upon shall not bear interest.

(k) Issuance of Letters of Credit.

(1) Borrower may request Agent to issue or cause the issuance of a Letter of Credit by delivering to Agent at the Payment Office, the applicable Issuer's form of Letter of Credit Application (the "Letter of Credit Application") completed to the satisfaction of Agent and such Issuer; and, such other certificates, documents and other papers and information as Agent or Issuer may reasonably request.

(2) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts or acceptances of drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than six
(6) months after such Letter of Credit's date of issuance and in no event later than the last day of the Term. Each Letter of Credit shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, and any amendments or revision thereof adhered to by the Issuer and, to the extent not inconsistent therewith, the laws of the State of New York.

(3) Agent shall use its reasonable efforts to notify Lenders of the request by Borrower for a Letter of Credit hereunder.

(l) Requirements for Issuance of Letters of Credit.

(1) In connection with the issuance of any Letter of Credit, Borrower shall indemnify, save and hold Agent, each Lender and each Issuer harmless from any loss, cost, expense or liability, including, without limitation, payments made by Agent, any Lender or any Issuer, and expenses and reasonable attorneys' fees incurred by Agent or any Lender arising out of, or in connection with, any Letter of Credit to be issued or created for Borrower. Borrower shall be bound by Agent's or any Issuer's regulations and good faith interpretations of any Letter of Credit issued or created for Borrower's Account, although this interpretation may be different from Borrower's own; and, neither Agent, nor any Lender, nor any Issuer, nor any of their correspondents shall be liable for any error, negligence, or mistakes, whether of omission or commission, in following Borrower's instructions or those contained in any Letter of Credit or of any modifications, amendments or supplements thereto or in issuing or paying any Letter of Credit, except for Agent's, any Lender's, any Issuer's or such correspondents' gross (not mere) negligence.

(2) Borrower shall authorize and direct Issuer to name Borrower as the "Applicant" or "Account Party" therein and to deliver to Agent all instruments, documents, and other writings and property received by the Issuer pursuant to the Letter of Credit and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit or the application therefor.

(3) In connection with all Letters of Credit issued or caused to be issued by Agent under this Agreement, Borrower hereby appoints Agent, or its designee, as its attorney, with full power and authority, (i) to sign and/or endorse Borrower's name upon any warehouse or other receipts, (ii) to sign Borrower's name on bills of lading; and (iii) to complete in Borrower's name or Agent's, or in the name of Agent's designee, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Neither Agent nor its attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Agent's or its attorney's gross (not mere) negligence. This power, being coupled with an interest, is irrevocable as long as any Letters of Credit remain outstanding.

(4) Each Lender shall to the extent of the percentage amount equal to the product of such Lender's Commitment Percentage times the aggregate amount of all unreimbursed reimbursement obligations arising from disbursements made or obligations incurred with respect to the Letters of Credit be deemed to have irrevocably purchased an undivided participation in each such unreimbursed reimbursement obligation. In the event that at the time a disbursement is made the unpaid balance of Revolving Advances exceeds or would exceed, with the making of such disbursement, the lesser of the Maximum Revolving Amount or the Formula Amount, and such disbursement is not reimbursed by Borrower within two
(2) Business Days, Agent shall promptly notify each Lender and upon Agent's demand each Lender shall pay to Agent such Lender's proportionate share of such unreimbursed disbursement together with such Lender's proportionate share of Agent's unreimbursed costs and expenses relating to such unreimbursed disbursement. Upon receipt by Agent of a repayment from Borrower of any amount disbursed by Agent for which Agent had already been reimbursed by Lenders, Agent shall deliver to each Lender that Lender's pro rata share of such repayment. Each Lender's participation commitment shall continue until the last to occur of any of the following events: (A) Agent ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (B) no Letter of Credit issued hereunder remains outstanding and uncancelled or (C) all Persons (other than Borrower) have been fully reimbursed for all payments made under or relating to Letters of Credit.

3. Repayment of Loans.

(a) Borrower shall be required to (i) make a mandatory prepayment hereunder at any time that the aggregate outstanding principal balance of the Loans made by Lenders to Borrower hereunder is in excess of the lesser of the Maximum Revolving Amount or the Formula Amount in an amount equal to such excess, and (ii) repay on the expiration of the Term (x) the then aggregate outstanding principal balance of Revolving Advances made by Lenders to Borrower hereunder together with accrued and unpaid interest, fees and charges and (y) cash collateral to be maintained in an account with Bank in an amount equal to one hundred and five percent (105%) of the aggregate undrawn amount of all Letters of Credit which remain outstanding after the expiration of the Term, and
(z) all other amounts owed Lenders under this Agreement and the Ancillary Agreements.

(b) Borrower recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received. In consideration of Agent's agreement to conditionally credit Borrower's account as of the Business Day on which Agent receives those items of payment, Borrower agrees that, in computing the charges under this Agreement, all items of payment shall be deemed applied by Agent on account of the Obligations one (1) Business Day following the Business Day Agent receives such remittances via wire transfer or electronic depository check. Agent is not, however, required to credit Borrower's account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge Borrower's account for the amount of any item of payment which is returned to Agent unpaid.

4. Procedure for Revolving Advances.

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Commitment Percentage of each Lender.

(b) In accordance with Section 26 hereof, Borrower may notify Agent prior to 11:00 A.M. on a Business Day of its request to incur, on that day, a Revolving Advance hereunder. All Revolving Advances shall be disbursed from whichever office or other place Agent may designate from time to time and, together with any and all other Obligations of Borrower to Lenders, shall be charged to Borrower's account on Agent's books. The proceeds of each Revolving Advance made by Lenders shall be made available to Borrower on the day so requested by way of credit to Borrower's operating account maintained with Bank. Any and all Obligations due and owing hereunder may be charged to the Borrower's account and shall constitute Revolving Advances.

(c) Notwithstanding the provisions of clause (b) above, in the event Borrower desires to obtain a Eurodollar Rate Loan, Borrower shall give Agent at least three (3) Business Days' prior written notice, specifying (i) the date of the proposed borrowing (which shall be a Business Day), (ii) the type of borrowing and the amount on the date of such Advance to be borrowed, which amount shall be a minimum amount of $500,000 and integral multiples of $100,000 thereafter, and (iii) the duration of the first Interest Period therefor. Interest Periods for Eurodollar Rate Loans shall be for one, two or three months. No Eurodollar Rate Loan shall be made available to Borrower during the continuance of a Default or an Event of Default.

(d) Each Interest Period of a Eurodollar Rate Loan shall commence on the date such Eurodollar Rate Loan is made and shall end on such date as Borrower may elect as set forth in (c)(iii) above provided that the exact length of each Interest Period shall be determined in accordance with the practice of the interbank market for offshore Dollar deposits and no Interest Period shall end after the last day of the Term.

Borrower shall elect the initial Interest Period applicable to a Eurodollar Rate Loan by its notice of borrowing given to Agent pursuant to Section 4(c) or by its notice of conversion given to Agent pursuant to Section
4(e), as the case may be. Borrower shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not less than three (3) Business Days prior to the last day of the then current Interest

Period applicable to such Eurodollar Rate Loan. If Agent does not receive timely notice of the Interest Period elected by Borrower, Borrower shall be deemed to have elected to convert to a Domestic Rate Loan subject to Section 4(e) hereinbelow.

(e) Provided that no Event of Default shall have occurred and be continuing, Borrower may, on the last Business Day of the then current Interest Period applicable to any outstanding Eurodollar Rate Loan, or on any Business Day with respect to Domestic Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount provided that any conversion of a Eurodollar Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such Eurodollar Rate Loan. If Borrower desires to convert a loan, it shall give Agent not less than three (3) Business Days' prior written notice to convert from a Domestic Rate Loan to a Eurodollar Rate Loan or one (1) Business Day's prior written notice to convert from a Eurodollar Rate Loan to a Domestic Rate Loan, specifying the date of such conversion, the loans to be converted and if the conversion is from a Domestic Rate Loan to any other type of loan, the duration of the first Interest Period therefor. After giving effect to each such conversion, there shall not be outstanding more than four (4) Eurodollar Rate Loans, in the aggregate.

(f) At its option and upon three (3) Business Days' prior written notice, Borrower may prepay the Eurodollar Rate Loans in whole at any time or in part from time to time, without premium or penalty, but with accrued interest on the principal being prepaid to the date of such repayment. Borrower shall specify the date of prepayment of Revolving Advances which are Eurodollar Rate Loans and the amount of such prepayment. In the event that any prepayment of a Eurodollar Rate Loan is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, Borrower shall indemnify Agent and Lenders therefor in accordance with Section 4(g) hereof.

(g) Borrower shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all losses or expenses that Agent and Lenders may sustain or incur as a consequence of any prepayment, conversion of or any default by Borrower in the payment of the principal of or interest on any Eurodollar Rate Loan or failure by Borrower to complete a borrowing of, a prepayment of or conversion of or to a Eurodollar Rate Loan after notice thereof has been given, including, but not limited to, any interest payable by Agent or Lenders to lenders of funds obtained by it in order to make or maintain its Eurodollar Rate Loans hereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrower shall be conclusive absent manifest error.

(h) Notwithstanding any other provision hereof, if any applicable law, treaty, regulation or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender (for purposes of this subsection (h), the term "Lender" shall include any Lender and the office or branch where any Lender or any corporation or bank controlling such Lender makes or maintains any Eurodollar Rate Loans) to make or maintain its Eurodollar Rate Loans, the obligation of Lenders to make Eurodollar Rate Loans hereunder shall forthwith be cancelled and Borrower shall, if any affected Eurodollar Rate Loans are then outstanding, promptly upon request from Agent, either pay all such affected Eurodollar Rate

Loans or convert such affected Eurodollar Rate Loans into loans of another type. If any such payment or conversion of any Eurodollar Rate Loan is made on a day that is not the last day of the Interest Period applicable to such Eurodollar Rate Loan, Borrower shall pay Agent, upon Agent's request, such amount or amounts as may be necessary to compensate lenders for any loss or expense sustained or incurred by Lenders in respect of such Eurodollar Rate Loan as a result of such payment or conversion, including (but not limited to) any interest or other amounts payable by Lenders to lenders of funds obtained by Lenders in order to make or maintain such Eurodollar Rate Loan. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Lenders to Borrower shall be conclusive absent manifest error.

(i) If any Lender or any Transferee (a "benefitted Lender") shall at any time receive any payment of all or part of its Revolving Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Revolving Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such benefitted Lender shall purchase for cash from the other Lenders such portion of each such other Lenders' Revolving Advances, or shall provide such other Lenders with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such benefitted Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each Lender; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Lender so purchasing a portion of another lender's Revolving Advances may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(j) Unless Agent shall have been notified by telephone, confirmed in writing, by any Lender that such Lender will not make the amount which would constitute its applicable Commitment Percentage of the Revolving Advances available to Agent, Agent may (but shall not be obligated to) assume that such Lender shall make such amount available to Agent and, in reliance upon such assumption, make available to Borrower a corresponding amount. Agent will promptly notify Borrower of its receipt of any such notice from a Lender. If such amount is made available to Agent on a date after a Settlement Date, such Lender shall pay to Agent on demand an amount equal to the product of (i) the daily average Federal Funds Rate (computed on the basis of a year of 360 days) during such period as quoted by Agent, times (ii) such amount, times (iii) the number of days from and including such Settlement Date to the date on which such amount becomes immediately available to Agent. A certificate of Agent submitted to any Lender with respect to any amounts owing under this Subsection (d) shall be conclusive, in the absence of manifest error. If such amount is not in fact made available to Agent by such Lender within three (3) Business Days after such Settlement Date, Agent shall be entitled to recover such an amount, with interest thereon at the Revolving Interest Rate applicable to such Revolving Advances hereunder, on demand from Borrower; provided, however, that Agent's right to such recovery shall not prejudice or otherwise adversely affect Borrower's rights (if any) against such Lender.

5. Interest and Fees.

(a) Interest. Interest on Revolving Advances shall be payable to Agent for its benefit and for the benefit of Lenders in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to Eurodollar Rate Loans, at the end of each Interest Period or, for Eurodollar Rate Loans with an Interest Period in excess of three months, at the earlier of
(a) each three months on the anniversary date of the commencement of such Eurodollar Rate Loan or (b) the end of the Interest Period. Interest charges shall be computed on the actual principal amount of Revolving Advances outstanding during the month at a rate per annum equal to the applicable Revolving Interest Rate. Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Revolving Interest Rate for Domestic Rate Loans shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. Upon and after the occurrence of an Event of Default, and during the continuation thereof, (i) the Obligations other than Eurodollar Rate Loans shall bear interest at the applicable Revolving Interest Rate for Domestic Loans plus two percent (2%) per annum and (ii) Eurodollar Rate Loans shall bear interest at the applicable Revolving Interest Rate for Eurodollar Dollar Loans plus two percent (2%) per annum (as applicable, the "Default Rate").

(b) Fees.

(i) Closing Fee. Upon the execution of this Agreement, Borrower shall pay to Agent for its benefit and for the ratable benefit of Lenders (who were Lenders on the Closing Date) a closing fee in an amount equal to $50,000, which amount shall be reduced by the commitment fee in the sum of $25,000 and the balance of the deposit fee in the sum of $25,000 remaining after deducting all fees and expenses (including, without limitation, reasonable fees and disbursements of in-house and outside legal counsel) incurred by Agent in connection with the consummation of the Transactions. All amounts due with respect to the closing fee shall be charged to Borrower's account on the Closing Date.

(ii) Unused Line Fee. In the event the average closing daily unpaid balances of all Revolving Advances hereunder during any calendar month is less than the Maximum Revolving Amount minus the minimum Undrawn Availability requirement set forth in Section 12(q) hereof, Borrower shall pay to Agent for the ratable benefit of Lenders a fee at a rate per annum equal to one half of one percent (.50%) on the amount by which the Maximum Revolving Amount exceeds such average daily unpaid balance. Such fee shall be calculated on the basis of a year of 360 days and actual days elapsed, and shall be charged to Borrower's account on the first day of each calendar quarter with respect to the prior quarter.

(iii) Collateral Evaluation Fee. Borrower shall pay Agent a collateral evaluation fee equal to $1,500.00 per month commencing on the first day of the month following the Closing Date and on the first day of each month thereafter during the Term. The collateral evaluation fee shall be deemed earned in full on the date when same is due and payable

hereunder and shall not be subject to rebate or proration upon termination of this Agreement for any reason.

(iv) Collateral Monitoring Fee. Upon Agent's performance of any collateral monitoring - namely any field examination, collateral analysis or other business analysis performed by any field examiner or auditor conducting such collateral monitoring, the need for which is to be determined by Agent and which monitoring is undertaken by Agent or for Agent's benefit, an amount equal to $700.00 per day, per person, for each person employed to perform such monitoring together with all costs, disbursements and expenses incurred by Agent and the person performing such collateral monitoring shall be charged to the applicable Borrower's account.

(v) Annual Facility Fee. Borrower shall pay to Agent for its own account, on each anniversary date of the Closing Date, an annual facility fee of $50,000 which shall be deemed earned in full on the date when same is due and payable hereunder and shall not be subject to rebate or proration upon termination of this Agreement for any reason. The Facility Fee shall be subject to reduction by an amount equal to $16,666.00 for each $1,000,000 in average outstanding Revolving Advances in excess of $2,500,000 for the preceding Contract Year.

(vi) Minimum Loan Fee. If for any Contract Year, the average daily unpaid balance of the Revolving Advances is less than $2,500,000 then as of the first Business Day of the next succeeding Contract Year or the last day of the third Contract Year, Borrower shall pay to Agent for its benefit and for the ratable benefit of the Lenders a fee equal to the product of (a) 2.5% times
(b) such difference.

(vii) Letter of Credit Fees. Borrower shall pay to Agent, for the benefit of Lenders, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by two percent (2.00%) per annum, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable monthly in arrears on the first day of each month and on the last day of the Term and (y) to the Issuer, any and all fees and expenses as agreed upon by the Issuer and Borrower in connection with any Letter of Credit, including, without limitation, in connection with the opening, amendment or renewal of any such Letter of Credit and shall reimburse Agent for any and all fees and expenses, if any, paid by Agent to the Issuer (all of the foregoing fees, the "Letter of Credit Fees"). All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or proration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in the Issuer's prevailing charges for that type of transaction. All Letter of Credit Fees payable hereunder shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or proration upon the termination of this Agreement for any reason.

(c) Computation of Interest and Fees. Interest and fees hereunder shall be computed on the basis of a year of 360 days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Revolving Interest Rate for Domestic Rate Loans during such extension.

(d) Maximum Charges. In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under law, such excess amount shall be first applied to any unpaid principal balance owed by Borrower, and if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Borrower and the provisions hereof shall be deemed amended to provide for such permissible rate.

(e) Increased Costs. In the event that any applicable law, treaty or governmental regulation, or any change therein or in the interpretation or application thereof, or compliance by Agent or Lenders (for purposes of this
Section 5(c), the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, shall:

(i) subject Agent or any Lender to any tax of any kind whatsoever with respect to this Agreement or change the basis of taxation of payments to Agent or any Lender of principal, fees, interest or any other amount payable hereunder or under any Ancillary Agreements (except for changes in the rate of tax on the overall net income of Agent or any Lender by the jurisdiction in which it maintains its principal office);

(ii) impose, modify or hold applicable any reserve, special deposit, assessment or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of Agent or any Lender, including (without limitation) pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(iii) impose on Agent or any Lender any other condition with respect to this Agreement or any Ancillary Agreements;

and the result of any of the foregoing is to increase the cost to Agent or any Lender of making, renewing or maintaining its Revolving Advances hereunder by an amount that Agent or any Lender deems to be material or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Revolving Advances by an amount that Agent or any Lender deems to be material, then, in any case Borrower shall promptly pay Agent, upon its demand, such additional amount as will compensate Agent and Agent or any Lenders for such additional cost or such reduction, as the case may be. Agent shall certify the amount of such additional cost or reduced amount to Borrower, and such certification shall be conclusive absent manifest error.

(f) Capital Adequacy.

(i) In the event that Agent or any Lender shall have determined that any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any Lender (for purposes of this Section 5(d), the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on Agent's or any lender's capital as a consequence of its obligations hereunder to a level below that which Agent or such Lender could have achieved but for such adoption, change or compliance (taking into consideration Agent's and such lender's policies with respect to capital adequacy) by an amount deemed by Agent or such lender to be material, then, from time to time, Borrower shall pay upon demand to Agent such additional amount or amounts as will compensate Agent and Lenders for such reduction. In determining such amount or amounts, Agent may use any reasonable averaging or attribution methods. The protection of this Section shall be available to Agent or any Lender regardless of any possible contention of invalidity or inapplicability with respect to the applicable law, regulation or condition.

(ii) A certificate of Agent setting forth such amount or amounts as shall be necessary to compensate Agent or any Lender with respect to Section 5(d)(i) hereof when delivered to Borrower shall be conclusive absent manifest error.

(g) Basis for Determining Interest Rate Inadequate or Unfair. In the event that Agent or any Lender shall have determined that:

(i) reasonable means do not exist for ascertaining the Eurodollar Rate for any Interest Period; or

(ii) Dollar deposits in the relevant amount and for the relevant maturity are not available in the London interbank Eurodollar market, with respect to an outstanding Eurodollar Rate Loan, a proposed Eurodollar Rate Loan, or a proposed conversion of a Domestic Rate Loan into a Eurodollar Rate Loan,

then Agent shall give Borrower prompt written, telephonic or telegraphic notice of such determination. If such notice is given, (i) any such requested Eurodollar Rate Loan shall be made as a Domestic Rate Loan, unless Borrower shall notify Agent no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the date of such proposed borrowing, that its request for such borrowing shall be cancelled or made as an unaffected type of Eurodollar Rate Loan, (ii) any Domestic Rate Loan or Eurodollar Rate Loan which was to have been converted to an affected type of Eurodollar Rate Loan shall be continued as or converted into a Domestic Rate Loan, or, if Borrower shall notify Agent, no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the proposed conversion, shall be maintained as an

unaffected type of Eurodollar Rate Loan, and (iii) any outstanding affected Eurodollar Rate Loans shall be converted into a Domestic Rate Loan, or, if Borrower shall notify Agent, no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the last Business Day of the then current Interest Period applicable to such affected Eurodollar Rate Loan, shall be converted into an unaffected type of Eurodollar Rate Loan, on the last Business Day of the then current Interest Period for such affected Eurodollar Rate Loans. Until such notice has been withdrawn, Lenders shall have no obligation to make an affected type of Eurodollar Rate Loan or maintain outstanding affected Eurodollar Rate Loans and no Borrower shall have the right to convert a Domestic Rate Loan or an unaffected type of Eurodollar Rate Loan into an affected type of Eurodollar Rate Loan.

6. Security Interest.

(a) To secure the prompt payment to Agent and Lenders of the Obligations, Borrower hereby assigns, pledges and grants to Agent for its benefit and for the ratable benefit of each Lender a continuing security interest in and to its Collateral, whether now owned or existing or hereafter acquired or arising and wheresoever located (whether or not the same is subject to Article 9 of the Uniform Commercial Code). All of Borrower's ledger sheets, files, records, books of account, business papers and documents relating to its Collateral shall, until delivered to or removed by Agent, be kept by Borrower in trust for Agent until all Obligations have been paid in full. Each confirmatory assignment schedule or other form of assignment hereafter executed by Borrower shall be deemed to include the foregoing grant, whether or not the same appears therein. Agent hereby acknowledges that it has not been granted a security interest in and to any Intellectual Property, provided, however, that it is agreed and understood that television, cable, pay per view, advertising and "live event" contract rights are part of the Collateral.

(b) Agent may file one or more financing statements disclosing Agent's security interest in the Collateral without Borrower's signature appearing thereon or Agent may sign on Borrower's behalf as provided in Section 14 hereof. The parties agree that a carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement. If any Receivable becomes evidenced by a promissory note or any other instrument for the payment of money, Borrower will immediately deliver such instrument to Agent appropriately endorsed.

7. Representations Concerning the Collateral. Borrower represents and warrants (each of which such representations and warranties shall be deemed repeated upon the making of each request for a Revolving Advance and made as of the time of each and every Revolving Advance hereunder):

(a) all the Collateral (i) is owned by Borrower free and clear of all claims, liens, security interests and encumbrances (including without limitation any claims of infringement) except (A) those in Agent's and any Lender's favor and (B) Permitted Liens and (ii) is not subject to any agreement prohibiting the granting of a security interest or requiring notice of or consent to the granting of a security interest;

(b) all Receivables (i) represent complete bona fide transactions which require no further act under any circumstances o Borrower's part to make such Receivables payable by the Customers, (ii) to the best of Borrower's knowledge, are not subject to any present, future or contingent offsets or counterclaims, and (iii) do not represent bill and hold sales, consignment sales, guaranteed sales, sale or return or other similar understandings or obligations of any Affiliate or Subsidiary of Borrower.

8. Covenants Concerning the Collateral. During the Term, Borrower covenants that it shall:

(a) not dispose of any of the Collateral whether by sale, lease or otherwise;

(b) not encumber, mortgage, pledge, assign or grant any security interest in any Collateral or any of Borrower's other assets to anyone other than Agent or any Lender except for Permitted Liens;

(c) place notations upon its books of account and any financial statement prepared by it to disclose Agent's and each Lender's security interest in the Collateral;

(d) defend the Collateral against the claims and demands of all parties;

(e) Intentionally Omitted;

(f) not extend the payment terms of any Receivable without prompt notice thereof to Agent; and

(g) perform all other steps requested by Agent to create and maintain in Agent's and each Lender's favor a valid perfected first security interest in all Collateral.

9. Collection and Maintenance of Collateral and Records. Agent may at any time verify Borrower's Receivables utilizing an audit control company or any other agent of Agent. Agent or Agent's designee may notify Customers, at any time after the occurrence of an Event of Default at Agent's sole discretion, of Agent's security interest in Receivables, collect them directly and charge the collection costs and expenses to Borrower's account, but, unless and until Agent does so or gives any Borrower other instructions, Borrower shall collect all Receivables for Agent, receive all payments thereon for Agent's benefit in trust as Agent's trustee and immediately deliver them to Agent in their original form with all necessary endorsements or, as directed by Agent, deposit such payments as directed by Agent pursuant to Section 23 hereof. Borrower shall furnish, at Agent's request, copies of contracts, invoices or the equivalent, and any original shipping and delivery receipts for all merchandise sold or services rendered and such other documents and information as Agent may require. Borrower shall also provide Agent on a monthly (within ten (10) days after the end of each month) or more frequent basis, as requested by Agent, a detailed or aged trial balance of all of Borrower's existing Receivables specifying the names and balances due for each Customer and such other information pertaining to the Receivables as Agent may request together with confirmatory written assignments of such Receivables, but Borrower's failure to execute and deliver such written confirmatory

assignments of such Receivables shall not affect or limit Agent's security interest or other rights in and to the Receivables. Borrower shall provide Agent on a monthly (within ten (10) days after the end of each month), or more frequent basis, as requested by Agent an aged trial balance of Borrower's existing accounts payable. Borrower shall provide Agent, as requested by Agent, such other schedules, documents and/or information regarding the Collateral as Agent may require.

10. Inspections. At all times during normal business hours, Agent shall have the right to (a) visit and inspect Borrower's properties and the Collateral, (b) inspect, audit and make extracts from Borrower's relevant books and records, including, but not limited to, management letters prepared by independent accountants, and (c) discuss with Borrower's principal officers, and independent accountants, Borrower's business, assets, liabilities, financial condition, results of operations and business prospects. Borrower will deliver to Agent any instrument necessary for Agent to obtain records from any service bureau maintaining records for Borrower.

11. Financial Information.

(a) Audited Annual Financial Statements. Borrower shall provide Agent as soon as available, but in any event within (1) thirty (30) days after the Closing Date for fiscal year 1997 and (2) one hundred twenty (120) days after the end of each fiscal year of Borrower thereafter, the balance sheet of Borrower and its Subsidiaries on a consolidated basis as at the end of such fiscal year and the related statements of income, retained earnings and changes in cash flow of Borrower and its Subsidiaries on a consolidated basis for such fiscal year, setting forth in comparative form the figures as at the end of and for the previous fiscal year, which shall have been reported on by independent certified public accountants who shall be satisfactory to Agent and shall be accompanied by an audit report issued by such independent certified public accountants.

(b) Internal Annual Financial Statements. Borrower shall provide Agent as soon as available, drafts of the balance sheet of Borrower and its Subsidiaries on a consolidated basis as at the end of each fiscal year of Borrower and the related statements of income, retained earnings and changes in cash flow of Borrower and its Subsidiaries on a consolidated basis for such fiscal year, which have been internally prepared by Borrower.

(c) Monthly and Quarterly Financial Statements. Borrower shall provide Agent as soon as available, but in any event within thirty (30) days after the close of each month and quarter, the balance sheet of Borrower and its Subsidiaries on a consolidated basis as at the end of such month and quarter and the related statements of income, retained earnings and changes in cash flow of Borrower and its Subsidiaries on a consolidated basis for such month and quarter, which have been internally prepared by Borrower, provided, that solely for the month of December, 1997, the financial statements required to be delivered pursuant to this Section shall be for Borrower on a combined basis with certain of its Affiliates.

(d) Accountant's Report. Together with the financial statements furnished pursuant to (a) above, Borrower shall deliver a report in accordance with the Statement of Auditing Standards of Borrower's certified public accountants addressed to Borrower stating that

in making the examination necessary for the issuance of their report on Borrower's financial statements, nothing has come to their attention to lead them to believe that any Event of Default exists or, if such is not the case, specifying such Event of Default and its nature, when it occurred and whether it is continuing.

(e) Certificate. At the times the financial statements are furnished pursuant to (a), (b) and (c) above, a certificate of Borrower's President or Chief Financial Officer shall be delivered to Agent stating that, based on an examination sufficient to enable him to make an informed statement, no Event of Default exists, or, if such is not the case, specifying such Event of Default and its nature, when it occurred, whether it is continuing and the steps being taken by Borrower with respect to such event.

(f) GAAP and Other Requirements. All financial statements required under (a), (b) and (c) above shall be prepared in accordance with GAAP, subject to normal, recurring year-end adjustments in the case of monthly and quarterly statements. If any internally prepared financial information, including that required under this Section 11, is unsatisfactory in any manner to Agent, Agent may require, at its discretion, that Borrower obtain an independent certified public accountant to review same.

(g) Projections. Borrower shall furnish Agent no less than thirty
(30) days prior to the beginning of each fiscal year commencing with fiscal year 1998, a month-by-month projected operating budget and cash flow of Borrower and its Subsidiaries on a consolidated basis for such fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), such projections to be accompanied by a certificate signed by Borrower's President or Chief Financial Officer to the effect that such projections have been prepared on the basis of sound financial planning practice consistent with past budgets and financial statements and that such officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared.

12. Additional Representations, Warranties and Covenants. Borrower represents and warrants (each of which such representations and warranties shall be deemed repeated upon the making of a request for a Revolving Advance and made as of the time of each Revolving Advance made hereunder), and covenants that:

(a) Borrower is duly incorporated and in good standing under the laws of the State of Delaware and is qualified to do business and is in good standing in the states listed on Schedule 12(a)(ii) which constitute all states in which qualification and good standing are necessary for Borrower to conduct its business and own its property and where the failure to so qualify would have a material adverse effect on Borrower or its business. Borrower has delivered to Agent true and complete copies of its certificate of incorporation and by-laws and will promptly notify Agent of any amendment or changes thereto;

(b) the only Subsidiaries of Borrower are listed on Schedule 12(b);

(c) the execution, delivery and performance of this Agreement and the Ancillary Agreements (i) have been duly authorized, (ii) are not in contravention of Borrower's

certificate of incorporation, by-laws or of any indenture, agreement or undertaking to which Borrower is a party or by which Borrower is bound and (iii) are within Borrower's corporate powers;

(d) this Agreement and the Ancillary Agreements executed and delivered by Borrower are Borrower's legal, valid and binding obligations, enforceable in accordance with their terms;

(e) Borrower keeps and will continue to keep all of its books and records concerning the Collateral at Borrower's executive offices located at the addresses set forth on Schedule 12(e) and will not move such books and records without giving Agent at least thirty (30) days prior written notice;

(f) (i) the operation of Borrower's business is and will continue to be in compliance in all material respects with all applicable federal, state and local laws, including but not limited to all applicable environmental laws and regulations;

(ii) Borrower will establish and maintain a system to assure and monitor continued compliance with all applicable environmental laws, which system shall include periodic reviews of such compliance.

(iii) In the event Borrower obtains, gives or receives notice of any release or threat of release of a reportable quantity of any Hazardous Substances on its property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions on its property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of any environmental laws affecting its property or Borrower's interest therein (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person or entity, including any state agency responsible in whole or in part for environmental matters in the state in which such property is located or the United States Environmental Protection Agency (any such person or entity hereinafter the "Authority"), then Borrower shall, within five (5) Business Days, give written notice of same to Agent detailing facts and circumstances of which Borrower is aware giving rise to the Hazardous Discharge or Environmental Complaint and periodically inform Agent of the status of the matter. Such information is to be provided to allow Agent to protect its security interest in the Collateral and is not intended to create nor shall it create any obligation upon Agent or Lenders with respect thereto.

(iv) Borrower shall respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral to any lien, charge, claim or encumbrance. If Borrower shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or Borrower shall fail to comply with any of the requirements of any environmental laws, Agent may, but without the obligation to do so, for the sole purpose of protecting Agent's interest in Collateral: (A) give such notices or (B) enter onto Borrower's property (or authorize third parties to enter onto such property) and take such actions as Agent (or such third parties as

directed by Agent) deem reasonably necessary or advisable, to clean up, remove, mitigate or otherwise deal with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by Agent (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate for Revolving Advances shall be paid upon demand by Borrower, and until paid shall be added to and become a part of the Obligations secured by the liens created by the terms of this Agreement or any other agreement between Agent and Borrower.

(v) Borrower shall defend and indemnify Agent and Lenders and hold Agent and Lenders harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney's fees, suffered or incurred Agent or any Lender under or on account of any environmental laws, including, without limitation, the assertion of any lien thereunder, with respect to any Hazardous Discharge, the presence of any hazardous substances affecting Borrower's property, whether or not the same originates or emerges from Borrower's property or any contiguous real estate, including any loss of value of the Collateral as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender. Borrower's obligations under this Section 12(f) shall arise upon the discovery of the presence of any Hazardous Substances on the Borrower's property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any hazardous substances. Borrower's obligation and the indemnifications hereunder shall survive the termination of this Agreement.

(vi) For purposes of this Section 12(f) all references to Borrower's property shall be deemed to include all of Borrower's right, title and interest in and to all owned and/or leased premises.

(g) based upon the Employee Retirement Income Security Act of 1974
("ERISA"), and the regulations and published interpretations thereunder: (i) Borrower does not maintain or contribute to any plan other than those listed on Schedule 12(g) hereto; (ii) Borrower has not engaged in any Prohibited Transactions as defined in paragraph 406 of ERISA and paragraph 4975 of the Code; (iii) Borrower has met all applicable minimum funding requirements under paragraph 302 of ERISA in respect of its plans; (iv) Borrower has no knowledge of any event or occurrence which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Title IV of ERISA to terminate any employee benefit plan(s); (v) Borrower has no fiduciary responsibility for investments with respect to any plan existing for the benefit of persons other than Borrower's employees; and (vi) Borrower has not withdrawn, completely or partially, from any multi-employer pension plan so as to incur liability under the Multiemployer Pension Plan Amendments Act of 1980;

(h) Borrower is solvent, able to pay its debts as they mature, has capital sufficient to carry on its business and all businesses in which it is about to engage and the fair saleable value of its assets (calculated on a going concern basis) is in excess of the amount of its liabilities;

(i) there is no pending or threatened litigation, actions or proceeding which involve the possibility of materially and adversely affecting Borrower's business, assets, operations, condition or prospects, financial or otherwise, or the Collateral or the ability of Borrower to perform this Agreement except as disclosed on Schedule 12(i);

(j) all balance sheets and income statements which have been delivered to Agent and Lenders fairly, accurately and properly state Borrower's financial condition on a basis consistent with that of previous financial statements and there has been no material adverse change in Borrower's financial condition as reflected in such statements since the date thereof and such statements do not fail to disclose any fact or facts which might materially and adversely affect Borrower's financial condition;

(k) (x) it possesses all of the licenses, patents, copyrights, trademarks, tradenames and permits necessary to conduct its business and (y) there has been no assertion or claim of violation or infringement with respect thereof;

(l) Borrower's federal tax identification number is set forth on Schedule 12(1). Borrower has filed all federal, state and local tax returns and other reports each is required by law to file and has paid all taxes, assessments, fees and other governmental charges that are due and payable. Federal income tax returns of Borrower have been examined and reported upon by the appropriate taxing authority or closed by applicable statute and satisfied for all fiscal years prior to and including the fiscal year ending April 30, 1996. All state and local tax returns have been timely filed and Borrower is not aware of and does not reasonably expect that any material issues will arise after such returns have been examined by the appropriate taxing authorities. The provision for taxes on the books of Borrower is adequate for all years not closed by applicable statutes, and for the current fiscal year, and Borrower has no knowledge of any deficiency or additional assessment in connection therewith not provided for on its books. Borrower will pay or discharge when due all taxes, assessments and governmental charges or levies imposed upon it;

(m) it will promptly inform Agent in writing of: (i) the commencement of all proceedings and investigations by or before and/or the receipt of any notices from, any governmental or nongovernmental body and all actions and proceedings in any court or before any arbitrator against or in any way concerning any of Borrower's properties, assets or business, which might singly or in the aggregate, have a materially adverse effect on Borrower; (ii) any amendment of any Borrower's certificate of incorporation or by-laws; (iii) any change in Borrower's business, assets, liabilities, condition (financial or otherwise), result of operations or business prospects which has had or might have a materially adverse effect on Borrower; (iv) any Event of Default; (v) any default or any event which with the passage of time or giving of notice or both would constitute a default under any agreement for the payment of money to which Borrower is a party or by which Borrower or any of Borrower's properties may be bound which would have a material adverse effect on Borrower's business, operations, property or condition (financial or otherwise) or the Collateral;
(vi) any change in the location of Borrower's executive offices; (vii) any change in Borrower's corporate name; (viii) any material delay in Borrower's performance of any of its obligations to any Customer and of any assertion of any material

claims, offsets or counterclaims by any Customer and of any allowances, credits and/or other monies granted by it to any Customer; (ix) furnish to and inform Agent of all material adverse information relating to the financial condition of any Customer; and (x) any material return of goods;

(n) it will not (i) create, incur, assume or suffer to exist any indebtedness (exclusive of trade debt) whether secured or unsecured other than (1) Borrower's indebtedness to Agent and Lenders, (2) indebtedness secured by purchase money liens and indebtedness under capitalized leases not to exceed $100,000 in the aggregate outstanding in any fiscal year and (3) as set forth on Schedule 12(n) attached hereto and made a part hereof; (ii) declare, pay or make any dividend or distribution on any shares of the common stock or preferred stock of Borrower other than $3,000,000 in the aggregate to Vincent and Linda McMahon in any fiscal year, which amount shall include any salary and other benefits given to Vincent and Linda McMahon in such fiscal year provided, further, that during any fiscal year that Borrower is a Subchapter S corporation, Borrower shall be permitted to make Tax Distributions so long as the aggregate amounts distributed by Borrower to its shareholders in any fiscal year shall not exceed the amount of income tax liability that Borrower would have incurred for such fiscal year had Borrower been a C corporation during such fiscal year, or apply any of its funds, property or assets to the purchase, redemption or other retirement of any common or preferred stock of Borrower;
(iii) directly or indirectly, prepay any indebtedness (other than to agent and Lenders), or repurchase, redeem, retire or otherwise acquire any indebtedness of Borrower; (iv) make advances, loans or extensions of credit to any Person; (v) become either directly or contingently liable upon the obligations of any Person by assumption, endorsement or guaranty thereof or otherwise; (vi) enter into any merger, consolidation or other reorganization with or into any other Person or acquire all or a portion of the assets or stock of any Person or permit any other person to consolidate with or merge with it; (vii) form any Subsidiary or enter into any partnership, joint venture or similar arrangement; (viii) materially change the nature of the business in which it is presently engaged;
(ix) change its fiscal year or make any changes in accounting treatment and reporting practices except as required by GAAP or in the tax reporting treatment or except as required by law and upon written notice to Agent; (x) enter into any transaction with any affiliate, except in ordinary course on arms-length terms; or (xi) bill Receivables under any name except the present name of Borrower;

(o) it shall not at any time permit Net Worth to be less than $16,000,000;

(p) it shall maintain (a) Fixed Charge Coverage Ratio of not less than 1.0 to 1.0 (1) for the nine months ending January 31, 1998 and (2) as at the end of each fiscal quarter thereafter calculated on a rolling four (4) quarter basis with respect to the four (4) fiscal quarters then ended;

(q) it shall at all times maintain Undrawn Availability of not less than $2,000,000;

(r) all financial projections of Borrower's performance prepared by Borrower or at Borrower's direction and delivered to Agent or Lenders will represent, at the time of

delivery to Agent or Lenders, as the case may be, Borrower's best estimate of Borrower's future financial performance and will be based upon assumptions which are reasonable in light of Borrower's past performance and then current business conditions;

(s) none of the proceeds of the Revolving Advances hereunder will be used directly or indirectly to "purchase" or "carry" "margin stock" or to repay indebtedness incurred to "purchase" or "carry" "margin stock" within the respective meanings of each of the quoted terms under Regulation G of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect; and

(t) it will bear the full risk of loss from any loss of any nature whatsoever with respect to the Collateral. At it's own cost and expense in amounts and with carriers acceptable to Agent, it shall (i) keep all its insurable properties and properties in which it has an interest insured against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, as is customary in the case of companies engaged in businesses similar to Borrower's including, without limitation, business interruption insurance, provided, however, that the mortgagee of the Stamford facility owned by Realty shall have superior rights than Agent to the first $1,500,000 of Borrowers business interruption insurance to the extent that there are any obligations owed by Realty to such mortgagee;

(ii) maintain a bond in such amounts as is customary in the case of companies engaged in businesses similar to Borrower's insuring against larceny, embezzlement or other criminal misappropriation of insured's officers and employees who may either singly or jointly with others at any time have access to the assets or funds of Borrower either directly or through authority to draw upon such funds or to direct generally the disposition of such assets; (iii) maintain liability insurance against claims for personal injury, death or property damage suffered by others; (iv) maintain all such worker's compensation or similar insurance as may be required under the laws of any state of jurisdiction in which Borrower is engaged in business; (v) furnish Agent with
(x) evidence of the renewal of all policies at least thirty (30) days before any expiration date and copies of such policies within ninety (90) days after the renewal thereof, and (y) appropriate loss payable endorsements in form and substance satisfactory to Agent, naming Agent as loss payee and providing that as to Agent the insurance coverage shall not be impaired or invalidated by any act or neglect of Borrower and the insurer will provide Agent with at least thirty (30) days notice prior to cancellation. Borrower shall instruct the insurance carriers that in the event of any loss thereunder, the carriers shall make payment for such loss to Agent and not to Borrower and Agent jointly. If any insurance losses are paid by check, draft or other instrument payable to Borrower and Agent jointly, Agent may endorse Borrower's name thereon and do such other things as Agent may deem advisable to reduce the same to cash. Agent is hereby authorized to adjust and compromise claims. All loss recoveries received by Agent upon any such insurance may be applied to the Obligations, in such order as Agent in its sole discretion shall determine. Any surplus shall be paid by Agent to the applicable Borrower or applied as may be otherwise required by law. Any deficiency thereon shall be paid by Borrower to Agent, on demand. Borrower shall, within thirty (30) days of the Closing Date provide Agent with an acknowledgement from the mortgagee of the Stamford facility owned by Realty that it only has an interest in $1,500,000 of Borrower's business interruption insurance, which acknowledgement shall be acceptable to Agent in all respects;

(u) it shall provide Agent, within thirty (30) days of the Closing Date, a mortgagee waiver with respect to the Stamford premises owned by Realty duly executed by the mortgagee of such premises, in form and substance acceptable to Agent.

13. Conditions Precedent.

(a) Conditions to Initial Advances. The agreement of Lenders to make the initial Revolving Advances requested to be made on the Closing Date is subject to the satisfaction, or waiver by Lenders, immediately prior to or concurrently with the making of such Revolving Advances, of the following conditions precedent:

(i) Revolving Credit Note. Agent shall have received the Revolving Credit Note duly executed and delivered by an authorized officer of Borrower;

(ii) Filings, Registrations and Recordings. Each document
(including, without limitation, any Uniform Commercial Code financing statement)
required by this Agreement, any related agreement or under law or reasonably requested by Agent to be filed, registered or recorded in order to create, in favor of Agent, a perfected security interest in or lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto;

(iii) Corporate Proceedings of Borrower. Agent shall have received copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors of Borrower authorizing (i) the execution, delivery and performance of this Agreement and the Ancillary Agreements and (ii) the granting by Borrower of the security interests in and liens upon the Collateral in each case certified by the Secretary or an Assistant Secretary of Borrower as of the Closing Date; and, such certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate;

(iv) Incumbency Certificates of Borrower. Agent shall have received a certificate of the Secretary or an Assistant Secretary of Borrower, dated the Closing Date, as to the incumbency and signature of the officers of Borrower executing this Agreement, any certificate or other documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary;

(v) Certificates. Agent shall have received a copy of the Articles or Certificate of Incorporation of Borrower, and all amendments thereto, certified by the Secretary of State or other appropriate official of its jurisdiction of incorporation together with copies of the By-Laws of Borrower and all agreements of Borrower's shareholders certified as accurate and complete by the Secretary of Borrower;

(vi) Good Standing Certificates. Agent shall have received good standing certificates for Borrower dated not more than thirty days prior to the Closing Date, issued by the Secretary of State or other appropriate official of Borrower's jurisdiction of incorporation and the jurisdiction where Borrower maintains its principal place of business;

(vii) Legal Opinion. Agent shall have received the executed legal opinion of Robinson & Cole in form and substance satisfactory to Agent which shall cover such matters incident to the Transactions as Agent may reasonably require and Borrower hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(viii) No Litigation. (x) No litigation, investigation or proceeding before or by any arbitrator or governmental authority shall be continuing or threatened against Borrower or against the officers or directors of Borrower (A) in connection with this Agreement or the Ancillary Agreements or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material or (B) which if adversely determined, would, in the reasonable opinion of Agent, have a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Borrower; and (y) no injunction, writ, restraining order or other order of any nature materially adverse to Borrower or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any governmental authority;

(ix) Financial Condition Certificate. Agent shall have received an executed Financial Condition Certificate in the form of Exhibit 13.1 (ix);

(x) Collateral Examination. Agent shall have completed Collateral examinations and received appraisals, the results of which shall be satisfactory in form and substance to Agent, of the Receivables of Borrower and all books and records in connection therewith;

(xi) Fees. Agent shall have received all fees payable to Agent

and Lenders on or prior to the Closing Date pursuant to Section 5(b) hereof;

(xii) Ancillary Agreements. Agent shall have received executed copies of all Ancillary Agreements, each in form and substance satisfactory to Agent;

(xiii) Insurance. Agent shall have received in form and substance satisfactory to Agent, certified copies of Borrower's casualty insurance policies, together with loss payable endorsements on Agent's standard form of loss payee endorsement naming Agent as loss payee, and certified copies of Borrower's liability insurance policies, together with endorsements naming Agent as a co-insured;

(xiv) Payment Instructions. Agent shall have received written instructions from Borrower directing the application of proceeds of the initial Revolving Advances made pursuant to this Agreement and stating that Borrower has Eligible Receivables in amounts sufficient in value and amount to support Revolving Advances in the amount by or on behalf of Borrower on the date of such certificate;

(xv) Blocked Accounts. Agent shall have received duly executed agreements establishing the Blocked Accounts or Depository Accounts with the Bank for the collection or servicing of the Receivables and proceeds of the Collateral;

(xvi) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the Transactions; and, Agent shall have received such Consents and waivers of such third parties as might assert claims with respect to the Collateral, as Agent and its counsel shall deem necessary;

(xvii) No Adverse Material Change. (i) Since November 21, 1997, there shall not have occurred (x) any material adverse change in the condition, financial or otherwise, operations, properties or prospects of Borrower, (y) any material damage or destruction to any of the Collateral nor any material depreciation in the value thereof and (z) any event, condition or state of facts which would reasonably be expected materially and adversely to affect the business, financial condition or results of operations of Borrower and (ii) no representations made or information supplied to Agent shall have been proven to be inaccurate or misleading in any material respect;

(xviii) Undrawn Availability. After giving effect to the initial Revolving Advances hereunder, Borrower shall have aggregate Undrawn Availability of at least $5,000,000.

(xix) Contract Review. Agent shall have reviewed all material contracts of Borrower including, without limitation, leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements and such contracts and agreements shall be satisfactory in all respects to Agent;

(xx) Closing Certificate. Agent shall have received a closing certificate signed by the Chief Financial Officer of Borrower dated as of the date hereof, stating that (i) to the best of his knowledge, all representations and warranties set forth in this Agreement and the other Documents are true and correct on and as of such date, (ii) Borrower is on such date in compliance with all the terms and provisions set forth in this Agreement and the other Documents and (iii) on such date no Default or Event of Default has occurred or is continuing;

(xxi) Audited Financial Statements. Agent shall have received a copy of the audited financial statements of Borrower for fiscal year 1996 audited by Deloitte & Touche LLP which shall be satisfactory in all respects to Agent;

(xxii) Balance Sheet. Agent shall have received the balance sheet of Borrower on a combined basis for the seven months ending November 21, 1997 together with an executed Financial Condition Statement;

(xxiii) Debt. Agent shall have reviewed the terms and conditions

of all of Borrower's and Realty's debt (including, without limitation, the $12,000,000 principal amount of indebtedness due to GMAC or other financial institution acceptable to Agent) which terms and conditions shall be satisfactory to Agent;

(xxiv) Compliance with Laws. Agent shall have received evidence that Borrower is in compliance with all relevant federal, state and local regulations;

(xxv) Mortgage. Realty shall have obtained a loan in the principal amount of $12,000,000 from GMAC, which loan shall be secured by a mortgage on its corporate headquarters and television facility located in Stamford, Connecticut; and

(xxvi) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the Transactions shall be satisfactory in form and substance to Agent, Lenders and their counsel.

(b) Conditions to Each Revolving Advance. The agreement of Lenders to make any Revolving Advance requested to be made on any date (including, without limitation, its initial Revolving Advance), is subject to the satisfaction of the following conditions precedent as of the date such Revolving Advance is made:

(i) Representations and Warranties. Each of the representations and warranties made by Borrower in or pursuant to this Agreement and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any related agreement shall be true and correct in all material respects on and as of such date as if made on and as of such date;

(ii) No Default. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Revolving Advances requested to be made, on such date; provided, however that Agent on behalf of Lenders in their sole discretion, may continue to make Revolving Advances notwithstanding the existence of an Event of Default or Default upon the written consent of Required Lenders and that any Revolving Advances so made shall not be deemed a waiver of any such Event of Default or Default; and

(iii) Maximum Revolving Advances. In the case of any Revolving Advances requested to be made, after giving effect thereto, the aggregate Revolving Advances shall not exceed the lesser of (x) the Maximum Revolving Amount and (y) the Formula Amount.

Each request for a Revolving Advance by Borrower hereunder shall constitute a representation and warranty by Borrower as of the date of such Revolving Advance that the conditions contained in this subsection shall have been satisfied.

14. Power of Attorney. Borrower hereby appoints Agent or any other Person whom Agent may designate as Borrower's attorney, with power to: (i) endorse Borrower's name on any checks, notes, acceptances, money orders, drafts or other forms of payment or security that may come into Agent's possession; (ii) sign Borrower's name on any invoice or bill of lading relating to any Receivables, drafts against customers, schedules and assignments of Receivables, notices of assignment, financing statements and other public records, verifications of account and notices to or from customers; (iii) verify the validity, amount or any other matter relating to any

Receivable by mail, telephone, telegraph or otherwise with Customers; (iv) do all things necessary to carry out this Agreement and any Ancillary Agreement; and (v) on or after the occurrence and continuation of an Event of Default, notify the post office authorities to change the address for delivery of Borrower's mail to an address designated by Agent, and to receive, open and dispose of all mail addressed to Borrower. Borrower hereby ratifies and approves all acts of the attorney. Neither Agent nor the attorney will be liable for any acts or omissions or for any error of judgment or mistake of fact or law. This power, being coupled with an interest, is irrevocable so long as any Receivable which is assigned to Agent or in which Agent has a security interest remains unpaid and until the Obligations have been fully satisfied.

15. Expenses. Borrower shall pay all of Agent's and each Lender's out-of- pocket costs and expenses, including without limitation reasonable fees and disbursements of counsel and appraisers, in connection with the preparation, execution and delivery of this Agreement and the Ancillary Agreements, and in connection with the prosecution or defense of any action, contest, dispute, suit or proceeding concerning any matter in any way arising out of, related to or connected with this Agreement or any Ancillary Agreement. Borrower shall also pay Agent's and each Lender's out-of-pocket costs and expenses, including without limitation reasonable fees and disbursements of counsel, in connection with (a) the preparation, execution and delivery of any waiver, any amendment thereto or consent proposed or executed in connection with the Transactions, (b) Agent's obtaining performance of the Obligations under this Agreement and any Ancillary Agreements, including, but not limited to, the enforcement or defense of Agent's security interests, assignments of rights and liens hereunder as valid perfected security interests, (c) any attempt to inspect, verify, protect, collect, sell, liquidate or otherwise dispose of any Collateral, and (d) any consultations in connection with any of the foregoing. Borrower shall also pay Agent's customary bank charges for all bank services performed or caused to be performed by Agent for Borrower at Borrower's request or on Borrower's behalf. All such costs and expenses together with all filing, recording and search fees, taxes and interest payable by Borrower to Agent shall be payable on demand and shall be secured by the Collateral. If any tax by any governmental authority is or may be imposed on or as a result of any transaction between Borrower and Agent which Agent is or may be required to withhold or pay, Borrower agrees to indemnify and hold Agent harmless in respect of such taxes, and Borrower will repay to Agent the amount of any such taxes which shall be charged to Borrower's account; and until Borrower shall furnish Agent with indemnity therefor (or supply Agent with evidence satisfactory to it that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Borrower's credit and Agent shall retain its security interests in any and all Collateral.

16. Successors and Assigns; Participations; New Lenders. (i) This Agreement shall be binding upon and inure to the benefit of Borrower, Agent, each Lender, all future holders of the Revolving Credit Note and their respective successors and assigns, except that Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

(ii) Borrower acknowledges that in the regular course of its commercial banking business one or more Lenders may at any time and from time to time sell

participating interests in the Revolving Advances to other financial institutions (each such purchaser of a participating interest, a "Transferee"). Each Transferee may exercise all rights of payment (including without limitation rights of set-off with respect to the portion of such Revolving Advances held by it or other Obligations payable hereunder as fully as if such Transferee were the direct holder thereof provided that Borrower shall not be required to pay to any Transferee more than the amount which it would have been required to pay to Lenders which granted an interest in its Revolving Advances or other Obligations payable hereunder to such Transferee had such Lender retained such interest in the Revolving Advances hereunder or other Obligations payable hereunder and in no event shall Borrower be required to pay any such amount arising from the same circumstances and with respect to the same Revolving Advances or other Obligations payable hereunder to both such Lender and such Transferee. Borrower hereby grants to any Transferee a continuing security interest in any deposits, moneys or other property actually or constructively held by such Transferee as security for the Transferee's interest in the Revolving Advances.

(iii) Any Lender may sell, assign or transfer all or any part of its rights under this Agreement and the Ancillary Agreements to one or more additional banks or financial institutions and one or more additional banks or financial institutions may commit to make Revolving Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than $3,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Ancillary Agreements. Borrower hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Ancillary Agreements. Borrower shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(iv) Agent shall maintain at its address a copy of each Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Revolving Advances owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Borrower, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Revolving Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Borrower or any Lender at any reasonable time and from time to time

upon reasonable prior notice. Agent shall receive a fee in the amount of $3,000 payable by the applicable Purchasing Lender upon the effective date of each transfer or assignment to such Purchasing Lender.

(v) Borrower authorizes each Lender to disclose to any Transferee or Purchasing Lender and any prospective Transferee or Purchasing Lender any and all financial information in such Lender's possession concerning Borrower which has been delivered to such Lender by or on behalf of Borrower pursuant to this Agreement or in connection with such Lender's credit evaluation of Borrower.

17. Waivers. Borrower waives presentment and protest of any instrument and notice thereof, notice of default and all other notices to which Borrower might otherwise be entitled.

18. Term of Agreement. This Agreement shall continue in full force and effect until the expiration of the Term. Borrower may terminate this Agreement at any time upon ninety (90) days' prior written notice upon payment in full of the Obligations. In the event that the Obligations are prepaid in full prior to eighteen months from the Closing Date (the "Prepayment Period"), Borrower shall pay an early termination fee in an amount equal to three percent (3%) of the Maximum Revolving Amount. Notwithstanding the foregoing, in the event that the Obligations are prepaid in full prior to the expiration of the Prepayment Period solely as a result of the occurrence and declaration of an Event of Default under Section 19(vii) or (xiv) and the acceleration of the Obligations in connection therewith, Borrower shall not be obligated to pay an early termination fee hereunder.

19. Events of Default. The occurrence of any of the following shall constitute an Event of Default:

(i) failure to make payment of any of the Obligations when required hereunder;

(ii) failure to pay any taxes when due unless such taxes are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been provided on Borrower's books;

(iii) (a) failure of Borrower to perform, keep or observe any term, provision, condition or covenant contained in Sections 11, 12(f)(i) or 12(m)(i) hereof which is not cured within fifteen (15) days from the occurrence of such failure or (b) failure of Borrower to perform under and/or committing any breach of any other term, provision, condition or covenant contained in this Agreement or any Ancillary Agreement or any other agreement between Borrower, Agent and any Lender.

(iv) occurrence of a default under any agreement to which Borrower or Realty is a party with third parties which has a material adverse affect upon Borrower's or Realty's business, operations, property or condition (financial or otherwise) all leases for any premises where Borrower's books and records are located;

(v) any representation, warranty or statement made by Borrower hereunder, in any Ancillary Agreement, any certificate, statement or document delivered pursuant to the terms hereof, or in connection with the Transactions should at any time be false or misleading in any material respect;

(vi) an attachment or levy is made upon Borrower's assets having an aggregate value in excess of $100,000, or a judgment is rendered against Borrower or any of Borrower's property involving a liability of more than $100,000, which shall not have been vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof;

(vii) any change in Borrower's condition or affairs (financial or otherwise) which in Agent's opinion impairs the Collateral or the ability of any Borrower to perform its Obligations;

(viii) any lien created hereunder or under any Ancillary Agreement for any reason ceases to be or is not a valid and perfected lien having a first priority interest;

(ix) if Borrower shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of creditors, (iii) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (iv) be adjudicated a bankrupt or insolvent, (v) file a petition seeking to take advantage of any other law providing for the relief of debtors,
(vi) acquiesce to, or fail to have dismissed, within thirty (30) days, (x) any petition filed against it in any involuntary case under such bankruptcy laws, or
(y) any proceeding or petition seeking the appointment of a receiver, custodian, trustee or liquidator of itself or all or a substantial part of its property, or
(vii) take any action for the purpose of effecting any of the foregoing;

(x) Borrower shall admit in writing its inability, or be generally unable to pay its debts as they become due or cease operations of its present business;

(xi) any Affiliate or any Subsidiary shall (i) apply for or consent to the appointment of, or the taking possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business,
(iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors,
(vii) acquiesce to, or fail to have dismissed, within thirty (30) days, (x) any petition filed against it in any involuntary case under such bankruptcy laws, or
(y) any proceeding or petition seeking the appointment of a receiver, custodian, trustee or liquidator of itself or all or a substantial part of its property or
(viii) take any action for the purpose of effecting any of the foregoing;

(xii) Borrower directly or indirectly sells, assigns, transfers, conveys, or suffers or permits to occur any sale, assignment, transfer or conveyance of any assets of

Borrower or any interest therein, except for the sale of Equipment provided, that such sale could not reasonably be expected to have a material adverse affect upon Borrower's business operations, property or condition (financial or otherwise);

(xiii) Borrower fails to operate in the ordinary course of business;

(xiv) Agent or any Lender shall in good faith deem itself insecure or unsafe or shall fear diminution in value, removal or waste of the Collateral;

(xv) a default by Borrower or Realty in the payment, when due, of any principal of or interest on any indebtedness for money borrowed in excess of $100,000 if such default results in the acceleration of such indebtedness; or

(xvi) any Change of Ownership.

20. Remedies. Upon the occurrence of an Event of Default pursuant to Section l9(ix) herein, all Obligations shall be immediately due and payable and this Agreement shall be deemed terminated; upon the occurrence and continuation of any other of the Events of Default, Agent shall have the right to demand repayment in full of all Obligations, whether or not otherwise due. Until all Obligations have been fully satisfied, Agent shall retain its security interest in all Collateral. Agent shall have, in addition to all other rights provided herein, the rights and remedies of a secured party under the Uniform Commercial Code, and under other applicable law, all other legal and equitable rights to which Agent may be entitled, including without limitation, the right to take immediate possession of the Collateral, to require Borrower to assemble the Collateral, at Borrower's expense, and to make it available to Agent at a place designated by Agent which is reasonably convenient to both parties and to enter any of the premises of Borrower or wherever the Collateral shall be located, with or without force or process of law, and to keep and store the same on said premises until sold (and if said premises be the property of Borrower, Borrower agrees not to charge Agent or Lenders for storage thereof for a period up to at least sixty (60) days after sale or disposition of said Collateral). Further, Agent may, at any time or times after default by Borrower, sell and deliver all Collateral held by or for Agent at public or private sale for cash, upon credit or otherwise, at such prices and upon such terms as Agent, in Agent's sole discretion, deems advisable or Agent may otherwise recover upon the Collateral in any commercially reasonable manner as Agent, in its sole discretion, deems advisable. Except as to that part of the Collateral which is perishable or threatens to decline speedily in nature or is of a type customarily sold on a recognized market, the requirement of reasonable notice shall be met if such notice is mailed postage prepaid to Borrower at Borrower's address as shown in Agent's records, at least ten (10) days before the time of the event of which notice is being given. Agent may be the purchaser at any sale, if it is public. In connection with the exercise of the foregoing remedies, Agent is granted permission to use all of Borrower's trademarks, tradenames, tradestyles, patents, patent applications, licenses, franchises and other proprietary rights which are used in connection with Inventory for the purpose of disposing of such Inventory. The proceeds of sale shall be applied first to all costs and expenses of sale, including reasonable attorneys' fees, and second to the payment (in whatever order Agent elects) of all Obligations. Agent and Lenders will return any excess to

Borrower or as otherwise required by law and Borrower shall remain liable to Agent and Lenders for any deficiency.

21. Waiver; Cumulative Remedies. Failure by Agent or Lenders to exercise any right, remedy or option under this Agreement or any supplement hereto or any other agreement between Borrower, Agent and any Lender or delay by Agent or any Lender in exercising the same, will not operate as a waiver; no waiver by Agent or Lenders will be effective unless it is in writing and then only to the extent specifically stated. Agent and Lenders' rights and remedies under this Agreement will be cumulative and not exclusive of any other right or remedy which Agent or Lenders may have.

22. Application of Payments. Borrower irrevocably waives the right to direct the application of any and all payments at any time or times hereafter received by Agent or Lenders from or on Borrower's behalf and Borrower hereby irrevocably agrees that Agent shall have the continuing exclusive right to apply and reapply any and all payments received at any time or times hereafter against Borrower's Obligations hereunder in such manner as Agent may deem advisable notwithstanding any entry by Agent upon any of Agent's books and records.

23. Establishment of a Lockbox Account, Dominion Account. All proceeds of Collateral shall, at the direction of Agent, be deposited by Borrower into a lockbox account, dominion account or such other "blocked account" ("Blocked Accounts") as Agent may require pursuant to an arrangement with the Bank. Borrower shall issue to the Bank, an irrevocable letter of instruction directing said bank to transfer such funds so deposited to Agent, either to any account maintained by Agent at said bank or by wire transfer to appropriate account(s) of Agent. All funds deposited in such Blocked Account shall immediately become the property of Agent and Borrower shall obtain the agreement by the Bank to waive any offset rights against the funds so deposited. Agent assumes no responsibility for such Blocked Account arrangement, including without limitation, any claim of accord and satisfaction or release with respect to deposits accepted by any bank thereunder. Alternatively, Agent may establish depository accounts ("Depository Accounts") in the name of Agent at a bank or banks for the deposit of such funds and Borrower shall deposit all proceeds of Collateral or cause same to be deposited, in kind, in such Depository Accounts of Agent in lieu of depositing same to the Blocked Accounts.

24. Revival. Borrower further agrees that to the extent Borrower makes a payment or payments to Agent, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, the obligation or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment had not been made.

25. Regarding Agent.

(i) Appointment. Each Lender hereby designates IBJS to act as Agent for such Lender under this Agreement and the Ancillary Agreements. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this

Agreement and the Ancillary Agreements and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees (except the fees set forth in Sections 5(b)(iii), 5(b)(iv) and 5(b)(v), charges and collections (without giving effect to any collection days) received pursuant to this Agreement, for the ratable benefit of Lenders. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including without limitation, collection of the Note) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which exposes Agent to liability or which is contrary to this Agreement or the Ancillary Agreements or applicable law unless Agent is furnished with an indemnification reasonably satisfactory to Agent with respect thereto.

(ii) Nature of Duties. Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Ancillary Agreements. Neither Agent nor any of its officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their gross negligence (but not mere negligence) or willful misconduct, or (ii) responsible in any manner for any recitals, statements, representations or warranties made by Borrower or any officer thereof contained in this Agreement, or in any of the Ancillary Agreements or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Ancillary Agreements or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any of the Ancillary Agreements or for any failure of Borrower to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Ancillary Agreements, or to inspect the properties, books or records of Borrower. The duties of Agent as respects the Revolving Advances to Borrower shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement except as expressly set forth herein.

(iii) Lack of Reliance on Agent and Resignation. Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of Borrower in connection with the making and the continuance of the Revolving Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of Borrower. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Revolving Advances or at any time or times thereafter except as shall be provided by Borrower pursuant to the terms hereof. Agent

shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of this Agreement or any Ancillary Agreement, or of the financial condition of Borrower, or be required to make any inquiry concerning either the performance of observance of any of the terms, provisions or conditions of this Agreement, the Revolving Credit Note, the Ancillary Agreements or the financial condition of any Borrower, or the existence of any Event of Default or any Default.

Agent may resign on sixty (60) days' written notice to each of Lenders and Borrower and upon such resignation, the Required Lenders will promptly designate a successor Agent reasonably satisfactory to Borrower.

Any such successor Agent shall succeed to the rights, powers and duties of Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. After any Agent's resignation as Agent, the provisions of this Section 25 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

(iv) Certain Rights of Agent. If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Ancillary Agreement, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from the Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

(v) Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Ancillary Agreements and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

(vi) Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Ancillary Agreements, unless Agent has received notice from a Lender or Borrower referring to this Agreement or the Ancillary Agreements, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, that, unless

and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of Lenders.

(vii) Indemnification. To the extent Agent is not reimbursed and indemnified by Borrower, each Lender will reimburse and indemnify Agent in proportion to its respective portion of the Revolving Advances (or, if no Revolving Advances are outstanding, according to its Commitment Percentage), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Ancillary Agreement; provided that, Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross negligence (but not mere negligence) or willful misconduct.

(viii) Agent in its Individual Capacity. With respect to the obligation of Agent to lend under this Agreement, the Revolving Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with Borrower as if it were not performing the duties specified herein, and may accept fees and other consideration from Borrower for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

(ix) Delivery of Documents. To the extent Agent receives financial statements from Borrower pursuant to the terms of this Agreement, Agent will promptly furnish such financial statements to Lenders.

(x) Borrower's Undertaking to Agent. Without prejudice to its obligations to Agent or Lenders under the other provisions of this Agreement, Borrower hereby undertakes with Agent to pay to Agent from time to time on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the Borrower's obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

26. Notice. Any notice or request hereunder may be given to Borrower or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section. Any notice or request hereunder shall be given by (a) hand delivery, (b) overnight courier, (c) registered or certified mail, return receipt requested, (d) telex or telegram, subsequently confirmed by registered or certified mail, or (e) telecopy to the number set out below (or such other number as may hereafter specified in a notice designated as a notice of change of address) with telephone communication to a duly authorized officer of the recipient confirming its receipt

as subsequently confirmed by registered or certified mail. Any notice or other communication required or permitted pursuant to this Agreement shall be deemed given (a) when personally delivered to any officer of the party to whom it is addressed, (b) on the earlier of actual receipt thereof or three (3) days following posting thereof by certified or registered mail, postage prepaid, or
(c) upon actual receipt thereof when sent by a recognized overnight delivery service or (d) upon actual receipt thereof when sent by telecopier to the number set forth below, in each case addressed to each party at its address set forth below or at such other address as has been furnished in writing by a party to the other by like notice:

(A) If to Agent or IBJS at	IBJ Schroder Business Credit Corporation One State Street New York, New York 10004 Attention: Wing Louie Telephone: (212) 858- Telecopier: (212) 858-2768
with a copy to:	Hahn & Hessen LLP 350 Fifth Avenue New York, New York 10118 Attention: Daniel J. Krauss, Esq. Telephone: (212) 736-1000 Telecopier: (212) 594-7167

(B) If to a Lender other than Agent, as specified on the signature pages hereof.

(C) If to Borrower, at:	1241 East Main Street P.O. Box 3857 Stamford, Connecticut 06902 Attention: Douglas G. Sages, Executive Vice President and CFO Telephone: (203) 352-8615 Telecopier: (203) 359-5115
with a copy to:	Robinson & Cole 1 Commercial Plaza Hartford, Connecticut 06103 Attention: John Lynch, Esq. Telephone: (860)275-8242 Telecopier: (860) 275-8299

27. Governing Law and Waiver of Jury Trial. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. AGENT AND EACH LENDER SHALL HAVE THE RIGHTS AND REMEDIES OF A SECURED PARTY UNDER APPLICABLE LAW INCLUDING, BUT NOT LIMITED TO, THE UNIFORM COMMERCIAL CODE OF NEW

YORK. BORROWER AGREES THAT ALL ACTIONS AND RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT OR ANY ANCILLARY AGREEMENT OR ANY OTHER OBLIGATIONS SHALL BE LITIGATED IN THE FEDERAL DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK OR, AT AGENT'S OPTION, IN ANY OTHER COURTS LOCATED IN NEW YORK STATE OR ELSEWHERE AS AGENT MAY SELECT AND THAT SUCH COURTS ARE CONVENIENT FORUMS AND BORROWER SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS. BORROWER WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS THAT SERVICE OF PROCESS UPON BORROWER MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO BORROWER AT BORROWER'S ADDRESS APPEARING ON AGENT'S RECORDS, AND SERVICE SO MADE SHALL BE DEEMED COMPLETED TWO (2) DAYS AFTER THE SAME SHALL HAVE BEEN SO MAILED. EACH PARTY HERETO WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BETWEEN BORROWER, AGENT AND ANY LENDER AND BORROWER WAIVES THE RIGHT TO ASSERT IN ANY ACTION OR PROCEEDING INSTITUTED BY AGENT OR ANY LENDER WITH REGARD TO THIS AGREEMENT OR ANY OF THE OBLIGATIONS ANY OFFSETS OR COUNTERCLAIMS WHICH IT MAY HAVE.

28. Indemnity. Borrower shall indemnify Agent, any Issuer and each Lender and each of their respective officers, directors, employees, and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, fees and disbursements of counsel) which may be imposed on, incurred by, or asserted against Agent or any Lender in any litigation, proceeding or investigation instituted or conducted by any governmental agency or instrumentality or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement, whether or not Agent or any Lender is a party thereto, except to the extent that any of the foregoing arises out of the willful misconduct of the party being indemnified.

29. Limitation of Liability. Borrower acknowledges and understands that in order to assure repayment of the Obligations hereunder Agent and Lenders may be required to exercise any and all of Agent's and Lenders' rights and remedies hereunder and agrees that neither Agent nor any Lender nor any of Agent's or any Lender's agents shall be liable for acts taken or omissions made in connection herewith or therewith except for actual bad faith.

30. Entire Understanding. This Agreement and the Ancillary Agreements contain the entire understanding between Borrower, Agent and Lenders and any promises, representations, warranties or guarantees not herein contained shall have no force and effect unless in writing, signed by Borrower's, Agent's and each Lender's respective officers. Neither this Agreement, the Ancillary Agreements, nor any portion or provisions thereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged.

31. Severability. Wherever possible each provision of this Agreement or the Ancillary Agreements shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement or the Ancillary Agreements shall be prohibited by or invalid under applicable law such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions thereof.

32. Captions. All captions are and shall be without substantive meaning or content of any kind whatsoever.

33. Counterparts. This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute one and the same agreement.

34. Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

35. Publicity. Borrower hereby authorizes Agent and Lenders to make appropriate announcements of the financial arrangement entered into among Borrower, Agent and Lenders, including, without limitation, announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent or Lenders shall in their sole and absolute discretion deem appropriate.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

TITAN SPORTS INC.

By:_____
Name: Douglas G. Sages
Title: Executive Vice President - Finance
Chief Financial Officer

IBJ SCHRODER BUSINESS CREDIT CORPORATION, as a Lender and as Agent

By:_____
Name:
Title:

Commitment Percentage: 100%

OMITTED EXHIBITS, SHEET AND SCHEDULES

EXHIBIT 1(a):	Commitment Transfer Supplement
EXHIBIT 1(b):	Revolving Credit Note
EXHIBIT 13(ix):	Financial Condition Certificate
SHEET E:	Titan Sports Combined Financial Statements Balance Sheet as of November 21, 1997
SCHEDULE 1(a):	Permitted Liens
SCHEDULE 12(a):	Qualification
SCHEDULE 12(b):	Subsidiaries
SCHEDULE 12(e):	Books and Records
SCHEDULE 12(g):	Plans
SCHEDULE 12(i):	Litigation
SCHEDULE 12(l):	Federal Tax Identification Number
SCHEDULE 12(n):	Permitted Indebtedness

EXHIBIT 10.10

AMENDMENT NO. 1

TO

REVOLVING CREDIT AND SECURITY AGREEMENT

THIS AMENDMENT NO. 1 ("Amendment") is entered into as of June 9, 1998, by and among TITAN SPORTS, INC., a Delaware corporation having its principal place of business at 1241 East Main Street, Stamford, Connecticut 06902 ("Borrower"), IBJ SCHRODER BUSINESS CREDIT CORPORATION ("IBJ"), the various other financial institutions (together with IBJ, collectively, the "Lenders") named in or which hereafter become a party to the Loan Agreement (as hereafter defined) and IBJ as agent for Lenders (in such capacity, "Agent").

BACKGROUND

Borrower, Agent and Lender are parties to a Revolving Credit and Security Agreement dated as of December 22, 1997 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement") pursuant to which Agent and Lenders provided Borrower with certain financial accommodations.

Borrower has requested that Agent and Lenders amend the Loan Agreement to provide a capital expenditure line of credit to Borrower and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of any loan or advance or grant of credit heretofore or hereafter made to or for the account of Borrower by Agent and Lenders, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

2. Amendment to Loan Agreement. Subject to satisfaction of the conditions precedent set forth in Section 3 below, the Loan Agreement is hereby amended as follows:

(a) Section 1(A) of the Loan Agreement is hereby amended as follows:

(i) the following defined terms are hereby added in their appropriate alphabetical order:

"Amendment No. 1" shall mean that certain Amendment No. 1 to Revolving Credit and Security Agreement dated as of June 9, 1998 between Borrower and Agent.

"Capital Expenditure Interest Rate" shall mean an interest rate per annum equal to the sum of (i) the IBJS Swap Rate plus (ii) three percent (3.0%).

"Capital Expenditure Loans" shall have the meaning set forth in Section 2(m) hereof.

"Capital Expenditure Note" shall have the meaning set forth in Section 2(m) hereof.

"Effective Date" shall mean the date when all conditions precedent set forth in Section 3 of Amendment No. 1 are satisfied.

"Financed Equipment" shall mean all Equipment the purchase of which has been financed in whole or in part through the use by Borrower of a Capital Expenditure Loan.

"IBJS Swap Rate" shall mean an interest rate established by the Bank from time to time based upon its cost of funds, which rate shall be fixed for each Capital Expenditure Loan at the time such Capital Expenditure Loan is advanced to Borrower, but which rate may fluctuate among the various Capital Expenditure Loans.

"Maximum Capital Expenditure Line" shall mean, (x) for the period commencing on the Effective Date and ending on September 30, 1998, $1,600,000 and (y) at all other times, $0.

"Note" shall mean collectively, the Capital Expenditure Note and the

Revolving Credit Note, as each may be amended, modified, restated or supplemented from time to time.

(ii) the following defined terms are hereby amended in their entirety to provide as follows:

"Collateral" shall mean and include:

(a) all Receivables;

(b) all General Intangibles;

(c) all Financed Equipment;

(d) all of Borrower's right, title and interest in and to (i) all merchandise returned or rejected by Customers, relating to or securing any of the Receivables; (ii) all of Borrower's rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lien or, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; (iii) all additional amounts due to Borrower from any Customer relating to the Receivables; (iv) all of Borrower's contract rights, rights of payment which have been earned under a contract right, instruments, documents, chattel paper, warehouse receipts, deposit accounts and money;

(e) all of Borrower's ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computer software (whether owned by Borrower or in which it has an interest), computer programs, tapes, disks and documents relating to (a), (b) (c) and (d) of this Section; and

(f) all proceeds and products of (a), (b), (c), (d) and (e) in whatever form, including, but not limited to: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements or documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

"Commitment Transfer Supplement" shall mean a document in the form of Exhibit 1(a) hereto properly completed and otherwise in form and substance satisfactory to Agent by which the Purchasing Lender purchases and assumes a portion of the obligations of Lenders to make Loans under this Agreement.

"Loans", means the Revolving Advances, Letters of Credit, Capital Expenditure Loans and all other extensions of credit hereunder.

"Revolving Advances" shall mean Loans other than Letters of Credit and

Capital Expenditure Loans.

"Required Lenders" shall mean Lenders holding at least sixty six and two thirds percent (66.67%) of the Loans or if no Loans are outstanding, Lenders holding at least sixty six and two thirds percent (66.67%) of the Commitment Percentages.

(b) A new subsection is hereby added to Section 2 to provide as follows:

"(m) Capital Expenditure Loans. (1) Subject to the terms and conditions set forth in this Agreement (including, but not limited to, Section 13(c) hereof), each Lender, severally and not jointly, agrees to make Loans to Borrower to finance Borrower's purchase of Equipment for use in

Borrower's business ("Capital Expenditure Loans") in the sum equal to such Lender's Commitment Percentage of an amount not to exceed one hundred percent (100%) of the net invoice cost of such Equipment purchased by Borrower (which shall be exclusive of shipping, handling, taxes, installation and all other "soft" costs) nor shall the total amount of all outstanding Capital Expenditure Loans exceed the Maximum Capital Expenditure Line. All Capital Expenditure Loans must be in amounts of not less than $100,000. Once repaid, a Capital Expenditure Loan may not be reborrowed.

(2) Each Loan constituting a Capital Expenditure Loan will be amortized based upon the number of months remaining from the first full month immediately following the date such Loan was advanced to Borrower to the month immediately preceding the month in which expiration of the Term occurs and shall be, with respect to principal, payable in equal monthly installments based upon such amortization schedule, commencing on the first day of the first full month following the date any such Capital Expenditure Loan was advanced to Borrower and on the first day of each month thereafter, with the final payment of the remaining unpaid principal balance payable on the last day of the Term together with accrued interest, costs and expenses, subject to acceleration upon the occurrence of an Event of Default under this Agreement or earlier termination of this Agreement. Each Lender's Commitment Percentage of the Capital Expenditure Loans shall be evidenced by and subject to the terms of a secured promissory note, in substantially the form attached hereto as Exhibit 2(m) (collectively, the "Capital Expenditure Note")."

(c) Subsections 4(a) and (b) of the Loan Agreement are hereby amended in their entirety to provide as follows:

"4. Procedure for Borrowing Loans.

(a) Each Borrowing of Revolving Advances and Capital Expenditure Loans shall be advanced accordingly to the applicable Commitment Percentage of each Lender.

(b) In accordance with Section 26 hereof, Borrower may notify Agent prior to 11:00 A.M. on a Business Day of its request to incur, on that day, a Revolving Advance or a Capital Expenditure Loan hereunder. All such Loans shall be disbursed from whichever office or other place Agent may designate from time to time, and together with any and all other Obligations of Borrower to Lenders, shall be charged to Borrower's account on Agent's books. The proceeds of each Loan shall be made available to Borrower by way of credit to Borrower's operating account maintained with Bank on the day such Loan is requested. Any and all

Obligations due and owing hereunder may be charged to Borrower's account and shall constitute Revolving Advances."

(d) Section 5(a) of the Loan Agreement is hereby amended in its entirety to provide as follows:

"(a) Interest. Interest on Loans shall be payable to Agent for its benefit and for the benefit of Lenders in arrears on the first day of each month with respect to Domestic Rate Loans and Capital Expenditure Loans and, at the end of each Interest Period with respect to Eurodollar Rate Loans or, for Eurodollar Rate Loans with an Interest Period in excess of three months, at the earlier of (a) each three months on the anniversary date of the commencement of such Eurodollar Rate Loan or (b) the end of the Interest Period. Interest charges shall be computed on the actual principal amount of Loans outstanding during the month at a rate per annum equal to (x) the applicable Revolving Interest Rate with respect to Revolving Advances and (y) the Capital Expenditure Interest Rate with respect to Capital Expenditure Loans (as applicable, the "Contract Rate"). Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Revolving Interest Rate for Domestic Rate Loans shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. Upon and after the occurrence of an Event of Default, and during the continuation thereof, the Obligations shall bear interest at the applicable Contract Rate plus two percent (2%) per annum (as applicable; the "Default Rate")."

(e) Subsection 8(e) of the Loan Agreement is hereby amended in its entirety to provide as follows:

"(e) Keep and maintain the Financed Equipment in good operating condition, except for ordinary wear and tear, and shall make all necessary repairs and replacements thereof so that the value and operating efficiency shall at all times be maintained and preserved. Borrower shall not permit any such items to become fixtures to real estate or accessions to other personal property."

(f) Subsection 12(m)(vi) of the Loan Agreement is hereby amended in its entirety to provide as follows:

"(vi) any change in the location of Borrower's chief executive office or any change in the location of the Financed Equipment from the locations listed on Exhibit 12(m) attached hereto;"

(g) A new subsection is hereby added to Section 13 of the Loan Agreement to provide as follows:

"(c) Conditions to Each Capital Expenditure Loan. The agreement of Lenders to make any Capital Expenditure Loan requested to be made on any date (including without limitation, on the Effective Date), is subject to satisfaction of the following conditions precedent on the date such Capital Expenditure Loan is made:

(i) Revolving Advance Conditions. Each of the conditions set forth in Section 13(b) above shall have been met;

(ii) Documentation. Agent shall have received (1) a copy of the invoice relating to the Equipment being purchased, (2) evidence that such Equipment has been shipped to Borrower, (3) evidence that the requested Capital Expenditure Loan does not exceed one hundred percent (100%) of the net invoice cost of such Equipment purchased by Borrower (which shall be exclusive of shipping, handling, taxes, installation and all other "soft" costs), (3) UCC-1 Financing Statements duly executed by Borrower to be filed in all jurisdictions where such Equipment will be located, (4) a landlord waiver and consent in form and substance satisfactory to Agent duly executed by the landlord of the facility where such Equipment will be located, and (5) such other documentation and evidence that Agent may request; and

(iii) Maximum Capital Expenditure Loans. In the case of any Capital Expenditure Loan requested to be made, after giving effect thereto, the aggregate outstanding principal balance of Capital Expenditure Loans shall not exceed the Maximum Capital Expenditure Line.

Each request for a Capital Expenditure Loan by Borrower shall constitute a representation and warranty by Borrower as of the date of such Capital Expenditure Loan that the conditions contained in this subsection shall have been satisfied."

(h) All references in Section I (B), 4(i), 4(j), 16 and 25(iii) of the Loan Agreement to the term "Revolving Advances" shall be replaced with the term "Loans".

(i) Exhibits 1 and 2 to this Amendment are hereby added to the Loan Agreement as Exhibit 2(m) and (12)m, respectively.

3. Conditions of Effectiveness. This Amendment shall become effective upon receipt by Agent of the following items: (i) four (4) copies of this Amendment executed by Borrower, (ii) an original Capital Expenditure Note duly executed by Borrower, (iii) resolutions of the Borrower authorizing the consummation of the transactions contemplated by this Amendment, (iv) updated UCC tax, lien and judgement searches in all locations where any

Equipment to be purchased with the proceeds of the initial Capital Expenditure Loan is or may be located and in the jurisdiction where Borrower's chief executive office is located, the results of which shall indicate that no liens (other than Permitted Liens) have been filed against Borrower, (v) UCC-3 Amendments and/or UCC-1 Financing Statements duly executed by Borrower, (vi) a landlord waiver and consent in form and substance satisfactory to Agent duly executed by TSI Realty Company with respect to the facility located at 120 Hamilton Avenue, Stamford, Connecticut 06902, and (vii) such other certificates, instruments, documents, agreements and opinions of counsel as may be required by Agent or its counsel, each of which shall be in form and substance satisfactory to Agent and its counsel.

4. Representations and Warranties. Borrower hereby represents and warrants as follows:

(a) This Amendment and the Loan Agreement, as amended hereby, constitute legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their respective terms.

(b) Upon the effectiveness of this Amendment, Borrower hereby reaffirms all covenants, representations and warranties made in the Loan Agreement to the extent the same are not amended hereby and agree that all such covenants, representations and warranties shall be deemed to have been remade as of the effective date of this Amendment.

(c) No Event of Default or Default has occurred and is continuing or would exist after giving effect to this Amendment.

(d) Borrower has no defense, counterclaim or offset with respect to the Loan Agreement.

5. Effect on the Loan Agreement

(a) Upon the effectiveness of Section 2 hereof, each reference in the Loan Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Loan Agreement as amended hereby.

(b) Except as specifically amended herein, the Loan Agreement, and all other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect, and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Agent or any Lender, nor constitute a waiver of any provision of the Loan Agreement, or any other documents, instruments or agreements executed and/or delivered under or in connection therewith.

6. Governing Law. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall be governed by and construed in accordance with the laws of the State of New York.

7. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

8. Counterparts. This Amendment may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first written above.

TITAN SPORTS, INC.

By: /s/ Linda E. McMahon
Name: Linda E. McMahon
Title: Pres/CEO

IBJ SCHRODER BUSINESS CREDIT, INC.,
as Agent and Lender

By: /s/ Wing Louie
Name: Wing C. Louie
Title: Vice President

EXHIBIT 10.11

OPEN END MORTGAGE DEED,

ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE (herein "Instrument") is made this 12 day of December, 1997, between the Mortgagor/Grantor, TSI REALTY COMPANY, whose address is 1241 East Main Street, Stamford, CT 06902 (herein "Borrower"), and the Mortgagee, GMAC COMMERCIAL MORTGAGE CORPORATION, a corporation organized and existing under the laws of California, whose address is 450 Dresher Road, Horsham, PA 19044, together with its successors, assigns and transferees, (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of TWELVE MILLION AND 00/100 ($12,000,000) Dollars, which indebtedness is evidenced by Borrower's note dated of even date herewith (herein the "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on January 1, 2013 (the "Maturity Date").

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note with interest thereon, and all renewals, extensions and modifications thereof; (b) the repayment of any future advances with interest thereon, made by Lender to Borrower pursuant to paragraph 38 hereof (herein "Future Advances");
(c) the performance of the covenants and agreements of Borrower contained in an Environmental Indemnity Agreement (herein so-called) between Lender, Borrower and Principal (as defined in the Environmental Indemnity Agreement) dated of even date herewith; (d) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and
(e) the performance of the covenants and agreements of Borrower herein contained, or contained in any other Loan Document (as hereinafter defined), Borrower does hereby mortgage, grant, convey and assign to Lender, its successors, assigns and transferees with mortgage covenants and upon statutory condition the following described properties located in the City of Stamford, Fairfield County, State of Connecticut, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes (herein "Mortgaged Parcel 1" and "Mortgaged Parcel 2," and collectively, the "Mortgaged Parcels").

TOGETHER with all buildings, improvements, and tenements now or hereafter erected on the Mortgaged Parcels, and all heretofore or hereafter vacated alleys and streets abutting the Mortgaged Parcels, and all easements, rights, appurtenances, rents (subject however to the

assignment of rents to Lender herein), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the Mortgaged Parcels, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the Mortgaged Parcels, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, tax refunds, trade names, licenses, permits, Borrower's rights to insurance proceeds, unearned insurance premiums and chooses in action; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real Mortgaged Parcels covered by this Instrument; and all of the foregoing, together with said Mortgaged Parcels (or the leasehold estate in the event this Instrument is on a leasehold) are herein referred to as the "Property," (and individually as an "Individual Property");

TOGETHER with all right, title and interest in, to and under any and all leases now or hereinafter in existence (as amended or supplemented from time to time) and covering space in or applicable to the Property (hereinafter referred to collectively as the "Leases" and singularly as a "Lease"), together with all rents, earnings, income, profits, benefits and advantages arising from the Property and from said Leases and all other sums due or to become due under and pursuant thereto, and together with any and all guarantees of or under any of said Leases, and together with all rights, powers, privileges, options and other benefits of Borrower as lessor under the Leases, including, without limitation, the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, condemnation awards, insurance proceeds, moneys and security payable or receivable under the Leases or pursuant to any of the provisions thereof, whether as rent or otherwise, the right to accept or reject any offer made by any tenant pursuant to its Lease to purchase the Property and any other property subject to the Lease as therein provided and to perform all other necessary or appropriate acts with respect to such Leases as agent and attorney-in-fact for Borrower, and the right to make all waivers and agreements, to give and receive all notices, consents and releases, to take such action upon the happening of a default under any Lease, including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of any Lease or by any law, and to do any and all other things whatsoever which the Borrower is or may become entitled to do under any such Lease together with all accounts receivable, contract rights, franchises, interests, estates or other claims, both at law and in equity, relating to the Property, to the extent not included in rent earnings and income under any of the Leases;

TOGETHER with all right, title and interest in, to and under any and all reserve, deposit or escrow accounts (the "Accounts") made pursuant to any loan document made between Borrower and Lender with respect to the Property, together with all income, profits, benefits and advantages arising therefrom, and together with all rights, powers, privileges, options and other

benefits of Borrower under the Accounts, and together with the right to do any and all other things whatsoever which the Borrower is or may become entitled to do under the Accounts;

TOGETHER with all agreements, contracts, certificates, guaranties, warranties, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, pertaining to the use, occupancy, construction, management or operation of the Property and any part thereof and any improvements or respecting any business or activity conducted on the Property and any part thereof and all right, title and interest of Borrower therein, including the right to receive and collect any sums payable to Borrower thereunder and all deposits or other security or advance payments made by Borrower with respect to any of the services related to the Property or the operation thereof;

TOGETHER with any and all proceeds resulting or arising from the foregoing (collectively, the "Collateral").

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property (and, if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument.

2. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly taxes and assessments which may be levied on the Property, (b) the yearly ground rents, if any, (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, (d) the yearly premium installments for mortgage insurance, if any, and (e) if this Instrument is on a leasehold, the yearly fixed rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Unless otherwise provided

by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option.

The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said rents, taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Lender pays Borrower interest, earnings or profits on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable by law requires interest, earnings or profits to be paid, Lender shall not be required to pay Borrower any interest, earnings or profits on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, such excess shall be credited to Borrower on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Notwithstanding the foregoing, Borrower shall not be required to deposit monthly escrow payments for insurance premiums with Lender except as hereinafter provided. Borrower shall make all insurance premium payments prior to that date on which such payments are due and provide Lender with evidence satisfactory to Lender that such premium payments have been made, such evidence to be provided not less than ninety (90) days prior to the date such payments are due. If at any time during the term of the Loan evidenced by the Note, (i) Borrower fails to make such premium payments, or to provide evidence to Lender that such payments have been made, or (ii) Borrower is in default under the terms of the Note, this Instrument, or any other Loan Document, then Borrower shall immediately commence paying to Lender monthly escrows in an amount equal to (x) one-twelfth of the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof and Borrower shall deliver any other amounts necessary for Lender to pay such premiums.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become

due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Borrower under the Note or this Instrument shall be applied by Lender in the following order of priority: (i) amounts payable to Lender by Borrower under paragraph 2 hereof; (ii) interest payable on the Note; (iii) principal of the Note; (iv) interest payable on advances made pursuant to paragraph 8 hereof; (v) principal of advances made pursuant to paragraph 8 hereof; (vi) interest payable on any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the amounts of interest payable on the Future Advances in such order as Lender, in Lender's sole discretion, may determine; (vii) principal of any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the principal balances of the Future Advances in such order as Lender, in Lender's sole discretion, may determine; and (viii) any other sums secured by this Instrument in such order as Lender, at Lender's option, may determine; provided, however, that Lender may, at Lender's option, apply any sums payable pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

4. CHARGES; LIENS. Borrower shall pay all rents, taxes, assessments, premiums, and Other Impositions attributable to the Property at Lender's option in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph 4, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien, which has, or may have, priority over or equality with, the lien of this Instrument, and Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Without Lender's prior written permission, Borrower shall not allow any lien inferior to this Instrument to be perfected against the Property.

5. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included with the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender (and, if this Instrument is on a leasehold, the ground lease) shall require and in such amounts and for such periods as Lender shall require. Borrower shall purchase policies of insurance with respect to the Property with such insurers, in such amounts and covering such risks as shall be satisfactory to Lender, including, but not limited to, (i) personal injury and death; (ii) loss or damage by fire, lightning, hail, windstorm, explosion, hurricane (to the extent available), and such other hazards, casualties and contingencies (including at least twelve (12) months rental insurance for each Individual Property in an amount equal to the gross rentals for such period and broad form boiler and machinery insurance) as are normally and usually covered by extended coverage policies in effect where the Property is located and comprehensive general public liability insurance for each

Individual Property, in an amount not less than $1,000,000.00 per occurrence, $2,000,000 in the aggregate, together with $5,000,000 excess liability coverage for each Individual Property, and containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the improvements or the use of either Individual Property shall at any time constitute legal nonconforming structures or uses; provided, that each policy shall provide by way of endorsement, rider or otherwise that no such insurance policy shall be cancelled, endorsed, altered, or reissued to effect a change in coverage unless such insurer shall have first given Lender thirty (30) days prior written notice thereof, such policy shall be on a replacement cost basis, with a waiver of depreciation, in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the policy, but not less than one hundred percent (100%) of the insurable value (based upon replacement cost) of each Individual Property and the deductible clause, if any, of the fire and extended coverage policy may not exceed the lesser of one percent (1%) of the face amount of the policy or $1,000.00; (iii) loss or damage by flood, if each Individual Property is in an area designated by the Secretary of Housing and Urban Development as an area having special flood hazards, in an amount equal to the principal amount of the Note or the maximum amount available under the Flood Disaster Protection Act of 1973, and regulations issued pursuant thereto, as amended from time to time, whichever is less, in form complying with the "insurance purchase requirement" of that Act; and (iv) such other insurance and endorsements, if any, as Lender may require from time to time, or which is required by the Loan Documents. Borrower shall cause all insurance (except general public liability insurance) carried in accordance with this paragraph 5 to be payable to Lender as a mortgagee and not as a coninsured, and, in the case of all policies of insurance carried by each lessee for the benefit of Borrower, if any, to cause all such policies to be payable to Lender as Lender's interest may appear. All premiums on insurance policies shall be paid, in the manner provided under paragraph 2 hereof, or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender. If this Instrument is on a leasehold, Borrower shall furnish Lender a duplicate of all policies, renewal notices, renewal policies and receipts of paid premiums if, by virtue of the ground lease, the originals thereof may not be supplied by Borrower to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Borrower for the cost of reconstruction or repair of the affected Individual Property or (b) subject to the immediately following paragraph, to apply such proceeds to the payment of the sums secured by this

Instrument whether or not then due, in the order of application set forth in paragraph 3 hereof (subject, however, to the rights of the lessor under the ground lease if this instrument is on a leasehold).

Lender shall not exercise Lender's option to apply insurance proceeds to the payment of the sums secured by this Instrument if all of the following conditions are met: (i) Borrower is not in breach or default of any covenant or agreement of this Instrument, the Note or any other Loan Document; (ii) Lender determines that there will be sufficient funds to restore and repair the affected Individual Property to the Pre-existing Condition (as hereinafter defined); (iii) Lender agrees in writing that the rental income of the affected Individual Property, after restoration and repair of the affected Individual Property to the Pre-existing Condition, will be sufficient to meet all operating costs and other expenses, payments for reserves and loan repayment obligations (including any obligations under any permitted subordinate financing) relating to the affected Individual Property and maintain a debt service coverage ratio of at least 1.10 to 1.0; (iv) Lender determines that restoration and repair of the affected Individual Property to the Pre-existing Condition will be completed within one year of the date of the loss or casualty to the affected Individual Property, but in no event later than six months prior to the Maturity Date; (v) less than fifty percent (50%) of the total floor area of the improvements has been damaged, destroyed or rendered unusable as a result of such fire or other casualty; (vi) tenant leases demising in the aggregate at least fifty percent (50%) of the total rentable space in the affected Individual Property and in effect as of the date of the occurrence of such fire or other casualty remain in full force and effect during and after the completion of the restoration and repair of the affected Individual Property and Borrower furnishes to Lender evidence satisfactory to Lender that said tenants shall continue to operate their respective businesses at the affected Individual Property notwithstanding the occurrence of any such fire or other casualty; and (vii) Lender is reasonably satisfied that the affected Individual Property can be restored and repaired as nearly as possible to the condition it was immediately prior to such casualty and in compliance with all applicable zoning, building and other laws and codes (the "Pre-existing Condition"). If Lender elects to make the insurance proceeds available for the restoration and repair of the affected Individual Property, Borrower agrees that, if any time during the restoration and repair, the cost of completing such restoration and repair, as determined by Lender, exceeds the undisbursed insurance proceeds, Borrower shall, immediately upon demand by Lender, deposit the amount of such excess with Lender, and Lender shall first disburse such deposit to pay for the costs of such restoration and repair on the same terms and conditions as the insurance proceeds are disbursed.

If the insurance proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the affected Individual Property, the affected Individual Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and such other evidence of costs, percentage completion of construction, application of payments; and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this Instrument, any such application

of proceeds to principal shall not extend or postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the affected Individual Property is sold pursuant to paragraph 27 hereof or if Lender acquires title to the affected Individual Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the affected Individual Property prior to such sale or acquisition.

6. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS. Borrower (a) shall not commit waste or permit impairment or deterioration of the property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliance thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for professional management of the Property by a rental property manager satisfactory to Lender unless such requirement shall be waived by Lender in writing (it being acknowledged and approved by Lender that the Property is currently managed by Borrower), (g) shall generally operate and maintain the Property in a manner to ensure maximum rentals, and (h) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

If this Instrument is on a leasehold, Borrower (i) shall comply with the provisions of the ground lease, (ii) shall give immediate written notice to Lender of any default by lessor under the ground lease or of any notice received by Borrower from such lessor or any default under the ground lease by Borrower,
(iii) shall exercise any option to renew or extend the ground lease and give written confirmation thereof to Lender within thirty days after such option becomes exercisable (iv) shall give immediate written notice to Lender of the commencement of any remedial proceedings under the ground lease by any party thereto and, if required by Lender, shall permit Lender as borrower's attorney- in-fact to control and act for Borrower in any such remedial proceedings and (v) shall within thirty days after request by Lender obtain from the lessor under the ground lease and deliver to Lender the lessor's estoppel certificate required thereunder, if any. Borrower hereby expressly transfers and assigns to Lender the benefit of all covenants contained in the ground lease, whether or not such covenants run with the land, but Lender shall have no liability with respect to such covenants nor any other covenants contained in the ground lease.

Borrower shall not surrender the leasehold estate and interests herein conveyed nor terminate or cancel the ground lease creating said estate and interests, and Borrower shall not, without the express written consent of Lender, alter or amend said ground lease. Borrower covenants and agrees that there shall not be a merger of the ground lease, or of the leasehold estate created thereby, with the fee estate covered by the ground lease by reason of said leasehold estate or said fee estate, or any part of either, coming into common ownership, unless Lender shall consent in writing to such merger, if Borrower shall acquire such fee estate, then this Instrument shall simultaneously and without further action be spread so as to become a lien on such fee estate.

7. USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the use for which all or any part of either Individual Property was intended at the time this Instrument was executed. Borrower shall not subdivide either Individual Property or initiate or acquiesce in a change in the zoning classification of either Individual Property without Lender's prior written consent.

8. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankruptcy or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to, (i) disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in paragraph 5 hereof, (iv) if this Instrument is on a leasehold, exercise of any option to renew or extend the ground lease on behalf of Borrower and the curing of any default of Borrower in the terms and conditions of the ground lease, and (v) the payment of any taxes and/or assessments levied against the Property and then due and payable.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon shall become additional indebtedness of Borrower secured by this Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate stated in the Note unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

9. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property including, but not limited to, phase I and/or phase II environmental audits and inspections which phase II inspections will not unreasonably disturb Borrower's use of the Property.

10. BOOKS AND RECORDS. Borrower shall keep and maintain at all times at Borrower's address stated below, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender during normal business hours and upon forty-eight (48) hours prior notice. Upon Lender's request, Borrower shall furnish to Lender, within ninety (90) days after the end of Borrower's fiscal year, and within ninety (90) days after the end of each three month quarter of each fiscal year of Borrower, a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Borrower. Borrower shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid. In addition to the above delivery of financial statements and rent schedule, Borrower shall deliver to Lender updated versions of such financial statements at any other time upon Lender's request, including monthly balance sheets and monthly statements of income and expenses of the property, and current financial statements on all shareholders of Borrower having a twenty-five percent (25%) or greater ownership interest in Borrower.

11. CONDEMNATION. Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender subject, if this Instrument is on a leasehold, to the rights of lessor under the ground lease.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property or to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof, with the balance, if any, to Borrower. Unless Borrower and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

12. BORROWER AND LIEN NOT RELEASED. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this Instrument, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Property. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.

13. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes of other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Lender's receipt of any awards, proceeds or damages under paragraphs 5 and 11 hereof operate to cure or waive Borrower's default in payment of sums secured by this Instrument.

14. ESTOPPEL CERTIFICATE. Borrower shall within ten (10) days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Instrument and attaching true, correct and complete copies of the Note, this Instrument and any other Loan Documents and any and all modifications, amendments and substitutions thereof.

15. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this

Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 27 of this Instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 27 of this Instrument.

16. LEASES OF THE PROPERTY. As used in this paragraph 16, the word "lease" shall mean "sublease" if this Instrument is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of (a) Mortgaged Parcel 1 for non-office use or (b) Mortgaged Parcel 2 for non- commercial use except with the prior written approval of Lender. Borrower may execute or modify, without Lender's prior written consent, any lease of space at either Individual Property now existing or hereafter made which affects nor more than 25% of the gross feasible area of the affected Individual Property and provided the term of such lease is less than 5 years (an "Exempt Lease"), provided such lease:

(i) is on a standard lease form pre-approved by Lender;

(ii) is at a net effective rent (after taking into account any free rent, construction allowances or other concessions granted by landlord) no less than the current actual rent or fair market rent then prevailing for similar properties and leases in the market area;

(iii) contains rent or other concessions which are customary and reasonable for similar properties and leases in the market area;

(iv) represents a bona fide arm's length transaction;

(v) does not permit any use which would violate any provision of any existing lease or is otherwise inconsistent with the uses and quality of existing tenants;

(vi) is provided to Lender within ten (10) days after execution;

(vii) as modified or amended does not become a lease which fails to satisfy the criteria for an Exempt Lease pursuant to this paragraph 16;

(viii) as modified or amended does not materially modify the financial terms of Borrower's standard form of lease or materially reduce the rights and remedies of the Borrower or Lender under said standard lease;

(ix) is subordinate by its terms to this Instrument; provides that the tenant thereunder is required to attorn to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; that the tenant agrees to execute such further evidences of attornment as Lender may from time to time request; that the attornment of the tenant shall not be terminated by foreclosure; that in no event shall Lender, as holder of this Instrument or as successor landlord, be liable to the tenant for any act or omission of any prior landlord or for any liability or obligation of any prior landlord occurring prior to the date that Lender or any subsequent owner acquire title to the Property; and that Lender may, at Lender's option, accept or reject such attornment.

Borrower shall be required to obtain Lender's consent, which shall not be unreasonably withheld, for any lease and subleases at the Property other than an Exempt Lease. The request for approval of each such proposed lease shall be made to Lender in writing and Borrower shall furnish to Lender (and any loan servicer specified from time to time by Lender): (i) such biographical and financial information about the proposed tenant as Lender may require in conjunction with its review, (ii) a copy of the proposed form of lease, and (iii) a summary of the material terms of such proposed lease (including, without limitation, rental terms and the term of the proposed lease and any options).

Borrower, at Lender's request, shall furnish Lender with executed copies of all leases hereafter made of all or any part of the Property, and all leases hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property or a separate agreement in recordable form and substance satisfactory to Lender shall specifically provide that such leases are subordinate to this Instrument; that the tenant attorns to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; that the tenant agrees to execute such further evidences of attornment as Lender may from time to time request; that the attornment of the tenant shall not be terminated by foreclosure; that in no event shall Lender, as holder of this Instrument or as successor landlord, be liable to the tenant for any act or omission of any prior landlord or for any Property; and that Lender may, at Lender's option, accept or reject such attornments. Except as otherwise provided in this paragraph 16, Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property, permit an assignment or sublease of a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Instrument. If Borrower becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Borrower shall (i) take such steps

as shall be reasonably calculated to prevent the accrual of any right to a set- off against rent, (ii) notify Lender thereof and of the amount of said set-offs, and (iii) within ten (10) days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

Upon Lender's request, Borrower shall absolutely assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Borrower prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

17. REMEDIES CUMULATIVE. Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

18. ACCELERATION IN CASE OF BORROWER'S INSOLVENCY. If Borrower shall voluntarily file a petition under Title 11 of the U.S. Code (the "Act"), as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in any involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, within one hundred and twenty (120) days of the filing of such involuntary proceeding, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten (10) days, then Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 27 of this Instrument. Any reasonable attorney's fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Instrument pursuant to paragraph 8 hereof.

19. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER.

(a) Except as provided in subparagraph (c) of this paragraph 19, upon the sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this

Instrument to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 27 of this Instrument.

(b) For purposes of this paragraph 19, a sale or transfer of a beneficial interest in Borrower shall be deemed to include, but is not limited to:

(i) if Borrower or any general partner of Borrower is a corporation or limited liability company, the voluntary or involuntary sale, conveyance, transfer or pledge of a majority of such corporation's or limited liability company's stock (or the stock of any corporation directly or indirectly controlling such corporation or limited liability company by operation of law or otherwise) or the creation or issuance of new stock by which an aggregate of more than 49% of such corporation's or limited liability company's stock shall be vested in a party or parties who are not now stockholders;

(ii) if Borrower is a limited liability company, the change, removal or resignation of a managing member;

(iii) if Borrower, or any general partner of Borrower, is a limited or general partnership, the change, removal or resignation of a general partner or managing partner or the transfer or pledge of the partnership interest of any general partner or managing partner or any profits or proceeds relating to such partnership interest;

(iv) if Borrower is a limited partnership, the transfer or pledge of a majority of the limited partnership interests which in the aggregate constitute more than a 49% interest in Borrower, or any profits or proceeds relating to such limited partnership interests.

(c) Notwithstanding the foregoing, the following shall not be deemed a sale or transfer of a beneficial interest in Borrower for purposes of this paragraph 19:

(i) a transfer of less than a 49% interest in Borrower, or any partner, shareholder or member of Borrower, by devise, descent or by operation of law upon the death of a partner, member or stockholder of Borrower;

(ii) a transfer of a limited partner, shareholder or non-managing member interest in Borrower for estate planning purposes to an immediate family member of such limited partner, shareholder or member, or a trust for the benefit of an immediate family member; or

(iii) a transfer of a general partner or managing member interest in Borrower for estate planning purposes to an immediate family member of such partner or member, or a trust for the benefit of an immediate family member, subject to obtaining Lender's prior written consent, which

consent shall not be unreasonably withheld subject to the criteria set forth in subparagraph (b) of paragraph 35 of this Instrument.

See paragraph 35 of this Instrument.

20. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Instrument or in the Note shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's address stated above or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

21. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

22. UNIFORM INSTRUMENT; GOVERNING LAW; SEVERABILITY. This form of instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property and related fixtures and personal property. This Instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note. For the purposes of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a

manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

23. WAIVER OF STATUTE OF LIMITATIONS. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument.

24. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interest in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

25. INTENTIONALLY OMITTED.

26. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Borrower hereby authorizes Lender or Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument or any other Loan Document, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this instrument in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Borrower, it being intended by Borrower and Lender that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this paragraph 26 as the same become due and payable, including, but not limited to, rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Borrower of the breach by Borrower shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that commencing upon delivery of such written notice of Borrower's breach by Lender to

Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each retail store, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 26, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents of the Property for more than one month prior to the due dates of such rents. Borrower covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than one month prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, or upon Borrower's breach of any material covenant of Borrower as landlord or lessor under any lease, Lender shall be entitled to the appointment of a receiver for the Property, without notice to Borrower or any other person or entity and Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the enforcement or fulfillment of any terms, condition or provision of any lease, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance polices, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor or landlord of the Property and then to the sums secured by this Instrument. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 26.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Instrument pursuant to paragraph 8 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure indebtedness held by Lender.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

27. ACCELERATION UPON DEFAULT; ADDITIONAL REMEDIES. Upon Borrower's breach of any representation, covenant or agreement of Borrower in this Instrument, the Note, the Environmental Indemnity Agreement, or any other Loan Document, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender, at Lender's option, may declare all of the sums secured by this Instrument to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by applicable law or provided herein. Borrower acknowledges that the power of sale herein granted may be exercised by Lender without prior judicial hearing. Borrower has the right to bring an action to assert the non-existence of a breach or any other defense of Borrower to acceleration and sale. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees and costs of documentary evidence, abstracts and title reports.

Notwithstanding the foregoing, Lender shall not invoke any remedy provided hereunder, under the Loan Documents, at law or in equity upon Borrower's breach of a non-monetary representation, covenant, or agreement of Borrower in this Instrument, the Note, the Environmental Indemnity Agreement or any other Loan Document, other than a breach of paragraphs 5, 19, 32(k), 32(l) or 32(n) of this Instrument, or paragraph 2 of the Environmental Indemnity Agreement, provided Borrower shall have, on or before the date that is ten (10) days after Borrower's receipt of notice thereof, cured such default or, if such default cannot be cured within such ten (10) day period, Borrower shall have commenced to cure within such ten (10) day period and is taking all actions required to diligently cure such default and such default is cured on or before the date that is thirty (30) days after Borrower's receipt of a notice to cure such default.

In the event that one or more of the events of default as above provided shall occur, the remedies available to Lender shall include, but not necessarily be limited to, any one or more of the following:

(a) Lender may declare the entire unpaid balance of the Note, together with all accrued interest thereon, immediately due and payable without notice.

(b) Lender may take immediate possession of the Property or any part thereof (which Borrower agrees to surrender to Lender) and manage, control or lease the same to such person or persons and at such rental as it may deem proper; and collect, with or without taking possession of the Property, all the rents, issues and profits therefrom, including those past due as well as those thereafter accruing, with the right in Lender to cancel any lease, sublease or tenancy for any cause which would entitle Borrower to cancel the same; to make such expenditures for maintenance, repairs and costs of operation as it may deem advisable; and after deducting the cost thereof and a commission of [five percent (5%)] upon the gross amounts of rents collected, to apply the residue to the payment of any sums which are unpaid hereunder or under the Note. The taking of possession and/or the collection of rents under this paragraph shall not prevent concurrent or later proceedings for the foreclosure of the Property as provided elsewhere herein.

(c) Lender may apply to any court of competent jurisdiction for the appointment of a receiver or similar official to manage and operate the Property, or any part thereof, and to apply the net rents, issues, and profits therefrom to the payment of the interest and the principal of the Note and any other obligations of Borrower to Lender hereunder. In the event of such application, Borrower consents to the appointment of such receiver or similar official and agrees that such receiver or similar official may be appointed without notice to Borrower, without regard to the adequacy of any security for the debt and without regard to the solvency of Borrower or any other person, firm or corporation who or which may be liable for the payment of the Note or any other obligation of Borrower hereunder.

(d) Lender may exercise any or all of the remedies available to a secured party under the Connecticut Uniform Commercial Code, including, but not limited to:

(i) Either personally or by means of a court appointed receiver, to take possession of all or any of the Collateral and exclude therefrom Borrower and all others claiming under Borrower, and thereafter to hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Borrower in respect to the Collateral or any part thereof. In the event Lender demands or attempts to take possession of the Collateral in the exercise of any rights under any of the instruments which secure the Note, Borrower promises and agrees to promptly turn over and deliver complete possession thereof to Lender;

(ii) Without notice to or demand upon Borrower, to make such payments and do such acts as Lender may deem necessary to protect its security interest in the Collateral, including without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in

exercising any such powers or authority to pay all expenses incurred in connection therewith;

(iii) To require Borrower to assemble the Collateral or any portion thereof at a place designated by Lender and reasonably convenient to both parties, and promptly to deliver such Collateral to Lender, or an agent or representative designated by it. Lender, and its agents and representatives shall have the right to enter upon any or all of Borrower's premises and property to exercise Lender's rights hereunder;

(iv) To sell, lease or otherwise dispose of the Collateral at public sale, with or without having the Collateral at the place of sale, and upon such terms and in such manner as Lender may determine. Lender may be a purchaser at any such sale, and unless the collateral are perishable or threaten to decline speedily in value or are of a type customarily sold on a recognized market, Lender shall give Borrower at least ten (10) days' prior written notice of the time and place of any public sale of the collateral or other intended disposition thereof. Such notice may be mailed to Borrower at the address hereinafter set forth for notice.

(e) Lender shall have the right to foreclose the Instrument and in an action or proceeding to foreclosure the Instrument, the Property may be foreclosed in parts or as an entirety.

Additional Provisions. Borrower expressly agrees as follows:

(f) All remedies available to Lender with respect to the Instrument shall be cumulative and may be pursued concurrently or successively. No delay by Lender in exercising any such remedy shall operate as a waiver thereof or preclude the exercise thereof during the continuance of that or any subsequent default.

(g) The obtaining of a judgment or decree on the Note, shall not in any manner affect the lien of the Instrument upon the Property, and the debt represented by said judgment or decree shall be secured hereby to the same extent as the Note is now secured.

(h) The only limitation upon the foregoing agreements as to the exercise of Lender's remedies is that there shall be but one full and complete satisfaction of the indebtedness secured hereby.

Remedies Not Exclusive. Lender shall be entitled to enforce payment of any indebtedness secured hereby and performance of all obligations contained herein and to exercise all rights and powers under the Instrument or the Note or under any other agreement of Borrower or any laws now or hereafter in force, notwithstanding that some of all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of the Instrument nor its enforcement shall prejudice or in any manner affect Lender's right to realize

upon or enforce any other security now or hereafter held by Lender, it being agreed that Lender shall be entitled to enforce the Instrument and any other security now or hereafter held by Lender in such order and manner as Lender may in its absolute discretion determine. No remedy herein conferred upon or reserved to Lender is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given to Lender or to which it otherwise may be entitled may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Lender and it may pursue inconsistent remedies.

See paragraph 34 of this Instrument.

28. RELEASE. Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrower shall pay Lender's $100 for the release of this Instrument.

29. ATTORNEY'S FEES. As used in this Instrument and in the Note, "attorney's fees" shall include reasonable attorney's fees, if any, which may be awarded by an appellate court.

30. NONRECOURSE LOAN. Subject to the qualifications below in this paragraph, the Borrower shall be liable for payment and performance of all of the obligations, covenants and agreements of the Borrower under the Note, this Instrument, the Assignment of Leases and Rents (herein so-called), dated of even date herewith, executed by Borrower to Lender, the Environmental Indemnity Agreement dated of even date herewith, executed by Borrower and Lender, and all other instruments and documents evidencing, securing or governing the terms of the loan (the "Loan") evidenced by the Note (collectively, the "Loan Documents"), to the full extent (but only to the extent) of all of the Property and any other items, property or amounts which are collateral or security for the Loan. If a default occurs in the timely and proper payment of any portion of such indebtedness or in the timely performance of any obligations, agreements or covenants, except as set forth below in this paragraph, neither Borrower, nor any partner of Borrower, nor any partner, stockholder, director or officer of any partner of Borrower, shall be personally liable for the repayment of any of the principal of, interest on, or prepayment fees or late charges, or other charges or fees due in connection with the Loan, the performance of any covenants of Borrower under the Note, this Instrument or any of the other Loan Documents or for any deficiency judgment which Lender may obtain after default by Borrower. Notwithstanding the foregoing provisions of this paragraph or any other agreement, the Borrower shall be fully and personally liable for any and all: (1) liabilities, costs, losses, damages, expenses or claims (including, without limitation, any reduction in the value of the Property or any other items, property or amounts which are collateral or security for the Loan) suffered or incurred by Lender by reason of or in connection with (a) any fraud or misrepresentation by the Borrower in connection with the Loan, including but not limited to any misrepresentation of the Borrower contained in any Loan Document, (b) any failure to pay taxes, insurance premiums (except to the extent that such taxes and insurance premiums are then held by the Lender), assessments, charges for labor or materials or other charges that can create liens on any portion of the Property, (c) any misapplication of (i) proceeds of insurance covering any portion of the Property, or (ii) proceeds of the sale or condemnation of any portion of the Property, (d) any

rentals, income, profits, issues and products received by or on behalf of the Borrower subsequent to the date on which the Lender gives written notice that a default has occurred under the Loan and not applied to the payment of principal or interest due under the Note or the payment of operating expenses (excluding any operator's, manager's or developer's fee paid to the Borrower or any affiliate of the Borrower) of the Property, (e) any failure to maintain, repair or restore the Property in accordance with any Loan Document to the extent not covered by insurance proceeds made available to the Lender, (f) any failure by Borrower to deliver to the Lender all unearned advance rentals and security deposits paid by tenants of the Property received by or on behalf of the Borrower, and not refunded to or forfeited by such tenants, (g) any failure by the Borrower to return to, or reimburse the Lender for, all personality taken from the Property by or on behalf of the Borrower, except in accordance with the provisions of this instrument, and (h) any and all indemnities given by the Borrower to the Lender set forth in the Environmental Indemnity Agreement or any other Loan Document in connection with any environmental matter relating to the Property; and (2) court costs and all attorneys' fees provided for in any Loan Document. Furthermore, no limitation of liability or recourse provided above in this paragraph shall (x) apply to the extent that the Lender's rights of recourse to the Property are suspended, reduced or impaired by or as a result of any act, omission or misrepresentation of the Borrower or any other party now or hereafter liable for any part of the Loan and accrued interest thereon, or by or as a result of any case, action, suit or proceeding to which the Borrower or any such other party, voluntarily becomes a party; or (y) constitute a waiver, forfeiture, abrogation or limitation of or on any right accorded by any law establishing a debtor relief proceeding, including, but not limited to, Title 11, U.S. Code, which right provides for the assertion in such debtor relief proceeding of a deficiency arising by reason of the insufficiency of collateral notwithstanding an agreement of the Lender not to assert such deficiency.

31. REPRESENTATIONS OF BORROWER. The Borrower hereby represents and warrants to Lender the following:

(a) Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. There are no proceedings or actions pending, threatened or contemplated for the liquidation, termination or dissolution of Borrower.

(b) Borrower has heretofore delivered to Lender a true, correct, and complete list of each and every lease affecting the Property, together with all extensions and amendments thereof (the "Existing Leases"); Borrower has delivered to Lender a true, correct, and complete copy of each of the Existing Leases; and there are no other leases, assignments, modifications, extensions, renewals, or other agreements of any kind whatsoever (written or oral) outstanding with respect to the leases or the Property.

(c) Unless otherwise specified in the Rent Schedule Certification:

(i) the Existing Leases are in full force and effect;

(ii) Borrower has not given any notice of default to any tenant under an Existing Lease (an "Existing Tenant") which remains uninsured;

(iii) no Existing Tenant has any set off, claim or defense to the enforcement of any Existing Lease;

(iv) no Existing Tenant is in arrears in the payment of rent, additional rent or any other charges whatsoever due under any Existing Lease; or, to the knowledge of Borrower, is materially in default in the performance of any other obligations of such Existing Tenant under the applicable Existing Lease; and

(v) Borrower has completed all work or alterations required of the landlord or lessor under each Existing Lease; and all of the other obligations of landlord or lessor under the Existing Leases have been performed.

(d) Borrower has delivered to Lender a true, correct, and complete rent roll (the "Rent Roll") of annual and monthly rents payable by all Existing Tenants, including all percentage rents, if any, expiration dates of the Existing Leases, and the amount of security deposit being held by Borrower under each Existing Lease, if any; and Borrower has not granted any Existing Tenant any rent concessions (whether in form of cash contributions, work agreements, assumption of an Existing Tenant's other obligations, or otherwise) or extensions of time whatsoever not reflected in such Rent Roll.

(e) There are no legal proceedings commenced (or, to the best of the knowledge of the Borrower, threatened) against Borrower by any Existing Tenant; no rental in excess of one month's rent has been prepaid under any of the Existing Leases; each of the Leases is valid and binding on the parties thereto in accordance with its terms; and the execution of this Instrument and the other Loan Documents will not constitute an event of default under any of the Existing Leases.

(f) Borrower currently holds the security deposits (if any) specified in the Existing Leases and has not given any credit, refund, or set off against such security deposits to any person.

(g) There are no residential units in the Property, and no portion of the Property is an apartment or other unit subject to any form of rent control, stabilization or regulation; and no person presently occupies any part of the Property for dwelling purposes.

(h) Except for Borrower, there are no persons or entities occupying space in the Property as tenants other than the persons or entities specifically named in the Existing Leases.

(i) Except as specifically listed in the schedule of exceptions to coverage in the title policy insuring Lender's interest in the Property, Borrower is now in possession of the Property; Borrower's possession of the Property is peaceable and undisturbed; Borrower does not know any facts by reason of which any claim to the Property, or any part thereof, might arise or be set up adverse to Borrower; and the Property is free and clear of (i) any lien for taxes (except real property taxes not yet due and payable for the calendar year in which this Instrument is being executed), and (ii) any easements, rights-of-way, restrictions, encumbrances, liens or other

exceptions to title by mortgage, decree, judgment, agreement, instrument, or, to the knowledge of Borrower, proceeding in any court.

(j) All charges for labor, materials or other work of any kind furnished in connection with the construction, improvement, renovation or rehabilitation of the Property or any portion thereof have been paid in full, and no unreleased affidavit claiming a lien against the Property, or any portion thereof, for the supplying of labor, materials or services for the construction of improvements on the Property has been executed or recorded in the mechanic's lien or other appropriate records in the county in which the Property is located.

(k) The Property and the current and contemplated uses of the Property are in compliance with all applicable federal, state and municipal laws, rules, regulations and ordinances, applicable restrictions, zoning ordinances, building codes and regulations, building lines and easements, including, without limitation, federal and state environmental protection law and the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act of 1988, all state and local laws or ordinances related to handicapped access, and any statute, rule, regulation, ordinance, or order of governmental bodies or regulatory agencies, or any order or decree of any court adopted or enacted with respect thereto (collectively, "Applicable Laws"); no governmental authority having jurisdiction over any aspect of the Property has made a claim or determination that there is any such violation; the Property is not included in any area identified by the Secretary of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973, as amended, as an area having special flood hazards; and all permits, licenses and the like which are necessary for the operation of the Property have been issued and are in full force and effect.

(l) There have been no material adverse changes, financial or otherwise, in the condition of Borrower from that disclosed to Lender in the loan application submitted to Lender by Borrower, or in any supporting data submitted in connection with the Loan, and all of the information contained therein was true and correct when submitted and is now substantially and materially true and correct on the date hereof.

(m) There is no claim, litigation or condemnation proceeding pending, or, to the knowledge of the Borrower, threatened, against the Property or Borrower, which would affect the Property or Borrower's ability to perform its obligations in the connection with the Loan.

(n) Borrower does not own any real property or assets other than the Property and does not operate any business other than the management and operation of the Property.

(o) No proceedings in bankruptcy or insolvency has ever been instituted by or against Borrower or any affiliate thereof, and no such proceeding is now pending or contemplated.

(p) Borrower is, and if there are any general partners or members of Borrower, such partners or members are, solvent pursuant to the laws of the United States, as reflected by the entries in Borrower's books and records and as reflected by the actual facts.

(q) The Loan Documents have been duly authorized, executed and delivered by Borrower and constitute valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms. No approval, consent, order or authorization of any governmental authority and no designation, registration, declaration or filing with any governmental authority is required in connection with the execution and delivery of the Note, this Instrument or any other Loan Document.

(r) The execution and delivery of the Loan Documents will not violate or contravene in any way the articles of incorporation or bylaws or partnership agreement, articles of organization or operating agreement as the case may be, of Borrower or any indenture, agreement or Instrument to which Borrower is a party or by which it or its property may be bound, or be in conflict with, result in a breach of or constitute a default under any such indenture, agreement or other instrument, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrower, except as contemplated by the provisions of such Loan Documents, and no action or approval with respect thereto by any third person is required.

(s) No part of the Property is all or a part of Borrower's homestead.

(t) The Property is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Property has accepted or is equipped to accept such utility service.

(u) All public roads and streets necessary for service of and access to the Property for the current or contemplated use thereof have been completed, are serviceable and all-weather and are physically and legally open for use by the public.

(v) The Property is serviced by public water and sewer systems.

(w) The Property is free from damage caused by fire or other casualty.

(x) All liquid and solid waste disposal, septic and sewer systems located on the Property are in a good and safe condition and repair and in compliance with all Applicable Laws.

32. BORROWER'S ADDITIONAL COVENANTS. Borrower hereby covenants, agrees and undertakes to:

(a) fulfill and perform all of Borrower's obligations as landlord or lessor under any lease; will promptly send Lender copies of any notices of default received from the tenant under any lease; and will enforce (short of terminating such lease) the performance by the tenant of the tenant's obligations under any lease;

(b) not make, enter into, execute, cancel, amend or modify any lease without the prior written consent of Lender (other than an Exempt Lease);

(c) not approve any assignment of a lease, of any sublease or underlease, without the prior written consent of Lender (other than an Exempt Lease);

(d) not cancel or modify any guaranty of a lease, or release any security deposit or letter of credit constituting security under a lease, without the prior written consent of Lender;

(e) not accept prepayment of any installment of rent from any tenants of the Property for a period of more than one (1) month in advance;

(f) not further assign the whole (or any part of) the leases or the rents;

(g) not undertake or commence any alterations of any improvements on the Property the cost of which is in excess of five percent (5%) of the then original principal amount of the Note, without the prior written consent of Lender;

(h) from time to time, at the request of Lender, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Instrument or in any other Loan Document or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record and/or file such further documents or instruments (including, without limitation, further mortgages, security agreements, financing statements, continuation statements, assignments of rents or leases and environmental indemnity agreements) and perform such further acts and provide such further assurances as may be necessary, desirable or proper, in Lender's opinion, to carry out more effectively the purposes of this Instrument and such other instruments and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof or thereof to be covered hereby or thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Property; provided that such documents or instruments do not materially increase Borrower's liability under the Loan Documents; and (iii) execute, acknowledge, deliver, procure, and file and/or record any document or instrument (including specifically, but without limitation, any financial statement) deemed advisable by Lender to protect the liens and the security interests herein granted against the rights or interests of third persons; provided that such documents or instruments do not materially increase Borrower's liability under the Loan Documents. Borrower will pay all reasonable costs connected with any of the foregoing in this subparagraph (h);

(i) continuously maintain Borrower's existence and right to do business in the State of Connecticut;

(j) at any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Instrument, or upon any rights, titles, liens, or security interests created hereby, or upon the obligations secured hereby or any part thereof, immediately pay all such taxes; provided that, if such law is enacted makes it unlawful for Borrower to pay such tax, Borrower shall not pay nor be obligated to pay such tax, and in the alternative, Borrower may, in the event of the enactment of such a law, and must, if it is unlawful for Borrower to pay such taxes, prepay the obligations secured hereby in full within sixty
(60) days after demand therefor by Lender;

(k) not execute or deliver any deed of trust, mortgage or pledge of any type covering all or any portion of the Property;

(l) not acquire any real property or assets (other than the Property) or operate any business other than the management and operation of the Property during the term of the Loan;

(m) not permit any drilling or exploration for or extraction, removal or production of any mineral, natural element, compound or substance from the surface or subsurface of the Property regardless of the depth thereof or the method of mining or extraction thereof;

(n) not change its name, identity, structure or employer identification number during the term of the Loan;

(o) pay on demand all reasonable and bona fide out-of-pocket costs, fees and expenses and other expenditures, including, but not limited to, reasonable attorneys' fees and expenses, paid or incurred by Lender to third parties incident to this instrument or any other Loan Document (including, but not limited to, reasonable attorneys' fees and expenses in connection with the negotiation, preparation and execution hereof and of any other Loan Document and any amendment hereto or thereto, any release hereof, any consent, approval or waiver hereunder or under any other Loan Document, the making of any advance under the Note and any suit to which Lender is a party involving this Instrument or the Property) or incident to the enforcement of the obligations secured hereby or the exercise of any right or remedy of Lender under any Loan Document; and

(p) maintain and keep the Property in compliance with all Applicable Laws.

33. RESERVES.

(a) CAPITAL IMPROVEMENTS RESERVE.

(i) Commencing on the first day a monthly installment of principal and interest is due and payable under the Note and continuing on the first calendar day of each calendar month thereafter, Borrower shall deliver to Lender, together with the regular installments of principal and interest an amount (a "CIR Payment") equal to $2,925.00 of which $1,360.00 is allocated to Mortgaged Parcel 1 ("Parcel 1 CIR Funds") and $1,565.00 is allocated to Mortgaged Parcel 2 ("Parcel 2 CIR Funds"). Each CIR Payment shall be deemed "Other Impositions" and "Funds" as defined in paragraph 2 of this Instrument. The CIR Payments will be placed in interest bearing deposits or accounts in the name of Lender or Lender's loan servicer at the same financial institution(s) as the other Funds (the "Other Impositions Account"), shall be held in accordance with the terms of paragraph 2 of this Instrument, and may be drawn on by Borrower for deferred maintenance and/or ongoing capital improvement expenditures in connection with the Property, pursuant to the terms set forth below in subparagraph 33(a)(ii). At Lender's discretion, the CIR Payments may be increased to reflect any increase in the "Consumer Price Index" published by the Bureau of Labor Statistics of the U.S. Department of Labor, All Items, U.S. city average, all urban consumers (presently denominated "CPI-U"), or a successor or substitute index appropriately adjusted (the "CPI"). In the event Lender shall elect not to

increase the CIR Payment for any given year by the CPI, Lender, at its sole discretion, may during any subsequent year elect to increase the CIR Payment by the aggregate amount of CPI increases which Lender otherwise was entitled to make during the previous years in which it did not elect to make such increases.

(ii) So long as Borrower (x) is not in default under any of the terms of the Note, this instrument or any of the other Loan Documents, and (y) no situation exists which with the passage of time or the giving of notice or both would constitute a default under the Note, this Instrument or any of the other Loan Documents, Borrower, subject to the following provisions of this subparagraph (ii) and upon ten (10) days' prior written notice to Lender and Lender's loan servicer (which notice shall include a brief statement of the purpose for which the advance is to be used), shall be entitled to draw on the CIR Payments on deposit in the Other Impositions Account solely for the payment of deferred maintenance and/or ongoing capital improvement expenditures for the Property. Borrower may not make any drawing on the Other Impositions Account (1) for less than $500 and (2) without the prior consent of Lender. Lender reserves the right to require such information as Lender may reasonably require, and to withhold consent in the event that Lender deems it necessary to do so. Without limiting the foregoing, Lender may request, in connection with a request by Borrower for a drawing on the Other Impositions Account, that Borrower furnish written evidence reasonably satisfactory to Lender that the amount requested by Borrower is for work performed, services or materials furnished, and bills paid or payable with respect to the deferred maintenance and/or ongoing capital improvement expenditures (including, but not limited to, contracts and invoices for work performed or materials supplied and mechanics' and materialmen' lien releases and waivers from such parties performing such work or supplying such materials). Lender also reserves the right to make any disbursement or portion thereof from the Other Impositions Account directly to the party performing such work or supplying such materials. Lender or Lender's servicing agent, as the case may be, shall be entitled to charge Borrower a reasonable processing fee for administering and reviewing Borrower's draw requests. In addition, Lender shall be reimbursed by Borrower for any costs incurred by Lender or Lender's servicing agent in inspecting the Property in connection with Borrower's draw requests. Any such processing fees and inspection costs shall be deducted by Lender from the Funds on deposit or account or, at Lender's option, shall be paid to Lender by Borrower within ten (10) days of Lender's written demand.

(iii) Notwithstanding anything to the contrary contained herein, Borrower may only make drawings (a) for Mortgaged Parcel 1 from funds available in Parcel 1 CIR Funds; and (b) for Mortgaged Parcel 2, from funds available in Parcel 2 CIR Funds.

(iv) Each CIR Payment is pledged as additional security for the sums secured by this Instrument and any of the other Loan Documents. Borrower hereby grants to Lender a lien and security interest in each CIR Payment and the deposit or other accounts in which such payments are placed.

(b) TENANT IMPROVEMENTS/LEASING COMMISSION RESERVE.

(i) Commencing on the first day a monthly installment of principal and interest is due and payable under the Note and continuing on the first calendar day of each calendar month thereafter, Borrower shall deliver to Lender, together with the regular installments of principal and interest an amount (a "TI/LC Payment") equal to $5,200.00 of which $4,427.00 is allocated to Mortgaged Parcel 1 ("Parcel 1 TI/LC Funds") and $773.00 is allocated to Mortgaged Parcel 2 ("Parcel 2 TI/LC Funds"). Each TI/LC Payment shall be deemed "Other Impositions" and "Funds" as defined in paragraph 2 of this Instrument. The TI/LC Payments will be placed in the Other Impositions Account, shall be held in accordance with the terms of paragraph 2 of this Instrument, and may be drawn on by Borrower for tenant improvement and/or leasing commission expenditures in connection with the Property, pursuant to the terms set forth below in subparagraph 33(b)(ii). Interest earned on the Funds on deposit in the Other Impositions Account shall be credited to the Other Impositions Account. At Lender's discretion, the TI/LC Payments may be increased to reflect any increase in the "Consumer Price Index" published by the Bureau of Labor Statistics of the U.S. Department of Labor, All Items, U.S. city average, all urban consumers (presently denominated "CPI-U"), or a successor or substitute index appropriately adjusted (the "CPI"). In the event Lender shall elect not to increase the TI/LC Payment for any given year by the CPI, Lender, at its sole discretion, may during any subsequent year elect to increase the TI/LC Payment by the aggregate amount of CPI increases which Lender otherwise was entitled to make during the previous years in which it did not elect to make such increases.

(ii) So long as Borrower (x) is not in default under any of the terms of the Note, this Instrument or any of the other Loan Documents, and (y) no situation exists which with the passage of time or the giving of notice or both would constitute a default under the Note, this Instrument or any of the other Loan Documents, Borrower, subject to the following provisions of this subparagraph (ii) and upon ten (10) days' prior written notice to Lender and Lender's loan servicer (which notice shall include a brief statement of the purpose for which the advance is to be used), shall be entitled to draw on the TI/LC Payments on deposit in the Other Impositions Account solely for the payment of tenant improvement and/or commissions incurred in connection with the leasing and/or releasing of any tenant space at the Property. Borrower may not make any drawing on the Other Impositions Account (1) for less than $500 and (2) without the prior consent of Lender. Lender reserves the right to require such information as Lender may reasonably require, and to withhold consent in the event that Lender deems it necessary to do so. Without limiting the foregoing, Lender may request, in connection with a request by Borrower for a drawing on the Other Impositions Account, that Borrower furnish written evidence reasonably satisfactory to Lender that the amount requested by Borrower is for work performed, services or materials furnished, and bills paid or payable with respect to such tenant improvements and/or commissions (including, but not limited to, contracts and invoices for work performed or materials supplied and mechanics' and materialmen' lien releases and waivers from such parties performing such work or supplying such materials). Lender also reserves the right to make any disbursement or portion thereof from the Other Impositions Account directly to the party performing such work or supplying such materials. Lender or Lender's servicing agent, as the case may be, shall be entitled to charge Borrower a reasonable processing fee for administering and reviewing Borrower's draw requests. In addition, Lender shall be reimbursed by Borrower for any costs incurred by Lender or Lender's servicing agent in inspecting the

Property in connection with Borrower's draw requests. Any such processing fees and inspection costs shall be deducted by Lender from the Funds on deposit or account or, at Lender's option, shall be paid to Lender by Borrower within ten (10) days of Lender's written demand.

(iii) Notwithstanding anything to the contrary contained herein, Borrower may only make drawings (a) for Mortgaged Parcel 1 from funds available in Parcel 1 TI/LC Funds; and (b) for Mortgaged Parcel 2, from funds available in Parcel 2 TI/LC Funds.

(iv) Each TI/LC Payment is pledged as additional security for the sums secured by this Instrument and any of the other Loan Documents. Borrower hereby grants to Lender a lien and security interest in each TI/LC Payment and the deposit or other accounts in which such payments are placed.

34. FORECLOSURE. Connecticut law requires judicial foreclosure.

35. ASSUMABILITY.

(a) So long as (i) Borrower is not in default under any of the terms of the Note, this Instrument or any other Loan Document, and (ii) no situation exists which with the passage of time or the giving of notice or both would constitute a default under the Note, this Instrument or any other Loan Document, in the event Borrower desires to transfer all of the Property to another party (the "Transferee") and have the Transferee assume all of Borrower's obligations under the Note, this instrument and all of the other Loan Documents (collectively, the "Transfer and Assumption"), Borrower, subject to the terms of this paragraph, may make a written application to Lender for Lender's consent to the Transfer and Assumption, subject to the conditions set forth in subparagraph (b) of this paragraph 35. Together with such written application (and afterwards if requested by Lender), Borrower will submit to Lender true, correct and complete copies of any and all information and documents of any kind requested by Lender concerning the Property, Transferee and/or Borrower, together with a review fee required by Lender in the amount of one thousand five hundred and 00/100 ($1,500.00) (the "Review Fee").

(b) Lender shall not unreasonably withhold its consent to a Transfer and Assumption provided and upon the condition that:

(i) Lender receives an opinion from counsel acceptable to Lender that
(x) such Transfer and Assumption shall not affect, in any way, the enforceability of the Loan Documents or the lien status, and
(y) that the Transferee complies in all respects with the provisions of paragraph 32(n) and paragraph 32(l) of this instrument and such other conditions concerning the organizational structure of the Transferee as were required by Lender at the time of the making of the Loan;

(ii) Borrower has submitted to Lender true, correct and complete copies of any and all information and documents of any kind requested by Lender concerning the Property, Transferee and/or Borrower;

(iii) the Transferee, in Lender's sole judgment, has sufficient experience in managing assets similar in size and type to the Property;

(iv) in Lender's sole judgment, the Transferee and the partners, members or shareholders of the Transferee are financially sound or have sufficient financial resources to manage the Property for the term of the Loan;

(v) the Loan has been placed, or Lender plans to place the Loan, in an offering of Securities (as defined in paragraph 37) and Lender receives written confirmation from the rating agencies that the Transfer and Assumption will not result in any downgrade, qualification or withdrawal of the ratings assigned to the pool and assets in which the Loan has been placed; and

(vi) Borrower has paid the Review Fee required by Lender.

(c) If Lender consents to the Transfer and Assumption, the Transferee and/or Borrower as the case may be, shall deliver the following to Lender:

(i) Borrower shall deliver to Lender an assumption fee in the amount of one percent (1%) of the then unpaid principal balance of the Loan;

(ii) Borrower and Transferee shall execute and deliver to Lender any and all documents required by Lender, in form and substance required by Lender, in Lender's sole discretion (the "Assumption Documents");

(iii) Borrower shall cause to be delivered to Lender, an endorsement to the mortgagee policy of title insurance then insuring the lien created by this instrument in form and substance acceptable to Lender, in Lender's sole discretion (the "Endorsement"); and

(iv) Borrower shall deliver to Lender a payment in the amount of all costs incurred by Lender in connection with the Transfer and Assumption, including but not limited to, Lender's attorneys fees and expenses, all recording fees for the Assumption Documents, and all fees payable to the title company for the delivery to Lender of the Endorsement.

(d) Notwithstanding anything contained in this paragraph to the contrary,
(x) under no circumstances may the Property and Loan be transferred and assumed by any party under the terms of this paragraph more than once during the entire term of the Loan and (y) except based on Lender's written agreement to the Transfer and Assumption and Borrower's and Transferee's compliance with all of the terms and provisions of this paragraph, the terms and provisions of this paragraph shall in no way amend or modify the terms and provisions contained in paragraph 19 of this instrument.

36. WAIVER OF JURY TRIAL. BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THE BORROWER MAY

HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE NOTE, THIS INSTRUMENT, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

BORROWER HEREBY ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS INSTRUMENT IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE LENDER OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

37. TRANSFER OF LOAN. Lender may, at any time, sell, transfer or assign the Note, this Instrument and the Loan Documents, or any part thereof, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"). Lender may forward to each purchaser, transferee, assignee, servicer, participant, investor in such Securities or any rating agency rating such Securities (singularly, an "Investor," and collectively, the "Investors") and each prospective Investor, all documents and information which Lender now has or may hereafter acquire relating to the Loan and to Borrower, any guarantor, any indemnitors and/or the Property, whether furnished by Borrower, any guarantor, any indemnitors or otherwise, as Lender determines necessary or desirable. Borrower shall furnish and Borrower consents to Lender furnishing to such Investors or such prospective Investors or rating agency any and all information concerning the Property, the leases, the financial condition of Borrower, any guarantor and any indemnitor as may be requested by Lender, any Investor or any prospective Investor or rating agency in connection with any sale, transfer or participation interest.

38. RELEASE OF INDIVIDUAL PROPERTY.

(a) So long as no default exists under any of the terms of the Note, this instrument or any other Loan Document, (ii) no situation exists which with the passage of time or the giving of notice or both would constitute a default under the Note, this Instrument or any other Loan Document, and (iii) Borrower complies with the provisions of this paragraph 38, commencing January 1, 2006, but not prior thereto, Borrower may make written application for Lender's consent to release one Individual Property from the lien of this Instrument (the "Release of Collateral").

(b) Lender shall consent to the Release of Collateral provided and upon the condition that:

(i) If the Loan has been placed, or if Lender plans to place the Loan, in an offering of Securities (as defined in paragraph 37), Lender receives written confirmation from the rating agencies that the Release of Collateral will

not result in any downgrade, qualification or withdrawal of the ratings assigned to the pool and assets in which the Loan has been placed;

(ii) The purchase and sale agreement, if any, for the acquisition of the Property contains a provision pursuant to which the purchaser agrees not to commence an involuntary bankruptcy proceeding against Borrower in connection with any claim under the purchase and sale agreement;

(iii) Borrower shall prepay the principal balance of the Note by an amount equal to 125% of the then outstanding principal balance remaining under the allocated loan amount ("Allocated Loan Amount") for the individual Property being released. As of the date hereof, for purposes of this paragraph 38(b), the Allocated Loan Amount for Mortgaged Parcel 1 is TEN MILLION AND 00/100 ($10,000,000.00) DOLLARS, and the allocated loan amount for Mortgaged Parcel 2 is TWO MILLION AND 00/100 ($2,000,000.00)
DOLLARS.

(iv) Borrower shall deliver to Lender a payment in the amount of the Yield Maintenance Premium due under the Note.

(v) If Borrower shall continue to own an Individual Property that will continue to be collateral for the Loan, Borrower shall not violate any single-purpose bankruptcy-remoteness criteria imposed by the rating agencies;

(vi) Borrower shall deliver to Lender a payment in the amount of all costs incurred by Lender in connection with the Release of Collateral, including but not limited to, Lender's reasonable attorneys' fees and expenses, all recording fees for the release documents; and

(vii) If Borrower shall continue to own an Individual Property encumbered by the Loan, Borrower shall execute such documents reasonably required by Lender confirming Borrower's continuing obligations under the Loan and documents executed in connection therewith.

(c) Lender shall execute and deliver such documents as are reasonably necessary and appropriate to effect the release of the affected Individual Property simultaneously with the payments by Borrower required under this paragraph 38, provided that all of the other conditions to such release set forth above have been satisfied.

39. FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option so long as this instrument secures indebtedness held by Lender, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this instrument when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this instrument exceed the original amount of the Note

(US $12,000,000) nor shall the maturity of Future Advances secured hereby extend beyond the time of repayment of the Note.

This instrument may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original.

Lender is specifically permitted, at its option and in its discretion, to make additional advances under this instrument as contemplated by Section 49- 2(c) of the Connecticut General Statutes.

NOW THEREFORE, if the Note secured hereby, and any modifications, extensions or renewals thereof, shall be well and truly paid according to its tenor, and if all agreements and provisions contained in such Note and herein and in the other Loan Documents are fully kept and performed, and all obligations are fully satisfied then this instrument shall become null and void; otherwise to remain in full force and effect.

IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

WITNESS:	BORROWER:
_____	TSI REALTY COMPANY
Name:_____	
	By:_____
_____	Print:_____
Name:_____	Title:_____

OMITTED EXHIBITS

Exhibit A: Property Description Exhibit B: Copy of Promissory Note

EXHIBIT 10.12

PROMISSORY NOTE

US$12,000,000 Stamford, Connecticut December 12, 1997

FOR VALUE RECEIVED, the undersigned promises to pay GMAC COMMERCIAL MORTGAGE CORPORATION, or order, the principal sum of TWELVE MILLION AND 00/100 Dollars, with interest on the unpaid principal balance from the date of this Note, until paid, at the rate of Seven and 60/100 (7.60%) percent per annum. The principal and interest shall be payable at 650 Dresher Road, Horsham, PA 19044, or such other place as the holder hereof may designate in writing, in consecutive monthly installments of ONE HUNDRED ELEVEN THOUSAND NINE HUNDRED TWENTY FOUR AND 50/100 Dollars (US$111,924.50) on the 1st day of each month beginning February, 1998, (herein "amortization commencement date"), until the entire indebtedness evidenced hereby is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on January 1, 2013 (the "Maturity Date").

If any installment under this Note is not paid when due, the entire principal amount outstanding hereunder and accrued interest thereon shall at once become due and payable, at the option of the holder hereof. The holder hereof may exercise this option to accelerate during any default by the undersigned regardless of any prior forbearance. In the event of any default in the payment of this Note or any other payment due under the Instrument or any other Loan Document (as such terms are hereinafter defined) and if the same is referred to an attorney at law for collection or any action at law or in equity is brought with respect hereto, the undersigned shall pay the holder hereof all expenses and costs, including, but not limited to, attorneys' fees.

If any installment under this Note is not received by the holder hereof within ten (10) calendar days after the installment is due, the undersigned shall pay to the holder hereof a late charge of the greater of (a) US$250.00 or
(b) five percent (5%) of such installment, such late charge to be immediately due and payable without demand by the holder hereof. If any installment under this Note or any other monetary payment due under this Note, the Instrument or any other Loan Document remains past due for ten (10) calendar days or more, the outstanding principal balance of this Note shall bear interest during the period in which the undersigned is in default at a rate of Twelve and 60/100 (12.60%) percent per annum, or if there shall exist any non-monetary default under this Note, the Instrument or any other Loan Document which remains uncured for the later of (i) ten (10) calendar days or (ii) the expiration of any applicable grace or cure period specifically provided in the Instrument, the outstanding principal balance of this Note shall bear interest during the period the undersigned is in default at the rate of Nine and 60/100 (9.60%) percent per annum, or, if such increased rate of interest may not be collected from the undersigned under applicable law, then at the maximum increased rate of interest, if any, which may be collected from the undersigned under applicable law.

From time to time, without affecting the obligation of the undersigned or the successors or assigns of the undersigned to pay the outstanding principal balance of this Note and observe the covenants of the undersigned contained herein, in the Instrument or in any other Loan Document without affecting the guaranty of any person, corporation, partnership or other entity for payment of the outstanding principal balance of this Note, without giving notice to or obtaining the consent of the undersigned, the successors or assigns of the undersigned or guarantors, and without liability on the part of the holder hereof, the holder hereof may, at the option of the holder hereof, extend the time for payment of said outstanding principal balance or any part thereof, reduce the payments thereon, release anyone liable on any of said outstanding principal balance, accept a renewal of this Note, modify the terms and time of payment of said outstanding principal balance, join in any extension or subordination agreement, release any security given herefor, take or release other or additional security, and agree in writing with the undersigned to modify the rate of interest or period of amortization of this Note or change the amount of the monthly installments payable hereunder.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors, and endorsers, and shall be binding upon them and their successors and assigns.

The Indebtedness evidenced by this Note is secured by, among other things, that certain Open End Mortgage Deed, Assignment of Rents and Security Agreement (the "Instrument"), executed by the undersigned, encumbering real property more particularly described therein (the "Property"), dated of even date herewith, and reference is made thereto for rights as to acceleration of the Indebtedness evidenced by this Note.

Prior to and through December 31, 2005, this Note may not be prepaid in whole or (except as hereinafter provided) in part. Commencing January 1, 2006 and continuing through and including June 30, 2012, this Note may only be prepaid (whether voluntarily or involuntarily, except as hereinafter provided, and including any acceleration by the holder hereof) in whole (but not in part) upon not less than forty five (45) days and not more than ninety (90) days prior written notice by the undersigned to the holder hereof and the simultaneous payment by the undersigned to the holder hereof of an amount (the "Yield Maintenance Premium") equal to the aggregate (without duplication) of:

(a) the product obtained by multiplying (1) the entire unpaid principal balance of this Note at the time of prepayment, times (2) the difference obtained by subtracting from the interest rate on this Note the yield rate (the "Yield Rate") on the 5.94% U.S. Treasury Security due November, 2012 (the "Specified U.S. Treasury Security"), as the Yield Rate is reported in the Wall Street Journal on the fifth Business Day (as hereinafter defined) preceding (x) the date notice of prepayment is given to holder hereof where prepayment is voluntary, or (y) the date holder hereof

accelerates the Loan (as hereinafter defined), times (3) the present value factor calculated using the following formula:

1-(1 + r)/-n/ r

r = Yield Rate
n = the number of years, and any fraction thereof, remaining between the prepayment date and the Maturity Date.

In the event that no Yield Rate is published for the Specified U.S. Treasury, then the nearest equivalent U.S. Treasury Security shall be selected at the holder hereof's sole discretion. If the publication of such Yield Rates in the Wall Street Journal is discontinued, the holder hereof shall determine such Yield Rates from another source selected by the holder hereof. As used herein, the term "Business Day" means any day other than a Saturday, a Sunday, or any other day on which the holder hereof is not open for business; and

(b) an amount equal to the interest which would have accrued on the amount of such prepayment during the remaining days of the full calendar month within which such prepayment is made.

In the event of a prepayment of this Note after June 30, 2012, Borrower shall pay, together with the amount of such prepayment, an amount equal to the interest which would have been accrued on the amount of such prepayment during the remaining days of the full calendar month within which such prepayment is made.

The undersigned shall pay the Yield Maintenance Premium whether the prepayment is voluntary or involuntary (in connection with holder hereof's acceleration of the unpaid principal balance of this Note) or the Instrument is satisfied or released by foreclosure (whether by power of sale or judicial proceeding), deed in lieu of foreclosure or by any other means. Notwithstanding any other provision herein to the contrary, the undersigned shall not be required to pay any Yield Maintenance Premium in connection with any prepayment occurring as a result of the application of Insurance proceeds or condemnation awards under the Instrument.

The Yield Maintenance Premium is not a penalty or additional interest, but is holder hereof's cost of liquidating its investments in the event of any prepayment of this Note. The undersigned hereby covenants and agrees to indemnify holder hereof and hold it harmless from any costs, fees, expenses (including reasonable attorney's fees) resulting from any action, litigation or judicial decision alleging, claiming or holding that the Yield Maintenance Premium is a penalty or additional interest, and from any damages (whether compensatory or punitive) ordered by a court, judge or administrative law judge which may determine that the Yield Maintenance Premium is a penalty or additional interest.

Notwithstanding anything herein contained to the contrary, any permitted prepayment of this Note may only be made by payment of the principal amount to be prepaid together with (i) the applicable Yield Maintenance Premium, (ii) all accrued and unpaid interest and (iii) any other sums due under this Note, the Instrument or any other Loan Document.

Subject to the qualifications below in this paragraph, the undersigned shall be liable for payment and performance of all of the obligations, covenants and agreements of the undersigned under this Note, the Instrument, the Assignment of Leases and Rents (herein so called), dated of even date herewith, and executed by the undersigned to the holder hereof, the Environmental Indemnity Agreement (herein so called), dated of even date herewith, and executed by the undersigned and the holder hereof, and all other instruments and documents evidencing, securing or governing the terms of the loan (the "Loan") evidenced by this Note (collectively, the "Loan Documents"), to the full extent (but only to the extent) of all of the Property and any other items, property or amounts which are collateral or security for the Loan. If a default occurs in the timely and proper payment of any portion of such indebtedness or in the timely performance of any obligations, agreements or covenants under any of the Loan Documents, except as set forth below in this paragraph, neither the undersigned, nor any partner of the undersigned, nor any partner, stockholder, director or officer of any partner of the undersigned, shall be personally liable for the repayment of any of the principal of, interest on, or prepayment fees or late charges, or other charges or fees, due in connection with, the Loan, the performance of any covenants of the undersigned under this Note, the Instrument or any of the other Loan Documents or for any deficiency judgment which the holder hereof may obtain after default by the undersigned. Notwithstanding the foregoing provisions of this paragraph or any other agreement, the undersigned shall be fully and personally liable for any and all:
(1) liabilities, costs, losses, damages, expenses or claims (including, without limitation, any reduction in the value of the Property or any other items, property or amounts which are collateral or security for the Loan) suffered or incurred by the holder hereof by reason of or in connection with (a) any fraud or misrepresentation by the undersigned in connection with the Loan, including but not limited to any misrepresentation of the undersigned contained in any Loan Document, (b) any failure to pay taxes, insurance premiums (except to the extent that such taxes and insurance premiums are then held by the holder hereof), assessments, charges for labor or materials or other charges that can create liens on any portion of the Property, (c) any misapplication of (i) proceeds of insurance covering any portion of the Property, or (ii) proceeds of the sale or condemnation of any portion of the Property, (d) any rentals, income, profits, issues and products received by or on behalf of the undersigned subsequent to the date on which the holder hereof gives written notice that a default has occurred under the Loan and not applied to the payment of principal or interest due under this Note or the payment of operating expenses (excluding any operator's, manager's, or developer's fee payable to the undersigned or any affiliate of the undersigned) of the Property, (e) any failure to maintain, repair or restore the Property in accordance with any Loan Document, to the extent not covered by insurance proceeds made available to the holder hereof,
(f) any failure by the undersigned to deliver to the holder hereof all unearned advance rentals and security deposits paid by tenants of the Property received by or on behalf of the undersigned, and not refunded to or forfeited by such tenants, (g) any failure by the undersigned to return to, or reimburse the holder hereof for, all personalty taken from the Property by or on behalf of the undersigned, except in accordance with the provisions of the Instrument, and (h) any and all

indemnities given by the undersigned to the holder hereof set forth in the Environmental Indemnity Agreement or any other Loan Document in connection with any environmental matter relating to the Property; and (2) court costs and all attorneys' fees provided for in any Loan Document. Furthermore, no limitation of liability or recourse provided above in this paragraph shall (x) apply to the extent that the holder hereof's rights of recourse to the Property are suspended, reduced or impaired by or as a result of any act, omission or misrepresentation of the undersigned or any other party now or hereafter liable for any part of the Loan and accrued interest thereon, or by or as a result of any case, action, suit or proceeding to which the undersigned or any such other party, voluntarily becomes a party; or (y) constitute a waiver, forfeiture, abrogation or limitation of or on any right accorded by any law establishing a debtor relief proceeding, including, but not limited to, Title 11, U.S. Code, which right provides for the assertion in such debtor relief proceeding of a deficiency arising by reason of the insufficiency of collateral notwithstanding an agreement of the holder hereof not to assert such deficiency.

This Note shall be governed by and construed in accordance with the law of the state in which the Property is located, and applicable federal law. The parties hereto intend to conform strictly to the applicable usury laws. In no event, whether by reason of demand for payment, prepayment, acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged or received by the holder hereof hereunder or otherwise exceed the maximum amount permissible under applicable law. If from any circumstances whatsoever interest would otherwise be payable to the holder hereof in excess of the maximum lawful amount, the interest payable to the holder hereof shall be reduced automatically to the maximum amount permitted by applicable law. If the holder hereof shall ever receive anything of value deemed interest under applicable law which would apart from this provision be in excess of the maximum lawful amount, an amount equal to any amount which would have been excessive interest shall be applied to the reduction of the principal amount owing hereunder in the inverse order of its maturity and not to the payment of interest, or if such amount which would have been excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the undersigned. All interest paid or agreed to be paid to the holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the maximum permitted by applicable law. The provisions of this paragraph shall control all existing and future agreements between the undersigned and the holder hereof.

THE UNDERSIGNED HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THE UNDERSIGNED MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, THE INSTRUMENT, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

THE UNDERSIGNED HEREBY ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE HOLDER OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

The holder hereof shall have the right to assign, in whole or in part, this Note, the Instrument and any other Loan Document and all of its rights hereunder and thereunder, and all of the provisions herein and therein shall continue to apply to the Loan. The holder hereof shall have the right to participate the Loan with other parties.

Interest on the principal sum of this Note shall be calculated on the basis of the actual number of days elapsed over a year consisting of 360 days. Interest on this Note shall be paid in arrears.

The undersigned shall pay the holder hereof, in advance, on the date hereof, interest only on the outstanding principal balance of this Note, at the interest rate first mentioned above, from the date hereof through and including the last day of the calendar month in which this Note is executed.

Executed as of the date set forth above.

TSI REALTY COMPANY,
a Delaware corporation

By:_____(SEAL)

Title:_____

EXHIBIT 10.13

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT (the "Agreement") is entered into as of December 12, 1997, by and among TSI REALTY COMPANY, a Delaware corporation (the "Borrower"), whose mailing address is 1241 East Main Street, Stamford, CT 06902, TITAN SPORTS, INC. ("Principal"), whose mailing address is 1241 East Main Street, Stamford, CT 06902 (the Borrower and Principal are hereinafter collectively referred to as the "Indemnitors"), for the benefit of GMAC COMMERCIAL MORTGAGE CORPORATION (the "Lender"), whose mailing address is 650 Dresher Road, Horsham, PA 19044:

Recitals

WHEREAS, Borrower has requested that Lender loan $12,000,000 (the "Loan") to Borrower as evidenced by a promissory note (the "Note"), dated as of even date herewith, in the original principal sum of $12,000,000 which Loan and Note will, among other things, be secured by that certain open end mortgage deed, assignment of rents and security agreement (the "Instrument"), dated as of even date herewith, executed by Borrower for the benefit of Lender and encumbering the Property (as hereinafter defined); and

WHEREAS, Principal owns a direct or indirect interest in Borrower and Principal will receive a direct or indirect benefit from the making of the Loan by Lender to Borrower; and

WHEREAS, Lender would not make the Loan to Borrower unless Indemnitors executed and delivered this Agreement to Lender.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, indemnitors and Lender hereby agree as follows:

1. Definitions. As used in this Agreement:

(i) "Property" shall collectively mean all or any portion of the real property located in the City of Stamford, Fairfield County, Connecticut, more particularly described in Exhibit A attached to this Agreement and incorporated herein by reference for all purposes, together with all improvements and fixtures located thereon, all property used in or connected with the operation of the business located thereon, and the soil, ground water, surface water and air located at such real property; (ii) "Environmental Laws" shall mean and include any federal, state or local statute, law, rule, regulation, ordinance, code, policy, rule of common law, judicial order, administrative order, consent decree, or judgment now or hereafter in effect, in each case, as has been amended from time to time, relating to the environment, health or safety, including the National Environmental Policy Act (42 U.S.C. (S)4321 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. (S)9601 et seq.), as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act (42 U.S.C. (S)6901 et seq.), as amended by the Hazardous and Solid Waste Amendments of 1984, the Hazardous Materials Transportation Act (49 U.S.C. (S)1801 et seq.), the

Toxic Substances Control Act (15 U.S.C. (S)2601 et seq.), the Clean Water Act (33 U.S.C. (S)1321 et seq.), the Clean Air Act (42 U.S.C. (S) 7401 et seq.), the Occupational Safety and Health Act (29 U.S.C. (S)651 et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S)1251 et seq.), the Safe Drinking Water Act (42 U.S.C. (S)3808 et seq.), and any similar federal, state or local laws, ordinances or regulations implementing such laws; (iii) "Governmental Entity" shall mean and include the State of Connecticut, County of Fairfield, City of Stamford, the United States Environmental Protection Agency, the United States Department of Labor, the United States Department of Transportation, any successors thereto, or any other federal, state or local governmental agency now or hereafter regulating substances and materials in the environment located at or adjacent to the Property; (iv) "Hazardous Materials" shall mean and include
(a) any solid, gaseous or liquid wastes (including hazardous wastes), hazardous air pollutants, hazardous substances, hazardous materials, regulated substances, restricted hazardous wastes, hazardous chemical substances, mixtures, toxic substances, pollutants or contaminants or terms of similar import, as such terms are defined in any Environmental Law and as such definition may change from time to time, (b) any substance or material which now or in the future is known to constitute a threat to health, safety, property or the environment or which has been or is in the future determined by any Governmental Entity to be capable of posing a risk of injury to health, safety, property or the environment or exposure to which is prohibited, limited or regulated by any Environmental Law or Governmental Entity, including all of those materials, wastes and substances designated now or in the future as hazardous or toxic by any Governmental Entity, and (c) any petroleum or petroleum products or by-products, radioactive materials, asbestos, whether friable or non-friable, urea formaldehyde foam insulation, polychlorinated biphenyls, or radon gas; and (v) "including" shall be deemed to mean "including, without limitation".

2. Indemnitors' Representations and Warranties. As of the date hereof Indemnitors hereby represent and warrant, each as to itself, that: (a) there are no Hazardous Materials located in, on, under, upon or affecting the Property or, to the knowledge of Indemnitors, any of the real property or water bodies adjacent to the Property; (b) no notice has been received by or on behalf of any of the Indemnitors from, and Indemnitors have no knowledge that notice has been given to any party in the Property's chain of title or to the Borrower by, any Governmental Entity or any person or entity claiming any violation of, or requiring compliance with, any Environmental Laws or demanding payment or contribution for any environmental damage in, on, under, upon or affecting the Property; (c) no investigation, administrative order, consent order or agreement, litigation, or settlement with respect to Hazardous Materials located in, on, under, upon or affecting the Property is pending, or, to the knowledge of any of the Indemnitors, proposed, threatened or anticipated; (d) Indemnitors have delivered to Lender, not less than thirty (30) days prior to the date hereof, true, correct and complete copies of all environmental reports, surveys, audits and/or studies, concerning the Property in their possession; (e) to Indemnitors' knowledge, no property adjoining the Property is being used, or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Materials; (f) the execution, delivery and performance by the Indemnitors of this Agreement does not and will not contravene any (i) law or governmental rule, regulation or order which is applicable to the Indemnitors, and no authorization approval or other action by, and no notice to or filing with, any Governmental Entity is required for the due execution, delivery and performance by either of the Indemnitors of this Agreement, or (ii) contractual restriction which is binding upon or which

affects either of the Indemnitors, and does not and will not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any properties of either of the Indemnitors;
(g) the Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to do business in each jurisdiction where the conduct of its business requires such qualification and has full corporate or partnership power and authority to enter into and perform its obligations under this Agreement; and (h) this Agreement is a legal, valid and binding obligation of each of the Indemnitors, enforceable against each of the Indemnitors in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws affecting generally the enforcement of creditors' rights and to general principles of equity.

3. Covenants. Indemnitors covenant and agree that Borrower shall not (a) cause, permit or exacerbate the presence, use, generation, manufacture, production, processing, installation, release, discharge, storage (including above- and under-ground storage tanks for petroleum or petroleum products, but excluding small containers of gasoline and oil used for maintenance equipment or similar purposes), treatment, handling, or disposal of any Hazardous Materials on, under, in or about the Property, or in any way affecting the Property or which may form the basis for any present or future claim, demand or action seeking cleanup or remediation of the Property, or the transportation of any Hazardous Materials to or from the Property; or (b) cause, permit or exacerbate any occurrence or condition on the Property that is or may be in violation of any Environmental Law. Indemnitors shall take all appropriate steps to secure compliance by all tenants and subtenants on the Property with Indemnitors' covenants and agreements in this paragraph 3. Indemnitors shall at all times comply fully and in a timely manner with, and shall cause all employees, agents, contractors, and subcontractors of Borrower and any other persons occupying or present on the Property to so comply with (x) any program of operations and maintenance (O&M) relating to the Property that is required by Lender with respect to one or more Hazardous Materials and (y) all applicable Environmental Laws, and shall keep the Property free and clear of any liens imposed pursuant to such Environmental Laws. Borrower shall promptly notify Lender in writing of
(i) any enforcement, cleanup, remediation, removal or other governmental or regulatory action, investigation, or any other proceeding instituted, completed or threatened in connection with any Hazardous Materials in, on, under or affecting the Property; (iii) any suit, cause of action, or any other claim made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; and (iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause all or any portion of the Property to be subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Environmental Law, and immediately deliver a copy of such notice or advice to Lender. Following such notice or advice, Borrower shall conduct and complete all investigations, studies, sampling, testing, and all remedial actions necessary to clean up, remediate and remove all Hazardous Materials from the Property in accordance with all applicable Environmental Laws. The provisions of this paragraph 3 shall be in addition to any and all obligations and liabilities that Borrower may have under applicable law.

4. Indemnification. Indemnitors shall, jointly and severally, protect, defend (by counsel selected by Lender and reasonably acceptable to Indemnitors), indemnify and hold harmless Lender and Lender's officers, directors, partners, shareholders, employees, affiliates, agents, attorneys, lessees, successors and assigns and any successors to Lender's interest in the Loan or the Property, their officers, directors, partners, shareholders, employees, affiliates, agents, attorneys, lessees, successors and assigns (collectively, the "Indemnitees") from and against all liabilities (including sums paid in settlement of claims), losses (including lost profits and diminution in the value of the Loan or the Property), costs, obligations, demands, suits, liens, damages (including consequential and punitive damages), fines (including any sums ordered to be paid or expended by Indemnitees by any Governmental Entity as a fine, penalty or damages for any violation of any Environmental Law or to remediate, clean-up or remove any Hazardous Materials), assessments, penalties, forfeitures, actions, defenses, administrative proceedings (including informal proceedings), judgments, orders, equitable relief, expenses (including experts' and consultants' fees and costs), attorneys' fees and expenses (including any fees and expenses incurred in enforcing or interpreting this Agreement), and claims (including third party claims for personal injury or real or personal property damage) of any kind or nature whatsoever (whether foreseeable or unforeseeable, contingent or noncontingent, or arising out of contracts entered into or indemnifications provided by Indemnitees or otherwise) (collectively, the "Liabilities") sought from or asserted against Indemnitees in connection with, in whole or in part, directly or indirectly, (a) the breach of any representation, covenant or agreement of either of the Indemnitors contained in this Agreement, and/or (b) the presence, suspected presence, release, suspected release, or threat of release of any Hazardous Materials in, on, under, from or affecting (1) the Property and/or (2) any real property adjacent to or in the vicinity of the Property to which Hazardous Materials have (x) spread from the Property or (y) been released in, on or under as a result of or in connection with the operations of the Property. Such Liabilities shall include: (i) injury or death to any person, (ii) damage to or loss of use of the Property or any other property or ground water, waterway or body of water adjacent to the Property; (iii) the cost of removal, clean-up or remedial action of any and all Hazardous Materials from the Property or surrounding area including any ground water, waterway or body of water and the preparation of any closure or other activity required by any Governmental Entity; (iv) the cost required to take necessary precautions to protect against the release of any Hazardous Materials in, on or under the Property, the air, any ground water, waterway or body of water, any public domain or any surrounding areas to the Property; (v) the cost of any demolition and rebuilding or repair of improvements on the Property or in any surrounding areas to the property; (vi) any lawsuit brought or threatened, settlement reached, or governmental order relating to the presence, suspected presence, disposal, release or threatened release of any Hazardous Materials in, on, under, from or affecting the Property or in any surrounding areas to the Property; and (vii) the imposition of any lien on or against the Property or in any surrounding areas to the Property arising from the presence, disposal, release or threatened release of any Hazardous Materials in, on, under, from or affecting the Property.

5. Bankruptcy Indemnity.

(a) Principal agrees that it is not and will not be constituted as a "creditor" of Borrower, as follows: (i) Principal, as to itself only, represents and warrants that Principal is not

a creditor of Borrower, has not advanced any loans or incurred any liability or contingent liability with respect to which there is or could arise any obligation of Borrower to repay Principal for money borrowed or indebtedness owed; (ii) Principal agrees that any advances made by it to Borrower shall be advanced as contributions of capital and not as loans, and any obligations or contingent obligations undertaken by Principal for the benefit of a Borrower shall, in the event of payment by Principal with respect thereto, be accounted for as between Principal and Borrower as a contribution of capital so that Principal will have no right of subrogation, reimbursement or repayment with respect thereto; and (iii) Principal covenants and agrees that any claims by Principal against Borrower, or any adjustments as between Principal and Borrower; in its right to receive payment or any other value from Borrower, resulting in either case from the advance of funds by Principal to Borrower or from any claim of Principal by reason of a payment made or liability discharged for the benefit of Borrower, will, if and as separately arranged by the relevant parties, be provided for (x) by changes in the respective ownership rights or rights to receive partnership distributions or corporate dividends in respect of capital of the partners or shareholders of Borrower or (y) by payments between or other contributions or exchanges among the partners or shareholders of Borrower, but (z) will not be provided by creation or recognition of any right to receive repayment or reimbursement from Borrower in respect of indebtedness or credit advanced.

(b) Principal hereby irrevocably waives any right of subrogation, reimbursement or any other right or claim as a creditor for payment by Borrower or from any of the Property or reimbursement from Borrower with respect to the amount of any payment by Principal to any of the Indemnitees in respect of this Agreement. This waiver shall survive the repayment of the Loan, as it is the intention and the purpose of the Lender and Principal that Principal shall not have, by reason of any payment in respect of the Loan or this Agreement, any claim or interest as a creditor against Borrower.

6. No Limitation. The liability of Indemnitors under this Agreement shall in no way be limited or impaired by, and Indemnitors hereby consent to and agree to be bound by, any amendment or modification of the provisions of the Note, the Instrument or any other Loan Document (as defined in the Instrument). In addition, the liability of Indemnitors under this Agreement shall in no way be limited or impaired by (i) any extensions of time for performance required by the Note, the Instrument or any other Loan Document, (ii) any sale or transfer of all or part of the Property by operation of law or otherwise; provided, however, that in the event of a transfer and assumption approved by Lender in accordance with paragraph 38 of the Instrument, the Indemnitors shall be liable only for acts or omissions of any Indemnitor occurring prior to such transfer and assumption approved by Lender, (iii) any exculpatory provision in the Note, the Instrument or any other Loan Document limiting Lender's recourse to property encumbered by the Instrument or to any other security, or limiting Lender's rights to a deficiency judgment against Borrower, (iv) the release of Borrower or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Note, the Instrument or any other Loan Document by operation of law, Lender's voluntary act, or otherwise or
(v) the release or substitution in whole or in part of any security for the Note.

7. Independent Remedies. Lender may enforce the obligations of Indemnitors without first resorting to or exhausting any security or collateral or without first having recourse to the Note, the Instrument or any other Loan Document or any of the Property, through foreclosure proceedings or otherwise, provided, however, that nothing herein shall inhibit or prevent Lender from simultaneously or otherwise exercising any of its rights and remedies under the Note, the Instrument or any other Loan Document.

8. Payment. Any amounts payable to Lender under this Agreement shall become immediately due and payable and, if not paid within ten (10) days of written demand therefor, shall bear interest at the monetary default interest rate provided for in the Note from the date of such demand.

9. Borrower's Cooperation. Borrower shall cooperate with Lender, and provide access to Lender, any representative of Lender (including a receiver) and any professionals engaged by Lender, upon Lender's request, to conduct environmental assessments, audits, investigations, testing, sampling, analysis and similar procedures on the Property, including any phase I or phase II environmental audit of the Property, which phase II environmental audit will not unreasonably disturb the Borrower's use of the Property. The right of Lender to take samples from the Property shall include taking samples of soil, ground water or other water, air, or building materials. Borrower shall also promptly provide true, correct and complete copies of any and all environmental reports and/or test results concerning the Property obtained by Borrower from and after the date hereof.

10. Assignment. This Agreement shall bind and inure to the benefit of the parties and their respective heirs, executors, successors and assigns. Lender and any successor to Lender's interest in the Loan or the Property may assign all or any part of its rights or remedies under this Agreement to any party or parties (without limitation) who acquires an interest in the Loan or the Property; provided, however, the indemnification granted to Lender and each successive assignee shall continue to exist for the benefit of such party notwithstanding any such assignment of this Agreement by such party. Indemnitors may not assign any of their rights or obligations under this Agreement.

11. Survival. The representations, warranties, covenants, indemnities, and other obligations and liabilities of Indemnitors under this Agreement shall survive the repayment of the Loan, any sale or transfer of the Property, or any entry of a judgment of foreclosure, foreclosure sale of the Property (whether by judicial or non-judicial process) or the delivery or acceptance of a deed in lieu of foreclosure concerning the Property.

12. Construction. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located without giving effect to principles of conflict of law. Nothing contained in this Agreement shall constitute a waiver of any of Indemnitees' rights or remedies at law or in equity. If any provision of this Agreement or the application thereof to any party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to parties or circumstances

other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision shall be valid and be enforced to the fullest extent permitted by law.

13. Jurisdiction. Indemnitors covenant and agree (i) that in any action or proceeding brought by any Indemnitee against any Indemnitor under this Agreement, the state district court located in the county wherein the Property is located, or, in a case involving diversity of citizenship, the United States District Court for the Federal District in which the Property is located, shall have jurisdiction over any such action or proceeding; and (ii) that service of any summons and complaint or other process in any such action or proceeding may be made by registered or certified mail directed to Indemnitors to their addresses set forth above, Indemnitors hereby waiving personal service thereof.

14. No Third Party Beneficiary. The terms of this Agreement are for the sole and exclusive protection and use of the Lender and its successors and assigns as permitted under paragraph 10 above. No party shall be a third-party beneficiary hereunder, and no provision hereof shall operate or inure to the use and benefit of any such third party. It is agreed that those persons and entities included in the definition of the Lender are not such excluded third party beneficiaries.

15. WAIVER OF JURY TRIAL. INDEMNITORS HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS AGREEMENT, THE NOTE, THE INSTRUMENT, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

INDEMNITORS HEREBY ACKNOWLEDGE THAT THE TRANSACTION OF WHICH THIS AGREEMENT IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVE THEIR RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE LENDER OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original.

IN WITNESS WHEREOF, Indemnitors have executed this Agreement as of the date first written above.

INDEMNITORS:

TSI REALTY COMPANY

By:_____

TITAN SPORTS, INC.

By:_____

Douglas G. Sages
Executive Vice President - Finance
Chief Financial Officer

EXHIBIT 10.14

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT (herein so called), made as of this 12 day of December, 1997, by TSI REALTY COMPANY, a Delaware corporation (the "Assignor"), whose mailing address is 1241 East Main Street, Stamford, CT 06902 to GMAC COMMERCIAL MORTGAGE CORPORATION (the "Assignee"), whose mailing address is 650 Dresher Road, Horsham, PA 19044;

Recitals:

The following recitals are true and correct:

A. Assignor has executed and delivered to Assignee a Promissory Note (hereinafter, together with all amendments thereto and modifications thereof, called the "Note") of even date herewith in the principal sum of $12,000,000, and as security for the Note Assignor has executed and delivered in favor of Assignee an Open End Mortgage Deed, Assignment of Rents and Security Agreement (hereinafter, together with all amendments thereto and modifications thereof, called the "Instrument") of even date herewith covering certain real estate located in City of Stamford, Fairfield County, Connecticut, and more particularly described in Exhibit A which is attached hereto and incorporated herein by reference, together with all buildings, improvements and other property more particularly described in the Instrument, and all fixtures, furnishings, machinery, equipment and other tangible property owned by Assignor and located on or used in connection with such real property (all of which real and personal properties are herein called the "Property"). The Note, this Assignment, the Instrument, the Environmental Indemnity Agreement (herein so called), dated of even date herewith, executed by Assignor and Assignee, and any other agreement or instrument now or hereafter evidencing, governing or securing the loan (the "Loan") evidenced by the Note are hereinafter collectively called "Loan Documents" and singularly called a "Loan Document".

B. In connection with the execution and delivery of the Note, Assignee has required that Assignor absolutely assign to Assignee all of Assignor's right, title and interest in, to and under any and all leases (hereinafter collectively referred to as the "Leases" and singularly as a "Lease") now or hereafter in existence (as amended or supplemented from time to time) and covering space in or applicable to the Property, including, but not limited to those leases set forth on Schedule "1" attached hereto and made part hereof, and Assignor desires and intends by this

instrument to absolutely assign to Assignee all of Assignor's right, title and interest in, to and under the Leases.

THEREFORE, Assignor agrees as follows:

1. Assignor does hereby absolutely and unconditionally grant, transfer, bargain, sell, assign, convey, and set over unto Assignee, its successors and assigns, all of the right, title and interest of Assignor in, to and under the Leases, together with all rents, earnings, income, profits, benefits and advantages arising from the Property and from said Leases and all other sums due or to become due under and pursuant thereto, and together with any and all guarantees of or under any of said Leases, and together with all rights, powers, privileges, options and other benefits of Assignor as lessor under the Leases, including, without limitation, the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, condemnation awards, insurance proceeds, moneys and security payable or receivable under the Leases or pursuant to any of the provisions thereof, whether as rent or otherwise, the right to accept or reject any offer made by any tenant pursuant to its Lease to purchase the Property and any other property subject to the Lease as therein provided and to perform all other necessary or appropriate acts with respect to such Leases as agent and attorney-in-fact for Assignor, and the right to make all waivers and agreements, to give and receive all notices, consents and releases, to take such action upon the happening of a default under any Lease, including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of any Lease or by any law, and to do any and all other things whatsoever which the Assignor is or may become entitled to do under any such Lease. It is intended by Assignor that this Assignment constitute a present, absolute assignment of the Leases, and not an assignment for additional security only. Notwithstanding the provisions of this paragraph 1, so long as no default shall exist under the Note or any of the Loan Documents and no event shall have occurred which by the lapse of time or the giving of notice, or both, has or would become an event of default thereunder, Assignor shall have the revocable right and revocable license to occupy the Property as landlord or otherwise and to collect, use and enjoy the rents, issues and profits and other sums payable under and by virtue of any Lease (but only as the same become due under the provisions of such Lease) and to enforce the covenants of the Leases, provided that any amounts collected by Assignor shall be held by Assignor in trust for the benefit of Assignee for use in the payment of all sums due on the Loan.

2. This Assignment is made and given and shall remain in full force and effect until: (a) the payment in full of all principal, interest and other sums due under the Note; and (b) the performance and observance by Assignor of all of the terms, covenants and conditions to be performed or observed under the other Note and the other Loan Documents.

3. Assignor represents, warrants, covenants and agrees: (a) that Assignor has good right and authority to make this Assignment, and Assignor holds the entire and unencumbered rights of the landlord under each of the Leases; (b) that neither Assignor nor any predecessor lessor has heretofore alienated, assigned, pledged or otherwise disposed of or encumbered the Leases, which remains effective as of the date hereof, or any of the sums due or to become due thereunder, and that neither Assignor nor any predecessor lessor has performed any acts or

executed any other Instruments which might prevent Assignee from operating under any of the terms and conditions of this Assignment or which would limit Assignee in such operation; (c) that Assignor has not accepted or collected rent or any other payments under any Lease, other than required security deposits, for any period subsequent to the current period for which such rent or other payment has already become due and payable; (d) that Assignor has not executed or granted any amendment or modification whatever of any of the Leases, either orally or in writing, which deviate from the Lease terms shown in the rent roll (the "Rent Roll") delivered by Assignor to Assignee in connection with the execution of the Note; (e) except as reflected in Schedule "1" that there is no default under any of the Leases now existing and no event has occurred and is continuing which, with the lapse of time or the giving of notice or both, would constitute an event of default under any of the Leases; (f) that Assignor will observe, perform and discharge, duly and punctually, all and singular the obligations, terms, covenants, conditions and warranties of the Note, the Instrument, this Assignment or any other Loan Document and any Lease, on the part of Assignor to be kept, observed and performed; (g) to enforce the performance of each and every obligation, term, covenant, condition and agreement in said Leases by any tenant to be performed; (h) to appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with said Leases, or the obligations, duties or liabilities of Assignor or any tenant thereunder, and upon request by Assignee to do so in the name and on behalf of Assignee, but at the expense of Assignor; (i) that Assignor will, upon the request of Assignee, execute and deliver to Assignee such further instruments and do and perform such other acts and things as Assignee may deem reasonably necessary or appropriate to make effective this Assignment and the various covenants of Assignor herein contained, and to more effectively vest in and secure to Assignee the sums due or hereafter to become due under the Leases, including, without limitation, the execution of such additional assignments as shall be deemed necessary by Assignee effectively to vest in and secure to Assignee all rents, income and profits from any and all Leases; (j) that Assignor will from time to time, deliver to Assignee a true, correct and complete copy of each and every Lease then affecting all or any portion of the Property; and (k) that in the event any warranty or representation of Assignor herein shall be false, misleading or materially inaccurate, or Assignor shall default in the observance or performance of any obligation, term, covenant or condition hereof, then, in each instance at the option of Assignee, the same shall constitute and be deemed to be a default hereunder, under the Note and under the Instrument, thereby giving Assignee the absolute right to declare all sums secured thereby and hereby immediately due and payable and to exercise any and all rights and remedies provided thereunder and hereunder as well as such remedies as may be available at law or in equity.

4. Assignor covenants and agrees that it will not, without in each instance the prior written consent of Assignee (a) enter into any new Lease except for an "Exempt Lease" as defined in paragraph 16 of the Instrument; (b)
[or except as set forth in the leases of guidelines attached hereto as Schedule "2" and made party hereof] cancel any Lease nor accept a surrender thereof except for an "Exempt Lease" as defined in paragraph 16 of the Instrument; (c) reduce the rent payable under any Lease nor accept payment of any installment of rent in advance of the due date thereof except for an "Exempt Lease" as defined in paragraph 16 of the Instrument; (d) change, amend, altar or modify any Lease or any of the terms or provisions thereof, nor grant any concession in connection therewith except for an "Exempt Lease" as defined in paragraph 16

of the Instrument; (e) consent to the release or reduction of the obligations of the tenant under any Lease except for an "Exempt Lease" as defined in paragraph 16 of the Instrument; (f) assign, pledge, encumber or otherwise transfer any Lease or Assignor's rights thereunder; (g) consent to an assignment of tenant's interest under any Lease or to a subletting thereof, except to the extent any such assignment or subletting is specifically authorized by such Lease; or (h) incur any indebtedness to the tenant or guarantor of any Lease, for borrowed money or otherwise, which may under any circumstances be availed of as an offset against the rent or other payments due thereunder; and any of the above acts, if done without the consent of Assignee, shall be, at the option of Assignee, null and void and shall constitute a default hereunder.

5. Assignor hereby consents to and irrevocably authorizes and directs the tenants under the Leases and any successor to the interest of any of said tenants, upon demand and notice from Assignee of Assignee's right to receive the rent and other amounts due under such Leases, to pay to Assignee the rents and other amounts due or to become due under the Leases, and said tenants shall have the right to rely upon such demand and notice from Assignee and shall pay such rents and other amounts to Assignee without any obligation or right to determine the actual existence of any default or event claimed by Assignee as the basis for Assignee's right to receive such rents and other amounts and notwithstanding any notices from or claim of Assignor to the contrary, and Assignor shall have no right to claim against said tenants for any such rents and other amounts so paid by said tenants to Assignee.

6. Upon the occurrence of a default under the Note or any of the other Loan Documents, the right and license granted to Assignor in paragraph 1 above shall be automatically revoked and Assignee, at its option, shall have the complete right, power and authority (a) without taking possession, to demand, collect and receive and sue for the rents and other sums payable under the Leases and, after deducting all reasonable costs and expenses of collection (including, without limitation, attorneys' fees) as determined by Assignee, apply the net proceeds thereof to the payment of any indebtedness secured hereby; (b) to declare all sums secured hereby immediately due and payable, and, at its option, exercise any or all of the rights and remedies contained in the Note and in the Loan Documents; and (c) without regard to the adequacy of the security, with or without process of law, personally or by agent or attorney, or by a receiver to be appointed by court, then and thereafter to enter upon, take and maintain possession of and operate the Property, or any part thereof, together with all documents, books, records, papers, and accounts relating thereto and exclude Assignor and its agents and servants therefrom, and hold, operate, manage and control the Property, or any part thereof, as fully and to the same extent as Assignor could do if in possession and in such event, without limitation and at the expense of Assignor, from time to time cause to be made all necessary or proper repairs, renewals, replacements, useful alterations, additions, betterments and improvements to the Property, or any part thereof, as Assignee deems judicious, and pay taxes, assessments and prior or proper charges on the Property, or any part thereof, and insure and reinsure the same, and lease the Property, or any part thereof, for such terms and on such terms as Assignee deems desirable, including leases for terms expiring beyond the maturity of the indebtedness secured by the Loan Documents and cancel any Lease or sublease thereof for any cause or on any ground which would entitle Assignor to cancel the same.

7. After payment of all proper charges and expenses, including the just and reasonable compensation for the services of Assignee, its attorneys, agents, clerks, servants and others employed by Assignee in connection with the operation, management and control of the Property and the conduct of the business thereof, and such further sums as may be sufficient to indemnify Assignee from and against any liability, loss or damage on account of any matter or thing done in good faith in pursuance of the rights and powers of Assignee hereunder, Assignee may, at its option, credit the net amount of income which Assignee may receive by virtue of this Assignment and from the Property to any and all amounts due or owing to Assignee from Assignor under the terms and provisions of the Note and the Loan Documents. The balance of such net income shall be released to or upon the order of Assignor. The manner of the application of such net income and the item or items which shall be credited shall be within the sole discretion of Assignee.

8. The acceptance by Assignee of this Assignment, with all of the rights, powers, privileges and authority so created, shall neither be deemed or construed to constitute Assignee a mortgagee in possession nor at any time or in any event to impose any obligation whatsoever upon Assignee to appear in or defend any action or proceeding relating to the Leases or the Property, or to take any action hereunder, or to expend any money or incur any expenses, or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Assignor by any tenant and not assigned and delivered to Assignee, or render Assignee liable in any way for any injury or damage to person or property sustained by any person or entity in, on, or about the Property.

9. Assignor agrees that the collection of rents and the application thereof as aforesaid or the entry upon and taking of possession of the Property, or any part thereof, by Assignee shall not cure or waive any default, or waive, modify or affect any notice of default under the Note or the Loan Documents, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

10. The rights and remedies of Assignee hereunder are cumulative and not in lieu of, but are in addition to, any rights or remedies which Assignee shall have under the Note, any of the Loan Documents, or at law or in equity, which rights and remedies may be exercised by Assignee either prior to, simultaneously with, or subsequent to, any action taken hereunder. The rights and remedies of Assignee may be exercised from time to time and as often as such exercise is deemed expedient, and the failure of Assignee to avail itself of any of the terms, provisions and conditions of this Assignment for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof.

11. The right of Assignee to collect and receive the rents assigned hereunder or to take possession of the Property, or to exercise any of the rights or powers herein granted to Assignee shall, to the extent not prohibited by law, also extend to the period from and after the

filing of any suit to foreclose the lien created under any of the Loan Documents which cover the Property, including any period allowed by law for the redemption of the Property after any foreclosure sale.

12. Assignor agrees to indemnify, defend and hold Assignee harmless of, from and against any and all liability, loss, damage or expense, which Assignee may or might incur under or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on the part of Assignee to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Assignee incur any such liability, loss or damage under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the same rate of interest as provided in the Note with respect to the principal indebtedness of Assignor to Assignee, shall be secured by this Assignment and by the Loan Documents, and Assignor shall reimburse Assignee therefor immediately upon demand, and upon failure of Assignor so to do, Assignee may declare all sums secured hereby immediately due and payable.

13. In addition to the above, upon the occurrence of a default under the Note or any of the Loan Documents, Assignor expressly consents to the appointment of a receiver for the Property, without notice, either by the Assignee or a court of competent jurisdiction, to take all acts in connection with the Property permitted by law or in equity and to deduct from any and all rents received from the Leases the customary or statutory amount in the county wherein the Property is located, not to exceed five percent (5%) of such rents, to compensate such receiver for its actions.

14. Assignor's address is stated in the Instrument. Except as otherwise provided herein, wherever this Assignment requires notice to Assignor, such notice shall be deemed to have been given on the day it is deposited in the United States mail in a post paid wrapper addressed to Assignor at the Property, or at such other address as Assignor may designate by notice in writing and previously actually received by Assignee.

15. This Assignment shall be assignable by Assignee and all representations, warranties, covenants, powers and rights herein contained shall be binding upon, and inure to the benefit of, Assignor and Assignee and their respective successors and assigns.

16. This Assignment may be executed, acknowledged and delivered in any number of counterparts and each such counterpart shall constitute an original, but together such counterparts shall constitute only one instrument.

17. If any one or more of the provisions of this Assignment, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Assignment and all other applications of any such provision shall not be affected thereby.

18. Upon a sale, conveyance, transfer or exchange of all or a part of the Property, the term "Assignor" as used herein shall include the transferee or grantee in such transaction. The preceding sentence shall not be deemed to permit any sale, conveyance, transfer or exchange which is prohibited or restricted by the terms of any Loan Document.

19. The terms of this Agreement shall be governed by the laws of the state in which the Property is located.

20. If there is any conflict between the terms of this Agreement and the terms of paragraph 26 of the Instrument, the terms of this Assignment shall control.

21. Subject to the qualifications below in this paragraph, the Assignor shall be liable for payment and performance of all of the obligations, covenants and agreements of the Assignor under the Note, the Instrument, this Assignment and all other Loan Documents, to the full extent (but only to the extent) of all of the Property and any other items, property or amounts which are collateral or security for the Loan. If a default occurs in the timely and proper payment of any portion of the Loan or in the timely performance of any obligations, agreements or covenants under any of the Loan Documents, except as set forth below in this paragraph, neither the Assignor, nor any partner of the Assignor nor any partner, stockholder, director or officer of any partner of the Assignor, shall be personally liable for the repayment of any of the principal of, interest on, or prepayment fees or late charges, other charges or fees due in connection with the Loan, the performance of any covenants of the Assignor under the Note, the Instrument, this Assignment or any of the other Loan Documents or for any deficiency judgment which the Assignee may obtain after default by the Assignor. Notwithstanding the foregoing provisions of this paragraph or any other agreement, the Assignor shall be fully liable and personally liable for any and all: (1) liabilities, costs, losses, damages, expenses or claims (including, without limitation, any reduction in the value of the Property or any other items, property or amounts which are collateral or security for the Loan) suffered or incurred by the Assignee by reason of or in connection with (a) any fraud or misrepresentation by the Assignor in connection with the Loan, including but not limited to any misrepresentation of the Assignor contained in any Loan Document, (b) any failure to pay taxes, insurance premiums (except to the extent that such taxes and insurance premiums are then held by the Assignee), assessments, charges for labor or materials or other charges that can create liens on any portion of the Property, (c) any misapplication of (i) proceeds of insurance covering any portion of the Property, or (ii) proceeds of the sale or condemnation of any portion of the Property, or (d) any rentals, income, profits, issues and products received by or on behalf of the Assignor subsequent to the date on which the Assignee gives written notice that a default has occurred under the Loan and not applied to the payment of principal or interest due under the Note or the payments of operating expenses (excluding any operator's, manager's, or developer's fee payable to the Assignor or any affiliate of the Assignor) of the Property, (e) any failure to maintain, repair or restore the Property in accordance with any Loan Document to the extent not covered by insurance proceeds made available to the Assignee, (f) any failure by the Assignor to deliver to the Assignee all unearned advance rentals and security deposits paid by tenants of the Property, received by or on behalf of Assignor and not refunded to or forfeited by such tenants, (g) any failure by the Assignor to return to, or reimburse the Assignee for, all personalty taken from the Property by or on behalf of

the Assignor except in accordance with the provisions of the Instrument, and (h) any and all indemnities given by the Assignor to the Assignee set forth in the Environmental Indemnity Agreement or any other Loan Document in connection with any environmental matter relating to the Property; and (2) court costs and all attorneys' fees provided for in any Loan Document. Furthermore, no limitation of liability or recourse provided above in this paragraph shall (x) apply to the extent that the Assignee's rights of recourse to the Property are suspended, reduced or impaired by or as a result of any act, omission or misrepresentation of the Assignor or any other party now or hereafter liable for any part of the Loan and accrued interest thereon, or by or as a result of any case, action, suit or proceeding to which the Assignor or any such other party, voluntarily becomes a party; or (y) constitute a waiver, forfeiture, abrogation or limitation of or on any right accorded by any law establishing a debtor relief proceeding, including, but not limited to, Title 11, U.S. Code, which right provides for the assertion in such debtor relief proceeding of a deficiency arising by reason of the insufficiency of collateral notwithstanding an agreement of the Assignee not to assert such deficiency.

22. THE ASSIGNOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THE ASSIGNOR MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE NOTE, THE INSTRUMENT, THIS ASSIGNMENT, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

THE ASSIGNOR HEREBY ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS ASSIGNMENT IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE ASSIGNEE OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

23. The Assignee shall have the right to assign, in whole or in part, the Note, the Instrument, the Assignment and any other Loan Document and all of its rights hereunder and thereunder, and all of the provisions herein and therein shall continue to apply to the Loan. The Assignor shall have the right to participate in the Loan with other parties.

This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first above written.

WITNESS:	ASSIGNOR:
	TSI REALTY COMPANY
Name:_____	By:_____ Print:_____
_____	Title:_____
Name:_____	

OMITTED EXHIBIT

Exhibit A: Property Description

EXHIBIT 21.1

LIST OF SIGNIFICANT SUBSIDIARIES

Name	Jurisdiction
TSI Realty Company	Delaware

Exhibit 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of World Wrestling Federation Entertainment, Inc. on Form S-1 of our report dated July 16, 1999, appearing in the Prospectus, which is part of this Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

Deloitte & Touche LLP
Stamford, CT

July 29, 1999

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	12 MOS
FISCAL YEAR END	APR 30 1999
PERIOD START	MAY 01 1998
PERIOD END	APR 30 1999
CASH	45,727
SECURITIES	0
RECEIVABLES	38,429
ALLOWANCES	920
INVENTORY	2,939
CURRENT ASSETS	99,207
PP&E	51,723
DEPRECIATION	(23,346)
TOTAL ASSETS	130,188
CURRENT LIABILITIES	46,525
BONDS	11,410
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	3
OTHER SE	72,257
TOTAL LIABILITY AND EQUITY	130,188
SALES	251,474
TOTAL REVENUES	251,474
CGS	146,618
TOTAL COSTS	146,618
OTHER EXPENSES	47,505
LOSS PROVISION	920
INTEREST EXPENSE	1,125
INCOME PRETAX	57,973
INCOME TAX	1,943
INCOME CONTINUING	56,030
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	56,030
EPS BASIC	0.00
EPS DILUTED	0.00