

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Fiesta Palms LLC		12/03/2004	limited liability company: NEVADA

**RECEIVING PARTY DATA**

Name:	Well Fargo Bank, National Association
Street Address:	3800 Howard Hughes Parkway
City:	Las Vegas
State/Country:	NEVADA
Postal Code:	89109
Entity Type:	National Banking Association: UNITED STATES

**PROPERTY NUMBERS Total: 26**

Property Type	Number	Word Mark
Registration Number:	2646679	PALMS A MALOOF CASINO RESORT
Registration Number:	2678712	PALMS A MALOOF CASINO RESORT
Registration Number:	2729772	PALMS A MALOOF CASINO RESORT
Registration Number:	2742897	PALMS A MALOOF CASINO RESORT
Registration Number:	2742908	PALMS A MALOOF CASINO RESORT
Registration Number:	2772084	PALMS A MALOOF CASINO RESORT
Registration Number:	2795274	PALMS A MALOOF CASINO RESORT
Registration Number:	2736238	CLUB PALMS
Registration Number:	2736239	PALMS SPA
Registration Number:	2781330	CLUB PALMS
Registration Number:	2773483	PALMS
Registration Number:	2773484	PALMS
Registration Number:	2775360	PALMS CASINO RESORT
Registration Number:	2819261	PALMS CASINO RESORT

OP \$665.00 2646679

Serial Number:	76097694	PALMS A MALOOF CASINO RESORT
Serial Number:	78501712	WHAT HAPPENS AT THE PALMS NEVER HAPPENED
Serial Number:	78501710	WHAT HAPPENS AT THE PALMS NEVER HAPPENED
Serial Number:	78501700	WHAT HAPPENED AT THE PALMS NEVER HAPPENED
Serial Number:	76496144	PALMS
Serial Number:	76595049	CLUB PALMS MVP
Serial Number:	76595048	CLUB PALMS HALL OF FAMER
Serial Number:	76595047	CLUB PALMS ALL STAR
Serial Number:	76496143	PALMS
Serial Number:	76613502	PALMS GIRL
Serial Number:	76613501	PALMS PLACE A PALMS CASINO CONDOMINIUM HOTEL TOWER
Serial Number:	76618998	PALMS PLACE A MALOOF CONDOMINIUM HOTEL TOWER

**CORRESPONDENCE DATA**

Fax Number: (202)659-1559  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: (202) 659 - 6944  
Email: MBergsman@dickinsonwright.com  
Correspondent Name: Marc A. Bergsman  
Address Line 1: Dickinson Wright PLLC  
Address Line 2: 1901 L Street, N.W., Suite 800  
Address Line 4: Washington, DISTRICT OF COLUMBIA 20036

NAME OF SUBMITTER:	Marc A. Bergsman
Signature:	/Marc A. Bergsman/
Date:	01/31/2005

**Total Attachments: 17**

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## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT is made and entered into as of December 3, 2004 by and between FIESTA PALMS LLC, a Nevada limited liability company, hereinafter referred to as "Debtor", party of the first part, and WELLS FARGO BANK, National Association, as the administrative and collateral agent for the Lenders, the Swingline Lender and the L/C Issuer (all of which are defined in the Credit Agreement referred to below), hereinafter referred to, together with its successors and assigns, in such capacity, as "Agent Bank", party of the second part.

### R E C I T A L S:

A. Reference is made to that certain Credit Agreement (as it may be hereafter renewed, extended, amended, restated or otherwise modified, the "Credit Agreement") executed concurrently, or substantially concurrent, herewith by and among Debtor, the Lenders therein named (each, together with their respective successors and assigns, individually being referred to herein as a "Lender" and collectively as the "Lenders"), the Swingline Lender therein named (referred to herein, together with its successors and assigns, as the "Swingline Lender"), the L/C Issuer therein named (referred to herein, together with its successors and assigns, as the "L/C Issuer"), and Agent Bank. Agent Bank, the Lenders, the Swingline Lender and the L/C Issuer are collectively referred to herein as the "Banks".

B. All capitalized words and terms which are used herein (and which are not otherwise defined herein) shall have the respective meanings and be construed herein as provided in Section 1.01 of the Credit Agreement and any reference to a provision of the Credit Agreement shall be deemed to incorporate that provision as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

C. As security for payment and performance of the Secured Obligations, Debtor desires to grant a security interest to Agent Bank in all of Debtor's now owned, or hereafter acquired, right, title and interest in, and to, the Trademarks, the Copyrights and all other collateral which is set forth herein.

NOW, THEREFORE, in consideration of the premises and the terms and conditions contained herein, the parties hereto hereby agree as follows:

Section 1. Definitions. As used herein, the following terms shall have the respective meanings set forth below and unless the context otherwise requires, capitalized terms used herein without definition shall have the respective meanings assigned to such terms in the Credit Agreement.

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LAW OFFICES OF  
HENDERSON & MORGAN, LLC  
164 HUBBARD WAY  
SUITE B  
RENO, NEVADA 89502

**TRADEMARK**  
**REEL: 003018 FRAME: 0684**

"Abandoned and De Minimis Trademarks" shall mean those Trademarks owned or previously owned by Debtor that have been abandoned and have not more than de minimis value.

"Agreement" shall mean this Trademark Security Agreement, including all amendments, supplements and extensions hereto and restatements hereof entered into at any time and from time to time and any exhibits or schedules to any of the foregoing.

"Copyright Licenses" shall mean all licenses, agreements and other arrangements pursuant to which Debtor is entitled to use, or exercise any rights with respect to, any Copyright, all notwithstanding the interest of any other Person in said Copyright.

"Copyrights" mean all copyrights, copyright registrations, and copyright applications, which, in each case, are now or hereafter filed with the Copyright Office of the Library of Congress or any similar office or agency of any other countries or used in the United States, any state, territory or possession thereof or any other country, and all renewals thereof.

"Current Trademark Licenses" shall mean those trademark licenses which are set forth on Exhibit "B" attached hereto and incorporated by reference herein.

"Intellectual Property Collateral" shall mean all of the property and interests in property described in Section 2.01 hereof, which shall, from time to time, secure any of the Secured Obligations.

"Intellectual Property Licenses" shall mean a collective reference to the Copyright Licenses and the Trademark Licenses.

"Secured Obligations" shall mean all of Debtor's indebtedness, obligations and liabilities arising under the Credit Agreement, the Revolving Credit Note, the Swingline Note and/or any other Loan Document (regardless of whether such Loan Documents are now existing or hereafter come into existence) and any other indebtedness, obligation or liability of Debtor, which may be secured by any of said Loan Documents, all as such obligations or Loan Documents may be modified, amended, supplemented, restated, increased or extended from time to time.

"Trademark Licenses" shall mean all licenses, agreements and other arrangements pursuant to which Debtor is entitled to use, or exercise any rights with respect to, any Trademark, all notwithstanding the interest of any other Person in said Trademark.

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"Trademarks" shall mean all trademarks, service marks, trade names, trade dress, colors, designs, logos, indicia, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers, in each case, of any nature whatsoever.

"Unknown Intellectual Property Collateral" shall mean Intellectual Property Collateral which: (i) consists of unregistered trademarks based solely on state or common law or consists of unregistered copyrights; and (ii) is unknown to, or unrecognized by, Debtor.

## Section 2. Intellectual Property Collateral; General Terms.

2.01. Security Interest. To secure the prompt payment and performance of the Secured Obligations, Debtor hereby grants to Agent Bank a continuing security interest in and to all of Debtor's now owned, or hereafter acquired, right, title and interest in, and to, the following property and interests in property regardless of whether such property or interests are now existing or hereafter come into existence (collectively, the "Intellectual Property Collateral"):

(a) all Trademarks, and all interests therein, including, without limitation: (i) those Trademarks which are set forth by Exhibit "A", attached hereto, and incorporated by reference herein; (ii) all Trademark Licenses including, without limitation, the Current Trademark Licenses; (iii) all income, royalties, damages and payments now and hereafter due and/or payable under any Trademarks or in connection with the use of any Trademark; (iv) all rights to sue and collect damages and payments for past or future infringements of any Trademark, or any interest therein; and (v) all goodwill in any businesses symbolized by a Trademark (but excluding any application to register any Trademark prior to the filing under applicable law of a verified statement of use, or the equivalent, for such Trademark to the extent that the creation of a security interest therein would void or invalidate such Trademark); and

(b) all Copyrights, and all interests therein, including, without limitation: (i) all Copyright Licenses; (ii) all income, royalties, damages and payments now and hereafter due and/or payable under any Copyrights and (iii) all rights to sue and collect damages and payments for past or future infringement of any Copyrights, or any interest therein.

2.02. Existing Trademarks, Copyrights and Licenses. All: (i) Trademarks (and registration information related thereto, if applicable); (ii) pending applications for Trademark registration; (iii) Copyrights (and registration information related thereto, if applicable); (iv) pending applications for copyright registration; and (v) Trademark Licenses, Copyright Licenses and other agreements relating to the use or

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ownership of any Trademark or Copyright; in which Debtor has any interest, other than Abandoned and De Minimis Trademarks, and Unknown Intellectual Property Collateral, are listed on Exhibits "A" and "B" attached hereto and made a part hereof.

2.03. Initial Filing. This Agreement may, in the sole and absolute discretion of Agent Bank, be filed for recordation in the United States Patent and Trademark Office, with respect to Trademarks and in the U.S. Copyright Office with respect to Copyrights. Upon request by Agent Bank, Debtor shall permit this Agreement to be filed with the copyright or trademark registration office of the State of Nevada and any province, territory or country in which Agent Bank, in its reasonable discretion, determines that registration and/or recordation is necessary or appropriate to perfect Agent Bank's security interest in the Intellectual Property Collateral.

### Section 3. Representations and Warranties.

3.01. General Representations and Warranties. Debtor represents and warrants to Agent Bank that:

(a) Title to Intellectual Property Collateral. Debtor owns all Intellectual Property Collateral which is set forth on Exhibit "A", subject to no assignments, liens, licenses or other security interests, encumbrances or title defects, infringements or other adverse claims, other than Permitted Encumbrances. Debtor has not signed, filed or recorded any assignment in favor of any person (other than Agent Bank) with respect to any of the Intellectual Property Collateral, in the United States Patent and Trademark Office, in the U.S. Copyright Office or in the copyright or trademark office of any province, territory or country.

(b) Due Execution. Debtor has the right and power and is duly authorized and empowered to enter into, execute and deliver and perform this Agreement and the transactions contemplated hereby; this Agreement has been duly and validly executed by Debtor and constitutes a legal, valid and binding obligation of Debtor enforceable in accordance with its terms.

(c) Perfection. This Agreement creates a valid security interest in the Intellectual Property Collateral (other than Unknown Intellectual Property Collateral) securing the repayment of the Secured Obligations and all filing and other actions necessary in order to perfect and protect such security interest have been duly taken or will be taken immediately following the date hereof.

3.02. Trademark and Copyright Representation and Warranty. All Intellectual Property Collateral consisting of applications for registrations of Trademarks and Copyrights have been duly and properly filed and all Intellectual Property Collateral

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consisting of registrations of Trademarks and Copyrights (including, without limitation, any and all renewals, reissues, continuations or divisions thereof, as the case may be) have been duly and properly filed and issued (other than pending applications) and are valid and enforceable.

3.03. Current Trademark Licenses. Each of the Current Trademark Licenses grant a valid license for use of the applicable Trademark(s) in accordance with their respective terms, and are enforceable against the owner(s) of the applicable Trademark(s). As of the Effective Date, Debtor is not in default of any of its obligations under the Current Trademark Licenses nor are there any circumstances existing which would constitute such a default with notice, or lapse of time, or both.

3.04. Warranty and Reaffirmation of Warranties and Representations; Survival of Warranties and Representations. Each request for a Borrowing made by Debtor pursuant to the Loan Documents shall constitute a reaffirmation, as of the date of said request, of the representations and warranties of Debtor contained in Section 3 hereof with respect to Intellectual Property Collateral then existing (except to the extent that Debtor may otherwise notify Agent Bank, in writing, concurrently with, or prior to, any such request). All representations and warranties of Debtor contained in this Agreement shall survive the execution, delivery and acceptance of this Agreement by the parties thereto.

#### Section 4. Covenants.

4.01. Affirmative Covenants. Unless Agent Bank otherwise agrees in writing, Debtor covenants that it shall:

(a) Delivery of Documents. Furnish to Agent Bank, from time to time upon its request, a complete status report of all Intellectual Property Collateral (other than Unknown Intellectual Property Collateral) and such other data and information that Debtor is permitted to provide to Agent Bank, as Agent Bank from time to time may reasonably request bearing upon or related to such Intellectual Property Collateral.

(b) Defense of Title. Use all commercially reasonable efforts to defend its title to the Intellectual Property Collateral (other than Unknown Intellectual Property Collateral) against all claims of all Persons whomsoever which could reasonably be expected to result in a Material Adverse Change (as defined in the Credit Agreement) on the business of Debtor, except with respect to liens and other rights created or permitted hereby.



(c) Execute Addenda. Promptly upon the receipt of any issuance of any registration of a Trademark or Copyright, they shall, unless Agent Bank agrees otherwise in writing:

(i) execute an addendum to this Agreement, which addendum shall identify such Trademark or Copyright registration as necessary to perfect a security interest in such Trademark or Copyright application;

(ii) with respect to United States Trademark or Copyright Registrations, permit this Agreement and such addendum to be recorded in the United States Patent and Trademark Office or U.S. Copyright Office, as appropriate; and

(iii) upon request by Agent Bank, permit this Agreement and such addendum to be recorded with the trademark or copyright registration office of any state in the United States in which Agent Bank determines, in its sole discretion, that filing is necessary or advisable to perfect Agent Bank's security interest in the Intellectual Property Collateral subject to such addendum.

(d) Affix Notices. Whenever any Trademarks are used by or on behalf of it, use its best efforts to affix or cause to be affixed, where necessary to protect all of its right, title and interest in any such Trademark, a notice that the mark is a trademark, a service mark or is registered, which notice shall be in a form accepted or required by the trademark marking laws of each province, territory or country in which the mark is so used.

(e) Notice of Abandonment. Notify Agent Bank at least two (2) months prior to any voluntary abandonment of any Trademarks or applications or registrations thereof, which are material to its operations, or have material value, and obtain the written permission of Agent Bank to such abandonment, which permission shall not be unreasonably withheld or delayed. In the event that such permission to abandon is reasonably withheld by Agent Bank, Debtor shall, at its own expense, take all action reasonably necessary to continue and maintain each item of Intellectual Property Collateral in force.

(f) Performance under the Intellectual Property Licenses. Debtor shall perform all obligations which it may have under the Intellectual Property Licenses in a timely manner and, from time to time, shall take all actions which are reasonably necessary to keep the Intellectual Property Licenses in full force and effect. Debtor shall provide Agent Bank with copies of any notices received from the licensor under any Intellectual Property Licenses which purport to identify any failure by Debtor to satisfy any

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obligations it may have under the applicable Intellectual Property License, or which provide notice of any claim regarding the enforceability of the applicable Intellectual Property License or regarding Debtor's title to the licensee's interest under the applicable Intellectual Property License, in each case, within ten (10) days after Debtor's receipt thereof.

#### 4.02. Negative Covenants.

(a) Without Agent Bank's prior written consent, which may be withheld by Agent Bank in its sole discretion, Debtor shall not license (other than in the ordinary course of business), transfer, convey or encumber any interest in or to the Intellectual Property Collateral or take any action, or permit any action to be taken, or fail to take any action which individually or in the aggregate would affect the validity or enforceability of any portion of the Intellectual Property Collateral (other than Unknown Intellectual Property Collateral) or of the security interest of Agent Bank therein or which would otherwise violate any provision of any Loan Document.

(b) Debtor shall not terminate, surrender, materially amend or otherwise materially modify any Intellectual Property License, or enter into any agreement to terminate, surrender, materially amend or otherwise materially modify any material Intellectual Property Licenses without the prior written consent of Agent Bank having first been obtained, which consent may be withheld by Agent Bank in its reasonable discretion.

4.03. Notice of Proceedings. Debtor shall promptly notify Agent Bank, in writing, of any suit, action or proceeding brought against it relating to, concerned with, or affecting any of the Intellectual Property Collateral, if such suit, action or proceeding constitutes or becomes a Material Adverse Change. Debtor shall, upon request from Agent Bank, deliver to Agent Bank a copy of all pleadings, papers, orders or decrees theretofore and thereafter filed in any such suit, action or proceeding, and shall keep Agent Bank generally advised in writing of the progress of any such suit, action or proceeding.

4.04. Infringement. In the event of any infringement of the Intellectual Property Collateral (other than Unknown Intellectual Property Collateral) by other persons, or in the event of any other conduct by other persons to the detriment of the Intellectual Property Collateral (other than Unknown Intellectual Property Collateral), which could reasonably be expected to result in a Material Adverse Change, Debtor shall promptly notify Agent Bank in writing of such infringement or other conduct and the full nature, extent, evidence and circumstances of such infringement or other conduct known to Debtor. Debtor shall take all reasonable steps to protect its interests and rights in such Intellectual Property Collateral and shall provide Agent Bank written notice of all occurrences and developments with respect to such Intellectual Property Collateral. If

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reasonably requested by Agent Bank, Debtor shall send to the person committing such infringement or engaging in such other conduct, no later than thirty (30) calendar days after such request, a letter, in form and substance satisfactory to Agent Bank, by personal delivery or by U.S. first-class registered or certified mail (return receipt requested) demanding that such person cease and desist forthwith from committing such infringement or engaging in such other conduct. In the event that (a) within forty-five (45) calendar days thereafter, good faith negotiations between Debtor and such other person have not commenced regarding the cessation of such infringement or other conduct or (b) negotiations have commenced within such period, but thereafter cease to be carried on in good faith, Debtor shall promptly bring and diligently and vigorously maintain an action to stop such infringement and other conduct (to the extent that, and so long as, such diligent and vigorous maintenance of an action is reasonable in light of the materiality of such infringement or other conduct and in light of the materiality of the item(s) of Intellectual Property Collateral which are subject to such infringement or other action). Debtor shall diligently and vigorously maintain such action until a decision is obtained from which no review or appeal can or has been taken or until such action is resolved otherwise in a manner reasonably satisfactory to Agent Bank. If Debtor requests Agent Bank to approve an action as reasonable and Agent Bank does not object thereto within ten (10) days after receipt of such request, specifying the reasons for such objection, the same shall be deemed approved. If reasonably requested by Agent Bank, subject to other provisions of this Agreement, Debtor shall assume and continue, at its own cost and expense, through counsel acceptable to Agent Bank, full and complete responsibility for the prosecution of any infringement of or other conduct adversely affecting the Intellectual Property Collateral and otherwise defend and assure the grant, validity and enforceability of the Intellectual Property Collateral, whether by judicial or nonjudicial means.

4.05. Payment of Charges and Claims. If Debtor, at any time or times hereafter, shall fail to pay charges in respect of the Intellectual Property Collateral (other than Unknown Intellectual Property Collateral) when due or promptly obtain the discharge of such charges or of any lien, claim or encumbrance asserted against the Intellectual Property Collateral, Agent Bank may, without waiving or releasing any obligation or liability of Debtor hereunder or any Event of Default under any of the Loan Documents, in its sole discretion, at any time or times thereafter, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which Agent Bank deems advisable (provided that Agent Bank has first given Debtor notice of the proposed payment or action and Debtor has failed to make such payment or take such action within ten (10) Banking Business Days thereafter). All sums so paid by Agent Bank and any expenses incurred by Agent Bank on its behalf, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by Debtor to Agent Bank and shall be Secured Obligations secured by the Collateral under any of the Loan Documents, including, without limitation, the Intellectual

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Property Collateral, and shall bear interest, accruing from the date of such demand, at the Default Rate which is set forth in the Credit Agreement.

Section 5. Agent Bank's Rights and Remedies.

5.01. Remedies. Upon the occurrence and continuation of an Event of Default under any of the Loan Documents, Agent Bank shall have and may exercise any one (1) or more of the rights and remedies provided to it under any of the Loan Documents or provided by any applicable law, including but not limited to, all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Nevada, and Debtor hereby agrees to make the Intellectual Property Collateral available to Agent Bank, to extent applicable, at a place to be designated by Agent Bank which is reasonably convenient to the parties, authorize Agent Bank to take possession of the Intellectual Property Collateral with or without demand and with or without process of law and to sell and dispose of the same at public or private sale and to apply the proceeds of such sale to the Secured Obligations in the order specified in the Credit Agreement, or as otherwise agreed to by Agent Bank. In addition to the foregoing, if an Event of Default shall occur and be continuing, Agent Bank may, by written notice to Debtor, take any or all of the following actions: (i) declare the entire right, title and interest of Debtor in and to the Intellectual Property Collateral, or any portion thereof, together with all trademark rights and rights of protection to the same to be immediately vested in Agent Bank, in which case Debtor agrees to execute an assignment to Agent Bank in form and substance reasonably satisfactory to Agent Bank of all of Debtor's right, title and interest in and to the Intellectual Property Collateral; (ii) take and use or sell the Intellectual Property Collateral, or any portion thereof, (including, without limitation, any business goodwill, and related assets, which are included therewith); and (iii) direct Debtor to refrain, in which event Debtor shall refrain, from using the Intellectual Property Collateral, or any portion thereof, in any manner whatsoever, directly or indirectly, and, if requested by Agent Bank, change Debtor's corporate name(s) to eliminate therefrom any use of any Intellectual Property Collateral and execute such other and further documents that Agent Bank may request to further confirm this and to transfer ownership of the applicable Intellectual Property Collateral (including, without limitation, all registrations of such Intellectual Property Collateral and all applications for such registration).

5.02. Appointment of Agent Bank as Debtor's Lawful Attorney. Upon the occurrence and during the continuation of an Event of Default under any of the Loan Documents, Debtor irrevocably designates, makes, constitutes and appoints Agent Bank (and all persons designated by Agent Bank) as the true and lawful attorney (and agent-in-fact) of each of them, and Agent Bank, or Agent Bank's agent, may, without notice to any of them take any action as Agent Bank reasonably deems necessary under the circumstances to file, prosecute, defend, issue, maintain, enforce or otherwise take action in respect to the Intellectual Property Collateral as required or permitted hereby, or to carry

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out any other obligation or duty of Debtor under this Agreement, including, without limitation, the right to execute any assignment of the Intellectual Property Collateral in the event any of the Secured Obligations are accelerated in accordance with any of the Loan Documents, and the employment of counsel. Debtor shall pay all fees and expenses, including attorneys' fees and expenses, incurred by Agent Bank in connection with such action and such fees and expenses shall form part of the Secured Obligations.

Section 6. Remedies Cumulative; etc. The rights, remedies and benefits of Agent Bank herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which Agent Bank may have under this Agreement, the Credit Agreement or any other Loan Document or at law, in equity, by statute or otherwise.

Section 7. Expenses. Debtor will pay Agent Bank all expenses (including reasonable expenses for legal services of every kind) of, or incidental to: (i) the preparation or filing of, or the performance or enforcement of any of the provisions of, this Agreement; (ii) or to the extent permitted hereunder, any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement of any of the Intellectual Property Collateral or the care of the Intellectual Property Collateral or defending or asserting the rights and claims of Agent Bank in respect of the Collateral, by litigation or otherwise, including but not limited to expenses of insurance and the fees and expenses of counsel for Agent Bank. All such expenses shall be payable to Agent Bank upon demand and shall, at any time when there is an uncured Event of Default existing, accrue interest, from the date of such demand, at the Default Rate as defined in the Credit Agreement. Debtor's obligation to repay such expenses and accrued interest thereon shall be Secured Obligations secured by the Intellectual Property Collateral and the Collateral under the Loan Documents.

Section 8. Indemnity. Debtor hereby agrees to indemnify, protect, defend and save harmless Agent Bank and each of the Banks and their respective trustees, officers, employees, agents, attorneys and stockholders (individually an "Indemnified Party" and collectively, the "Indemnified Parties") from and against, any and all losses, damages, expenses or liabilities of any kind or nature from any suits, claims, demands or other proceedings, including reasonable counsel fees incurred in investigating or defending such claim, suffered by any of them and caused by, relating to, arising out of, resulting from, or in any way connected with: (i) the preparation or administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Intellectual Property Collateral, (iii) the exercise or enforcement of any of the rights, or the defense thereof, of Agent Bank hereunder or under any of the Loan Documents, or (iv) the failure of Debtor to perform or observe any of the provisions hereof; all in accordance with Section 5.14 of the Credit Agreement, which is incorporated by reference herein, as if fully set forth herein.

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Section 9. No Delay; Waiver, etc. No delay on the part of Agent Bank in exercising any power or right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. To the fullest extent permitted by law and except as otherwise provided for in this Agreement, Debtor waives: (a) all rights to notice of a hearing prior to Agent Bank's taking possession or control of, or to Agent Bank's reply, attachment or levy upon, the Intellectual Property Collateral or any bond or security which might be required by any court prior to allowing Agent Bank to exercise any of Agent Bank's remedies; and (b) the benefit of all valuation, appraisal and exemption laws. Debtor acknowledges that it has been advised by counsel with respect to this Agreement, the waivers contained herein and the transactions evidenced by this Agreement.

Section 10. Further Assurances. Debtor agrees to do such further acts and things and to pay the costs and expenses in connection with such acts (including, without limitation, the recording of the security interest with respect to the Intellectual Property Collateral with any trademark office in any state, province, territory or country), and to execute and deliver or cause to be executed and delivered such supplemental documentation, additional conveyances, assignments, and similar instruments, as Agent Bank may at any time reasonably request in connection with the administration and enforcement of this Agreement or with respect to the Intellectual Property Collateral or any part thereof or in order better to assure and confirm unto Agent Bank its rights and remedies hereunder or further to effectuate the purposes of this Agreement and to pay the costs and expenses in connection with such acts. Debtor agrees that, where permitted under applicable law, a carbon, photographic or other reproduction, of this Agreement is sufficient as a recordable assignment.

Section 11. Modification. No amendment hereof shall be effective unless contained in a written instrument signed by the parties hereto.

Section 12. Notices. All notices and other communications provided to any party hereto under this Agreement shall be in writing, addressed, delivered or transmitted to such party at its address set forth below or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received:

If to Debtor:                      Fiesta Palms LLC.  
7500 West Lake Mead Blvd., Suite 9-639  
Las Vegas, Nevada 89128

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If to Secured  
Party:

Wells Fargo Bank, N.A., Agent Bank  
3800 Howard Hughes Pkwy  
Las Vegas, Nevada 89109  
Attn: Clark Wood, V.P.

Section 13. Termination. This Agreement shall terminate upon the occurrence of Bank Facility Termination and the due release and termination of the Security Documentation which is executed and delivered concurrently, or substantially concurrent, herewith. Upon any such termination Agent Bank will, at Debtor's expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination and release the security interest in the Intellectual Property Collateral granted hereunder; provided, however, that this Agreement shall continue to be effective, or shall be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Secured Obligations is reduced, rescinded or must otherwise be restored or returned by Agent Bank upon the bankruptcy, insolvency, dissolution, liquidation or reorganization of Debtor or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to Debtor or any of its property or otherwise.

Section 14. Governing Law. This Agreement has been delivered and shall be deemed to have been made in Nevada and, shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the State of Nevada (exclusive of choice and conflict of laws provisions thereof to the extent allowed by law) except with respect to those matters regarding the Intellectual Property Collateral to which the law of the United States or the law of a foreign sovereign jurisdiction applies.

Section 15. Consent to Jurisdiction. Any suit, action or proceeding against Debtor arising out of or relating to this Agreement may be instituted in any court of competent jurisdiction in the State of Nevada, and Debtor hereby irrevocably waives any objection which it may have or hereafter have to the laying of such venue of any such suit, action or proceeding and any claim that any such suit, action or proceeding has been brought in inconvenient forum, and Debtor hereby irrevocably submits its person and property to the jurisdiction of any such court in any such suit, action or proceeding. Debtor hereby consents to the service of process in any suit, action or proceeding of the nature referred to in this paragraph by the mailing of a copy thereof by registered or certified mail, postage prepaid, or personally delivering a copy thereof to Debtor, addressed to the address specified in Section 12 hereof or at such other address(es) as Debtor may hereafter specify to Agent Bank in writing. Nothing in this paragraph shall affect the right of Agent Bank to serve process in any other manner permitted by law or limit the right of Agent Bank to bring any such action or proceeding against Debtor or its property in the courts of any other jurisdiction.

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Section 16. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party and all grants, covenants, promises and agreements by or on behalf of Debtor shall bind the successors and assigns of Debtor and inure to the benefit of the successors, assigns and transferees of Agent Bank, provided that Debtor shall not assign all or any portion of its rights, duties or obligations hereunder without the prior written consent of Agent Bank.

Section 17. Severability. If any part of this Agreement is contrary to, prohibited by or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible. If any part of this Agreement is contrary to, prohibited by or deemed invalid under the applicable laws and regulations of one (1) jurisdiction, such provisions shall not thereby be rendered invalid in any other jurisdiction. Should any part or provision of this Agreement be deemed by a court or other Governmental Authority of competent jurisdiction to be an assignment of any trademark, trade name or registration thereof so as to result in Debtor's abandonment thereof, such part or provision (but no other) shall be construed as providing for a security interest and not an assignment, all in order to preclude such abandonment and, if such construction shall not be accepted by such court or other Governmental Authority such part or provision (but no other) shall be deemed null and void as to such trademark, trade name or registration thereof in the jurisdiction where abandonment might otherwise result.

Section 18. Headings. Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.


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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

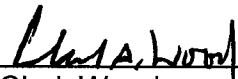
**DEBTOR:**

FIESTA PALMS LLC,  
a Nevada limited liability company

By:   
George J. Maloof, Jr.  
Authorized Manager

**AGENT BANK:**

WELLS FARGO BANK, National  
Association

By:   
Clark Wood,  
Vice President

## TRADEMARKS

<b>Federally Registered Marks</b>	<b>Serial Number</b>	<b>Registration Number</b>
PALMS A MALOOF CASINO RESORT	76097695	2646679
PALMS A MALOOF CASINO RESORT	76097693	2678712
PALMS A MALOOF CASINO RESORT	76100494	2729772
PALMS A MALOOF CASINO RESORT	76097696	2742897
PALMS A MALOOF CASINO RESORT	76100496	2742908
PALMS A MALOOF CASINO RESORT	76100491	2772084
PALMS A MALOOF CASINO RESORT	76100493	2795274
CLUB PALMS	76408994	2736238
PALMS SPA	76408998	2736239
CLUB PALMS	76408997	2781330
PALMS	76475479	2773483
PALMS	76475480	2773484
PALMS CASINO RESORT	76478488	2775360
PALMS CASINO RESORT	76496142	2819261

### **Current Live Federal Applications - No Registration Rights Have Issued**

	<b>Serial Number</b>
PALMS A MALOOF CASINO RESORT	76097694
WHAT HAPPENED AT THE PALMS NEVER HAPPENED	78501712
WHAT HAPPENED AT THE PALMS NEVER HAPPENED	78501710
WHAT HAPPENED AT THE PALMS NEVER HAPPENED	78501700
PALMS	76496144
CLUB PALMS MVP	76595049
CLUB PALMS HALL OF FAMER	76595048
CLUB PALMS ALL STAR	76595047
PALMS	76496143
PALMS GIRL	76613502
PALMS PLACE A PALMS CASINO CONDOMINIUM HOTEL TOWER	76613501
PALMS PLACE A MALOOF CONDOMINIUM HOTEL TOWER	76618998

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**EXHIBIT "A"**  
Page 1 of 2

LAW OFFICES OF  
HENDERSON & MORGAN, LLC  
164 HUBBARD WAY  
SUITE B  
RENO, NEVADA 89502

**TRADEMARK**  
**REEL: 003018 FRAME: 0698**

Applications 76613502, 76595048 and 76595049 were filed based on a preexisting use and common law rights may flow from such use prior to registration. All other applications in this list have been filed on an intent-to-use basis and there may be no common law rights or other rights associated with the associated marks.

<b>Nevada State Mark Registrations</b>	<b>Registration Date</b>
PALMS CASINO RESORT	March 11, 2003
PALMS CASINO RESORT	December 30, 2002
PALMS	December 16, 2002
PALMS	December 16, 2002
PALMS	December 16, 2002
HURRICANE OF CASH	December 16, 2002
SIDELINES SPORTS BAR and Design	May 6, 2002
PALMS SPA and Design	April 29, 2002
SUNRISE CAFÉ	April 29, 2002
ROLLER LOUNGE	April 29, 2002
FANTASY MARKET BUFFET ALL YOU CAN EAT and Design	April 29, 2002
PALAPA LOUNGE and Design	April 29, 2002
CLUB PALMS	April 29, 2002
CLUB PALMS and Design	April 29, 2002
POWER PAYCHECK and Design	April 29, 2002

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**EXHIBIT "A"**  
Page 2 of 2

LAW OFFICES OF  
HENDERSON & MORGAN, LLC  
164 HUBBARD WAY  
SUITE B  
RENO, NEVADA 89502

**TRADEMARK**  
**REEL: 003018 FRAME: 0699**

## TRADEMARK LICENSES

Fiesta Palms, LLC, and other entities associated with Fiesta Palms, LLC, have entered into an Agreement, dated October 4, 2004, with Playboy Enterprises International, Inc., a Delaware corporation ("Playboy") pursuant to which, among other things, Playboy has granted a non-exclusive trademark license that will permit Fiesta Palms, LLC to use certain Playboy marks and composite marks embodying the Playboy marks in connection with the operation of a hotel tower at the Palms Casino Resort in Las Vegas, Nevada, which hotel tower is particularly described in the Agreement. The marks to be licensed along with composite marks specifically for use by Fiesta Palms, LLC will be determined as project planning and implementation are performed.

Fiesta Palms, LLC has executed other agreements which have been disclosed under the CREDIT AGREEMENT that may contain provisions regarding the non-exclusive use and display of certain trademarks and copyrights by Fiesta Palms, LLC for tenants and those using, leasing or subleasing space at the Hotel.

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### EXHIBIT "B"

LAW OFFICES OF  
HENDERSON & MORGAN, LLC  
164 HUBBARD WAY  
SUITE B  
RENO, NEVADA 89502

RECORDED: 01/31/2005

TRADEMARK  
REEL: 003018 FRAME: 0700