

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
COLORADO BELLE GAMING, LLC		03/01/2012	LIMITED LIABILITY COMPANY: NEVADA
EDGEWATER GAMING, LLC		03/01/2012	LIMITED LIABILITY COMPANY: NEVADA

RECEIVING PARTY DATA

Name:	BANK OF AMERICA, N.A.
Street Address:	300 South 4th St., 2nd Floor
Internal Address:	Mail Code NV1-119-02-01
City:	Las Vegas
State/Country:	NEVADA
Postal Code:	89101
Entity Type:	national bank: NORTH CAROLINA

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	1661164	COLORADO BELLE
Registration Number:	1662848	COLORADO BELLE
Registration Number:	3257314	APRIL RUN
Registration Number:	3506577	BIKER MARDI GRAS
Registration Number:	2680041	EDGEWATER
Registration Number:	2680040	EDGEWATER

CORRESPONDENCE DATA

Fax Number: (213)443-2926
 Phone: 213-617-5493
 Email: jcravitz@sheppardmullin.com
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Correspondent Name: Sheppard, Mullin, Richter & Hampton LLP
Address Line 1: 333 S. Hope St., 48th Floor
Address Line 2: Attn: J. Cravitz
Address Line 4: Los Angeles, CALIFORNIA 90071

ATTORNEY DOCKET NUMBER: 0BN1-167330

NAME OF SUBMITTER: Julie Cravitz

Signature: /julie cravitz/

Date: 03/05/2012

Total Attachments: 32

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SUBSIDIARY SECURITY AGREEMENT

This SUBSIDIARY SECURITY AGREEMENT, dated as of March 1, 2012, is made by COLORADO BELLE GAMING, LLC, a Nevada limited liability company (“Colorado Belle”), EDGEWATER GAMING, LLC, a Nevada limited liability company (“Edgewater”), and the other grantors that become party hereto (the “Additional Grantors”; together with Colorado Belle and Edgewater, the “Grantors”) in favor of BANK OF AMERICA, N.A., as the Bank (“Secured Party”) under the Loan Agreement referred to below, with reference to the following facts:

RECITALS

A. Marnell Sher Gaming, LLC, a Nevada limited liability company (the “Borrower”), has executed a Loan Agreement of even date herewith (as amended, restated, extended, supplemented or otherwise modified, the “Loan Agreement”) between the Borrower and Secured Party, pursuant to which Secured Party is agreeing to extend a credit facility to Borrower.

B. The Loan Agreement provides that, as a condition to the availability of the aforementioned credit facility to the Borrower, Grantors shall enter into this Agreement and grant a security interest in the Collateral (as defined below) to Secured Party.

C. Each Grantor expects to realize direct and indirect benefits as a result of the availability of the aforementioned credit facility.

AGREEMENT

NOW, THEREFORE, in order to induce Secured Party to extend the aforementioned credit facility, and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, each Grantor hereby represents, warrants, covenants, agrees, assigns and grants as follows:

1. Definitions. This Agreement is the Subsidiary Security Agreement referred to in the Loan Agreement. This Agreement is one of the Loan Documents referred to in the Loan Agreement. Terms defined in the Loan Agreement and not otherwise defined in this Agreement shall have the meanings set forth for those terms in the Loan Agreement. Terms defined in the Nevada Uniform Commercial Code (“Nevada UCC”) and not otherwise defined in this Agreement or in the Loan Agreement shall have the meanings set forth for those terms in the Nevada UCC (and, if defined in more than one Article of the Nevada UCC, shall have the meanings given in Article 9 thereof). As used in this Agreement, the following terms shall have the meanings respectively set forth after each:

“Agreement” means this Subsidiary Security Agreement, and any extensions, modifications, renewals, restatements, supplements or amendments hereof.

“Collateral” means and includes, with respect to each Grantor, all present and future right, title and interest of such Grantor in and to all of its property and assets, whether now or hereafter acquired and wherever the same may from time to time be located, and all

rights and powers of such Grantor to transfer any interest in or to any of its property or assets, including, without limitation, any and all of the following property:

(a) All present and future accounts, accounts receivable, agreements, contracts, leases, contract rights, payment intangibles, rights to payment, instruments, documents, chattel paper (whether tangible or electronic), promissory notes, security agreements, guaranties, letters of credit, letter-of-credit rights, undertakings, surety bonds, insurance policies (whether or not required by the terms of the Loan Documents), notes and drafts, and all forms of obligations owing to such Grantor or in which such Grantor may have any interest, however created or arising and whether or not earned by performance;

(b) All present and future general intangibles, all tax refunds of every kind and nature to which such Grantor now or hereafter may become entitled, however arising, all other refunds, and all deposits, credits, reserves, loans, royalties, cost savings, deferred payments, goodwill, choses in action, liquidated damages, rights to indemnification, Trade Secrets, computer programs, software, computer printouts, tapes, disks and related data processing software and similar items, customer and supplier lists, blueprints, technical specifications, manuals and other documents, licenses, permits, copyrights, technology, processes, proprietary information, and insurance proceeds of which such Grantor is a beneficiary;

(c) Whether characterized as accounts, general intangibles or otherwise, all rents (including, without limitation, prepaid rents, fixed, additional and contingent rents), issues, profits, receipts, earnings, revenue, income, security deposits, occupancy charges, hotel room charges, cabana charges, casino revenues, show ticket revenues, food and beverage revenues, room service revenues, merchandise sales revenues, parking, maintenance, common area, tax, insurance, utility and service charges and contributions, instruction fees, membership charges, and restaurant and snack bar revenues;

(d) All present and future: (i) trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, uniform resource locations (URL's), domain names, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all prints and labels on which said trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, uniform resource locations (URL's), domain names, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, appear, have appeared, or will appear, and all designs and general intangibles of a like nature, all applications, registrations, and recordings relating to the foregoing in the United States Patent and Trademark Office ("USPTO") or in any similar office or agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those registered and applied-for trademarks, terms, designs and applications described in Schedule 1 attached hereto and made a part

hereof (the Collateral described in the this clause (d)(i) is referred to herein as the "Trademarks"); and (ii) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks (the Collateral described in the foregoing clauses (d)(i) and (d)(ii) is referred to herein as the "Trademark Collateral");

(e) All present and future: patents, letters patent, all inventions and improvements described and claimed therein, including, without limitation, the right to make, use and/or sell the inventions disclosed or claimed therein, in each case whether foreign or domestic, applications, registrations, and recordings relating to such patents in the USPTO or in any similar office or agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those patents and applications, registrations and recordings described in Schedule 2 attached hereto and made a part hereof (the Collateral described in this clause (e) is referred to herein as the "Patents");

(f) (i) All present and future: copyrights, rights and interests in copyrights, works protectable by copyright, all copyright rights in any work subject to the copyright laws of the United States of America or any other country, whether as author, assignee, transferee or otherwise, copyright registrations and copyright applications, including, without limitation, registrations, recordings, supplemental registrations and pending applications for registration, in each case whether foreign or domestic, and United States, state and international registrations of the foregoing, and all reissues, extensions and renewals of the foregoing, including, without limitation, those listed on Schedule 4 hereto (the Collateral described in this clause (f)(i) is referred to herein as the "Copyrights"), and (ii) the right to sue for past, present and future infringements of rights in Copyrights, all goodwill of such Grantor related to Copyrights, and any and all proceeds of any of the foregoing Collateral described in this clause (f), including, but not limited to, any and all proceeds of licensing thereof (the Collateral described in the foregoing clauses (f)(i) and (f)(ii) is referred to herein as the "Copyright Collateral");

(g) All Licenses (the Licenses, together with the Trademark Collateral, the Patents, the Copyright Collateral and the Trade Secrets, are collectively referred to herein as the "IP Collateral") and all income, fees, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the IP Collateral;

(h) All present and future deposit accounts of such Grantor, including, without limitation, any demand, time, savings, passbook or like account maintained by such Grantor with any bank, savings and loan association, credit union or like organization and all deposit accounts listed on Schedule 8 hereto, and all money, cash and cash equivalents of such Grantor, whether or not deposited in any such deposit account;

(i) All present and future books and records, including, without limitation, all books of account and ledgers of every kind and nature, all electronically recorded data, all proprietary technical and business information, all know-how, show-how or other data or information, all software and databases and all embodiments or fixations thereof and related documentation, all registrations and franchises, in each case relating to such Grantor or the business of such Grantor, all receptacles and containers for such records, and all files and correspondence;

(j) All present and future goods, including, without limitation, all consumer goods, farm products, inventory, equipment, video lottery terminals, slot machines and other gaming devices and associated equipment (including, without limitation, "gaming devices" and "associated equipment" as defined in Nevada Revised Statutes Chapter 463 or by similar provisions under other applicable laws), catalogs, machinery, tools, molds, dies, furniture, furnishings, fixtures, trade fixtures, motor vehicles, aircraft, documented and undocumented vessels, ships and other watercraft, and all other goods used in connection with or in the conduct of such Grantor's business including but not limited to all goods as defined in Section 104.9102(qq) of the Nevada UCC;

(k) All present and future inventory and merchandise, including, without limitation, all present and future goods held for sale or lease or to be furnished under a contract of service, all raw materials, work in process and finished goods, all packing materials, supplies and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts or documents of title relating to any of the foregoing;

(l) All present and future stocks, investment property, bonds, debentures, securities (whether certificated or uncertificated), security entitlements, securities accounts, commodity contracts, commodity accounts, subscription rights, options, warrants, puts, calls, certificates, partnership interests, limited liability company membership or other interests, joint venture interests, certificates of deposit, Investments and/or brokerage accounts and all rights, preferences, privileges, dividends, distributions, redemption payments, or liquidation payments with respect thereto, including, without limitation, the securities accounts listed on Schedule 8 hereto;

(m) All present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;

(n) All other present and future tangible and intangible property of such Grantor;

(o) (i) All of the Pledged Collateral, including but not limited to the Pledged Debt listed on Schedule 3 hereto, (ii) all gaming markers, notes, and other instruments evidencing debt owed to Grantor by casino patrons in the ordinary course

of gaming activities, and (iii) all Commercial Tort Claims, including but not limited to those listed on Schedule 5 hereto;

(p) All present and future rights, remedies, powers and/or privileges of such Grantor with respect to any of the foregoing, including the right to make claims thereunder or with respect thereto;

(q) Any and all proceeds and products of any of the foregoing, including, without limitation, all money, accounts, payment intangibles, general intangibles, deposit accounts, promissory notes, documents, instruments, certificates of deposit, chattel paper, investment property, letter-of-credit-rights, goods, insurance proceeds, claims by such Grantor against third parties for past, present and future infringement of the IP Collateral or any license with respect thereto, and any other tangible or intangible property received upon the sale or disposition of any of the foregoing; and

(r) without limiting the foregoing, to the extent permitted by law, all of the goodwill associated with such Grantor's business, the enterprise value of such Grantor realized in connection with the sale or other transfer of all or any portion of the assets of such Grantor to any Person that becomes licensed to conduct gambling operations and any benefits and value associated with such Grantor transferring any gambling license (if permitted by applicable law) or relinquishing any gambling license as a condition to any governmental authority issuing a gambling license in favor of another Person;

provided that the term "Collateral", as used in this Agreement, shall *not* include (i) any real property, (ii) any property the purchase of which was financed by a purchase money security interest, including any Capitalized Lease permitted under Article 8 of the Loan Agreement, to the extent that the documents creating such purchase money security interest or Capitalized Lease prohibit the granting thereon, but only for so long as the related indebtedness remains outstanding, (iii) any property or assets in which a security interest may not be granted under Gaming Laws, or other applicable laws, or under the term of any license, permit or authorization issued by a Gaming Board or other governmental authority, or (iv) any lease, license, contract, property rights or agreement in respect of personal property to which any Grantor is a party or any of such Grantor's rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of such Grantor therein or (B) a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 (or any successor provisions thereof) of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law or principles of equity), *provided, however*, that, in the case of either (A) or (B) above, such security interest shall (x) attach immediately at such time as the condition causing such abandonment, invalidation, unenforceability, breach, termination or default shall be remedied or waived and (y) to the extent such portion is severable, shall attach immediately to any portion of such lease, license, contract, property

rights or agreement that does not result in any of the consequences specified in (A) or (B) above.

“Commercial Tort Claims” means, with respect to each Grantor, all commercial tort claims asserted by it, or on its behalf, in writing to which it has any right, title or interest and of which it is aware.

“License” means, with respect to each Grantor, all of such Grantor’s right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights, Trade Secrets, or Trademarks, and (b) all rights to sue for past, present, and future breaches thereof.

“Pledged Collateral” means, with respect to each Grantor, any and all property of such Grantor now or hereafter pledged and delivered to Secured Party pursuant to this Agreement, and includes without limitation (a) the Pledged Debt, (b) all proceeds and products of any of the foregoing, (c) any and all collections, distributions, cash, instruments, interest or premiums with respect to any of the foregoing and (d) any and all rights, titles, interests, privileges, benefits and preferences appertaining or incidental to any of the foregoing.

“Pledged Debt” means, with respect to each Grantor, all debt owed or owing to such Grantor and not held in a securities account or otherwise through a securities intermediary, including all such debt described on Schedule 3, all instruments, chattel paper or other documents, if any, representing or evidencing such debt, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such debt; provided that “Pledged Debt” does not include any gaming markers, notes, or other instruments evidencing debt owed to Grantor by casino patrons in the ordinary course of gaming activities.

“Secured Obligations” means, with respect to each Grantor, any and all present and future Obligations of any type or nature of such Grantor at any time or from time to time owed to Secured Party under its Subsidiary Guaranty and the other Loan Documents, and any one or more of them, whether due or to become due, matured or unmatured, liquidated or unliquidated, absolute or contingent, direct or indirect, or voluntary or involuntary, whether obligations of performance or obligations of payment, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise (including all renewals, extensions, amendments, refinancings and other modifications of such obligations and all costs, reasonable out-of-pocket attorneys’ fees and costs (other than fees allocated to in-house attorneys) and expenses incurred by Secured Party in connection with the collection or enforcement of such obligations), and whether recovery upon such obligations may be or hereafter becomes unenforceable or shall be an allowed or disallowed claim under any proceeding or case commenced by or against such Grantor under any Debtor Relief Laws.

“Trade Secrets” means, with respect to each Grantor, all trade secrets and all other confidential or proprietary information and know-how now or hereafter owned or used in, or contemplated at any time for use in, the business of such Grantor, whether or not such trade secret, other confidential or proprietary information or know-how has been reduced to a

writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such trade secret, other confidential or proprietary information or know-how, the right to sue for any past, present and future infringement of any trade secret, other confidential or proprietary information or know-how, and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and proceeds of suit.

2. Further Assurances. At any time and from time to time at the request of Secured Party, each Grantor shall execute and/or deliver all financing statements, instruments and documents, and shall do all such further acts and things, as may reasonably be deemed necessary or desirable by Secured Party to create and perfect, and to continue and preserve, an indefeasible security interest in the Collateral in favor of Secured Party, or the priority thereof. At any time and from time to time, Secured Party shall be entitled to file and/or record any or all such financing statements, instruments and documents held by it, and any or all such further financing statements, documents and instruments, and to take all such other actions, as Secured Party may reasonably deem appropriate to perfect and to maintain perfected the security interest granted in Section 3 of this Agreement, provided that Secured Party shall provide prior written notice of any such action to Grantors as soon as reasonably possible. Each Grantor further authorizes Secured Party to have this or any other similar agreement recorded or filed with the USCO, USPTO or other appropriate federal, state or foreign government office. If any Pledged Debt of any Grantor is at any time not evidenced by an instrument or other document, then (A) such Grantor shall cause the issuer thereof to execute and deliver to Secured Party an acknowledgment of the pledge made such Grantor under this Agreement, and (B) if necessary to perfect a security interest in such Pledged Debt, such Grantor shall execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give Secured Party the right to transfer such Pledged Debt pursuant to the terms of this Agreement. With respect to any Collateral consisting of certificated securities, instruments, documents, certificates of title or other Collateral as to which Secured Party's security interest need be perfected by, or the priority thereof need be assured by, possession of such Collateral, Grantors will upon demand of Secured Party deliver possession of same in pledge to Secured Party. With respect to any Collateral described in the previous sentence, each Grantor hereby consents and agrees (a) to notify any securities intermediary, depository institution or other bailee therefor, and any issuer thereof, obligor thereon or registrar, transfer agent or trustee thereof, of the security interest of Secured Party therein, (b) to require any such party to execute and deliver to Secured Party such acknowledgments, instruments, control agreements or other agreements as may be necessary for Secured Party to maintain the perfection of such security interest, and (c) that any such party shall be entitled to accept the provisions of this Agreement as conclusive evidence of the right of Secured Party to effect any transfer or exercise any right hereunder or with respect to any such Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by such Grantor or any other Person to such issuers or such obligors or to any such registrar or transfer agent or trustee.

3. Security Agreement. For valuable consideration, each Grantor hereby assigns and pledges to Secured Party, and grants to Secured Party a security interest in, all presently existing and hereafter acquired Collateral, as security for the timely payment and performance of its Secured Obligations, and each of them. This Agreement is a continuing and irrevocable agreement and all the rights, powers, privileges and remedies hereunder shall apply to any and

all Secured Obligations, including those arising under successive transactions which shall either continue the Secured Obligations, increase or decrease them, or from time to time create new Secured Obligations (whether or not all or any prior Secured Obligations have been satisfied), and notwithstanding the bankruptcy of any Grantor or any other Person or any other event or proceeding affecting any Person.

4. Delivery of Pledged Debt. On or before the Closing Date, each Grantor shall cause to be pledged and delivered to Secured Party any existing instrument or other document evidencing or constituting Pledged Debt, each of which has been listed on Schedule 3 hereto. Following the Closing Date, each Grantor will promptly notify Secured Party of the creation of any instrument or other document evidencing or constituting Pledged Debt, and such Grantor will deliver such Pledged Debt (including, without limitation, any instruments or other documents evidencing or constituting the same) to Secured Party within 10 business days of such Grantor's receipt of such instrument or other document evidencing or constituting Pledged Debt. All Pledged Debt (including, without limitation, any instruments or other documents evidencing or constituting the same) at any time delivered to Secured Party shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to Secured Party.

5. Grantors' Representations, Warranties and Agreements. Each Grantor represents, warrants and agrees that:

(a) such Grantor owns the Collateral free and clear of any Lien except as expressly permitted by the Loan Agreement;

(b) such Grantor owns the sole, full and clear title to all of the existing Collateral (subject to Liens expressly permitted by the Loan Agreement) and such Grantor has the right and power to grant the security interest granted hereunder in the Collateral;

(c) such Grantor has the right and power to pledge the Collateral and grant a security interest in the Collateral to Secured Party without the consent, approval or authorization of, or notice to, any Person (other than such consents, approvals, authorization or notices which have been obtained or given prior to the date hereof) and such pledge and security interest constitutes the valid, binding and enforceable obligation of such Grantor, enforceable against such Grantor in accordance with the terms hereof and the other Loan Documents, except as enforcement may be limited by Debtor Relief Laws or equitable principles relating to the granting of specific performance and other equitable remedies as a matter of judicial discretion;

(d) such Grantor shall not (i) sell, assign, exchange, transfer, or otherwise dispose of, or contract to sell, assign, exchange, transfer, or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as specifically permitted under the Loan Documents, (ii) create or permit to exist any Lien upon or with respect to any of the Collateral, except for Liens permitted pursuant to the Loan Agreement, or (iii) take any action with respect to the Collateral which is inconsistent with the provisions or purposes of this Agreement or any other Loan Document;

(e) such Grantor will pay, prior to delinquency, all taxes, charges, Liens and assessments against the Collateral, except as specifically permitted under the Loan Agreement;

(f) the Collateral will not be knowingly used for any unlawful purpose or in violation of any law, regulation or ordinance, nor used in any way that will void or impair any insurance required to be carried in accordance with the Loan Agreement;

(g) such Grantor will, to the extent consistent with good business practice, keep the Collateral in reasonably good repair, working order and condition, ordinary wear and tear excepted, and from time to time make all needful and proper repairs, renewals, replacements, additions and improvements thereto and, as appropriate and applicable, will otherwise deal with the Collateral in all such ways as are considered good practice by owners of like property;

(h) such Grantor will, consistent with good business practice, take all reasonable steps to preserve and protect the Collateral, including, with respect to the IP Collateral, the filing of any renewal affidavits and applications;

(i) as of the date hereof, such Grantor has no Trademarks registered, or subject to pending applications, in the USPTO, or to the best knowledge of such Grantor, any similar office or agency in the United States of America, other than those described in Schedule 1 attached hereto;

(j) as of the date hereof, such Grantor has no Patents registered, or subject to pending applications, in the USPTO, or to the best knowledge of such Grantor, any similar office or agency in the United States of America, other than those described in Schedule 2 attached hereto;

(k) there are no actions, suits, proceedings or investigations pending or, to the best of such Grantor's knowledge, threatened in writing, against such Grantor before any governmental authority which could reasonably be expected to cause any portion of the IP Collateral to be adjudged invalid or unenforceable, in whole or in part, as of the date hereof, and such Grantor has received no written notice of any of the foregoing;

(l) such Grantor shall not file any application for the registration of a Patent, Trademark or Copyright with the USPTO, USCO (as defined below) or any similar office or agency in the United States of America, or any State therein, unless such Grantor promptly thereafter notifies Secured Party of such action;

(m) such Grantor has not abandoned any Patent, Trademark or Copyright that is material to the use and operation of the Collateral, and such Grantor will not do any act, or omit to do any act, whereby any Patent, Trademark or Copyright that is material to the use and operation of the Collateral may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable unless permitted by the Loan Agreement or unless such Grantor has obtained the written consent of Secured Party;

(n) such Grantor shall promptly notify Secured Party if it knows or has reason to know of any reason why any applicable registration or recording of any Patent, Trademark or Copyright of any material value may become abandoned, canceled, invalidated, or unenforceable;

(o) such Grantor will render any assistance, as Secured Party may determine is necessary or desirable, to Secured Party in any proceeding before the USPTO, the USCO, any federal or state court, or any similar office or agency in the United States of America, or any State therein, to maintain any Patent, Trademark or Copyright and to protect Secured Party's security interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings;

(p) such Grantor will promptly notify Secured Party if such Grantor learns of any use by any Person of any term or design likely to cause confusion with any of the Trademarks that are material to such Grantor's business, or of any use by any Person of any other process or product which infringes upon any of the Trademarks that are material to such Grantor's business, and if requested by Secured Party, such Grantor, at its expense, shall join with Secured Party in such action as Secured Party in Secured Party's reasonable discretion may deem advisable for the protection of Secured Party's interest in and to the Trademarks;

(q) such Grantor assumes all responsibility and liability arising from the use of the IP Collateral, and such Grantor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and costs, other than the fees allocated to in-house attorneys) arising out of any alleged defect in any product manufactured, promoted, or sold by such Grantor (or any Affiliate or Subsidiary of such Grantor) in connection with any IP Collateral or out of the manufacture, promotion, labeling, sale, or advertisement of any such product by such Grantor or any Affiliate or Subsidiary of such Grantor;

(r) such Grantor shall promptly notify Secured Party in writing of any adverse determination in any proceeding in the USPTO, USCO, or any other foreign or domestic governmental authority, court or body, such Grantor becomes aware of regarding such Grantor's claim of ownership in any of the Trademarks, Patents or Copyrights, and in the event of any infringement by any third party of any Trademarks, Patents or Copyrights that are material to such Grantor's business, such Grantor shall promptly notify Secured Party of such infringement and sue for and diligently pursue damages for such infringement, and if such Grantor shall fail to take such action within one (1) month after such notice is given to Secured Party, Secured Party may, but shall not be required to, itself take such action in the name of such Grantor, and such Grantor hereby appoints Secured Party the true and lawful attorney of such Grantor, for it and in its name, place and stead, on behalf of such Grantor, to commence judicial proceedings in any court or before any other tribunal to enjoin and recover damages for such infringement, any such damages due to such Grantor, net of costs and reasonable out-of-pocket attorneys' fees and costs (other than fees allocated to in-house attorneys), to be applied to the Secured Obligations;

(s) such Grantor will maintain, with responsible insurance companies, insurance covering the Collateral against such insurable losses as is required by the Loan Agreement and will cause Secured Party to be designated as an additional insured and loss payee with respect to all insurance (whether or not required by the Loan Agreement);

(t) such Grantor will promptly notify Secured Party in writing in the event of any substantial or material damage to the Collateral (taken as a whole) from any source whatsoever, and, *except* for the disposition of collections and other proceeds of the Collateral permitted by Section 8 hereof or by the Loan Agreement, such Grantor will not remove or permit to be removed any substantial or material part of the Collateral from its places of business without the prior written consent of Secured Party, *except* for such items of the Collateral as are removed in the ordinary course of business or in connection with any transaction or disposition otherwise permitted by the Loan Documents;

(u) in the event such Grantor changes its name or its address as either are set forth herein or in the Subsidiary Guaranty to which such Grantor is a party, such Grantor will notify Secured Party of such name and/or address change promptly, but in any event, within five (5) business days after such change;

(v) as of the date hereof, such Grantor does not have any Copyrights registered, or subject to pending applications, with the United States Copyright Office (“USCO”), or any similar office or agency in the United States of America, or elsewhere other than those described in Schedule 4 attached hereto;

(w) such Grantor authorizes Secured Party to modify this Agreement by amending the Schedules hereto to include any new IP Collateral, renewal thereof or any IP Collateral applied for and obtained hereafter; and such Grantor shall, upon request of Secured Party, from time to time execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence Secured Party’s security interest in each such IP Collateral;

(x) as of the date hereof, such Grantor has no Commercial Tort Claims other than those described in Schedule 5 attached hereto and such Grantor hereby covenants and agrees that it shall provide Secured Party with prompt written notice of each Commercial Tort Claim, and any judgment, settlement or other disposition thereof and will take such action as Secured Party may request to grant and perfect a security interest therein in favor of Secured Party;

(y) as of the date hereof, Schedule 6 attached hereto sets forth each of the material Licenses owned or held by or on behalf of such Grantor, and all other intellectual property of such Grantor other than the intellectual property otherwise set forth in the other Schedules hereto;

(z) as of the date hereof, Schedule 7 attached hereto sets forth each letter of credit giving rise to a letter of credit right included in the Collateral owned or held by or on behalf of such Grantor; and

(aa) as of the date hereof, Schedule 8 attached hereto sets forth each deposit account and each securities account owned or held by or on behalf of such Grantor.

6. Deposit and Securities Accounts. For each deposit account and securities account that any Grantor at any time opens or maintains, such Grantor shall, at Secured Party's request and option, cause the depository bank or applicable financial institution to agree to comply at any time with instructions from Secured Party to such depository bank or applicable financial institution directing the disposition of funds or other Collateral from time to time credited to such deposit account or securities account, as applicable, without further consent of such Grantor, pursuant to an agreement in form and substance reasonably acceptable to Secured Party; provided that Secured Party shall not give any such instructions except upon the occurrence and during the continuance of an Event of Default. Without limiting the foregoing, Secured Party shall also have the right at any time, whether or not an Event of Default shall have occurred or be continuing, to make inquiry of each applicable depository institution or applicable financial institution at which a deposit account or securities account is maintained to verify the account balance of such account.

7. Secured Party's Rights Regarding Collateral. At any time (whether or not an Event of Default has occurred), at the expense of Grantors, Secured Party may, subject to Gaming Laws, to the extent it may be necessary or desirable to protect the Collateral, but Secured Party shall not be obligated to, at all reasonable times on reasonable prior notice, enter upon any premises on which Collateral is situated and examine the same. At any time and from time to time when any Event of Default has occurred and remains continuing, subject to compliance with Gaming Laws, at the expense of Grantors, Secured Party may, to the extent it may be necessary or desirable to protect the Collateral, but Secured Party shall not be obligated to, (i) notify obligors on the Collateral that the Collateral has been assigned to Secured Party and (ii) request from obligors on the Collateral, in the name of any applicable Grantor or in the name of Secured Party, information concerning the Collateral and the amounts owing thereon. Each Grantor shall at any time at Secured Party's request mark the Collateral and/or such Grantor's ledger cards, books of account and other records relating to the Collateral with appropriate notations satisfactory to Secured Party disclosing that they are subject to Secured Party's security interest. Secured Party shall at all reasonable times on reasonable prior notice have full access to and the right to audit any and all of each Grantor's books and records pertaining to the Collateral, and to confirm and verify the value of the Collateral and to do whatever else Secured Party reasonably may deem necessary or desirable to protect its interests; *provided, however*, that any such action which involves communicating with customers of any Grantor shall be carried out by Secured Party through such Grantor's independent auditors unless Secured Party shall then have the right directly to notify obligors on the Collateral as provided in Section 10; and *provided further, however*, that Secured Party will make reasonable efforts during any inspection or audit conducted pursuant to this Section to avoid materially interfering with such Grantor's use of the Collateral and such Grantor shall be entitled to have its representative present during any such inspection or audit. Secured Party shall be under no duty or obligation whatsoever to take any action to preserve any rights of or against any prior or other parties in connection with the Collateral, to exercise any voting rights or managerial rights with respect to any Collateral, whether or not an Event of Default shall have occurred, or to make or give any presentments, demands for performance, notices of non-performance, protests, notices of protests, notices of

dishonor or notices of any other nature whatsoever in connection with the Collateral or the Secured Obligations. Secured Party shall be under no duty or obligation whatsoever to take any action to protect or preserve the Collateral or any rights of any Grantor therein, or to make collections or enforce payment thereon, or to participate in any foreclosure or other proceeding in connection therewith.

8. Collections on the Collateral. Except as otherwise provided in the Loan Agreement, each Grantor shall have the right to use and to continue to make collections on and receive other proceeds of all of the Collateral in the ordinary course of business so long as no Event of Default shall have occurred and be continuing. Upon the occurrence and during the continuance of an Event of Default, at the option of Secured Party, each Grantor's right to make collections on and receive other proceeds of the Collateral and to use or dispose of such collections and proceeds shall terminate, and any and all proceeds and collections, including all partial or total prepayments, then held or thereafter received on or on account of the Collateral will be held or received by such Grantor in trust for Secured Party and immediately delivered in kind to Secured Party. Any remittance received by any Grantor from any Person shall be presumed to relate to the Collateral and to be subject to Secured Party's security interest. Upon the occurrence and during the continuance of an Event of Default, at Secured Party's election, Secured Party shall have the sole right at all times to receive, receipt for, endorse, assign, deposit and deliver, in the name of Secured Party or in the name of any applicable Grantor, any and all checks, notes, drafts and other instruments for the payment of money constituting proceeds of or otherwise relating to the Collateral; and each Grantor hereby authorizes Secured Party to affix, by facsimile signature or otherwise, the general or special endorsement of it, in such manner as Secured Party shall deem advisable, to any such instrument in the event the same has been delivered to or obtained by Secured Party without appropriate endorsement, and Secured Party and any collecting bank are hereby authorized to consider such endorsement to be a sufficient, valid and effective endorsement by such Grantor, to the same extent as though it were manually executed by the duly authorized officer of such Grantor, regardless of by whom or under what circumstances or by what authority such facsimile signature or other endorsement actually is affixed, without duty of inquiry or responsibility as to such matters, and each Grantor hereby expressly waives demand, presentment, protest and notice of protest or dishonor and all other notices of every kind and nature with respect to any such instrument.

9. Possession of Collateral by Secured Party. All of the Collateral now, heretofore or hereafter delivered to Secured Party shall be held by Secured Party in its possession, custody and control. Any or all of the Collateral delivered to Secured Party may be held in an interest-bearing or non-interest-bearing account, in Secured Party's sole and absolute discretion, and, if an Event of Default has occurred and is continuing, Secured Party may, in its discretion, apply any such interest to payment of the Secured Obligations. Nothing herein shall obligate Secured Party to invest any Collateral or obtain any particular return thereon. Subject to Gaming Laws, upon the occurrence and during the continuance of an Event of Default, whenever any of the Collateral is in Secured Party's possession, custody or control, Secured Party may use, operate and consume the Collateral, whether for the purpose of preserving and/or protecting the Collateral, or for the purpose of performing any of any Grantor's obligations with respect thereto, or otherwise. Secured Party may at any time deliver or redeliver the Collateral or any part thereof to any Grantor, and the receipt of any of

the same by such Grantor shall be complete and full acquittance for the Collateral so delivered, and Secured Party thereafter shall be discharged from any liability or responsibility therefor. So long as Secured Party exercises reasonable care with respect to any Collateral in its possession, custody or control, Secured Party shall have no liability for any loss of or damage to such Collateral, and in no event shall Secured Party have liability for any diminution in value of Collateral occasioned by economic or market conditions or events. Secured Party shall be deemed to have exercised reasonable care within the meaning of the preceding sentence if the Collateral in the possession, custody or control of Secured Party is accorded treatment substantially equal to that which Secured Party accords its own property, it being understood that Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any Person with respect to any Collateral.

10. Rights Upon Event of Default. Subject to Gaming Laws, upon the occurrence and during the continuance of an Event of Default under the Loan Agreement, Secured Party shall have, in any jurisdiction where enforcement hereof is sought, in addition to all other rights and remedies that Secured Party may have under applicable law or in equity or under this Agreement (including, without limitation, all rights set forth in Section 8 hereof) or under any other Loan Document, all rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction, and, in addition, the following rights and remedies, all of which may be exercised with or without notice to any Grantor and without affecting the obligations of any Grantor hereunder or under any other Loan Document, or the enforceability of the Lien and security interest created hereby: (a) to foreclose the Lien and security interest created hereunder or under any other agreement relating to any Collateral by any available judicial procedure or without judicial process; (b) to enter any premises where any Collateral may be located for the purpose of securing, protecting, inventorying, appraising, inspecting, repairing, preserving, storing, preparing, processing, taking possession of or removing the same; (c) to sell, assign, lease or otherwise dispose of any Collateral or any part thereof, either at public or private sale or at any broker's board, in lot or in bulk, for cash, on credit or otherwise, with or without representations or warranties and upon such terms as shall be acceptable to Secured Party; (d) to notify obligors on the Collateral that the Collateral has been assigned to Secured Party and that all payments thereon are to be made directly and exclusively to Secured Party; (e) to collect by legal proceedings or otherwise all interest, principal or other sums now or hereafter payable upon or on account of the Collateral; (f) to cause the Collateral to be registered in the name of Secured Party, as legal owner; (g) to enter into any extension, reorganization, deposit, merger or consolidation agreement, or any other agreement relating to or affecting the Collateral, and in connection therewith Secured Party may deposit or surrender control of the Collateral and/or accept other property in exchange for the Collateral; (h) to settle, compromise or release, on terms acceptable to Secured Party, in whole or in part, any amounts owing on the Collateral and/or any disputes with respect thereto; (i) to extend the time of payment, make allowances and adjustments and issue credits in connection with the Collateral in the name of Secured Party or in the name of any applicable Grantor; (j) to enforce payment and prosecute any action or proceeding with respect to any or all of the Collateral and take or bring, in the name of Secured Party or in the name of any applicable Grantor, any and all steps, actions, suits or

proceedings deemed by Secured Party necessary or desirable to effect collection of or to realize upon the Collateral, including any judicial or nonjudicial foreclosure thereof or thereon, and each Grantor specifically consents to any nonjudicial foreclosure of any or all of the Collateral or any other action taken by Secured Party which may release any obligor from personal liability on any of the Collateral, and each Grantor waives any right not expressly provided for in this Agreement to receive notice of any public or private judicial or nonjudicial sale or foreclosure of any security or any of the Collateral; (k) to insure, process and preserve the Collateral; (l) to exercise all rights, remedies, powers or privileges provided under any of the Loan Documents; (m) to remove, from any premises where the same may be located, the Collateral and any and all documents, instruments, files and records relating to the Collateral, and any receptacles and cabinets containing the same, and Secured Party may, at the cost and expense of Grantors, use such of their supplies, equipment, facilities and space at their places of business as may be necessary or appropriate to properly administer, process, store, control, prepare for sale or disposition and/or sell or dispose of the Collateral or to properly administer and control the handling of collections and realizations thereon, and Secured Party shall be deemed to have a rent-free tenancy of any premises of any Grantor for such purposes and for such periods of time as reasonably required by Secured Party; (n) to receive, open and dispose of all mail addressed to any Grantor and notify postal authorities to change the address for delivery thereof to such address as Secured Party may designate; *provided* that Secured Party agrees that it will promptly deliver over to Grantors such opened mail as does not relate to the Collateral; and (o) to exercise all other rights, powers, privileges and remedies of an owner of the Collateral and to perform any obligation of any Grantor under this Agreement or any other Loan Document; all at Secured Party's sole option and as Secured Party in its sole discretion may deem advisable. Upon the occurrence and during the continuance of an Event of Default, any money or other property received by Secured Party in exchange for or on account of the Collateral, whether representing collections or proceeds of Collateral, and whether resulting from voluntary payments or foreclosure proceedings or other legal action taken by Secured Party or any Grantor may be applied by Secured Party without notice to any Grantor to the Secured Obligations in such order and manner provided for herein and in the Loan Agreement.

Upon the occurrence and during the continuance of an Event of Default, each Grantor will, at Secured Party's request, assemble the Collateral (or any part thereof, as requested) and make it available to Secured Party at places which Secured Party may reasonably designate, whether at the premises of such Grantor or elsewhere (provided, however, that such Grantor shall not be required to deliver Collateral consisting of gaming devices to a location in a jurisdiction where possession of such items is unlawful), and will make available to Secured Party, free of cost, all premises, equipment and facilities of such Grantor for the purpose of Secured Party's taking possession of such Collateral or storing the same or removing or putting such Collateral in salable form or selling or disposing of same.

Upon the occurrence and during the continuance of an Event of Default and subject to applicable Gaming Laws, Secured Party also shall have the right, without notice or demand, either in person, by agent or by a receiver to be appointed by a court (and each Grantor hereby expressly consents upon the occurrence and during the continuance of an Event of Default to the appointment of such a receiver), and without regard to the adequacy of any security for the Secured Obligations, to take possession of the Collateral or any part

thereof and to collect and receive the rents, issues, profits, income and proceeds thereof. Taking possession of the Collateral shall not cure or waive any Event of Default or notice thereof or invalidate any act done pursuant to such notice. The rights, remedies and powers of any receiver appointed by a court shall be as ordered by said court.

Any public or private sale or other disposition of the Collateral may be held at any office of Secured Party, or any Grantor's places of business, or at any other place permitted by applicable law, and without the necessity of the Collateral being within the view of prospective purchasers. With respect to any Collateral located within or subject to the jurisdiction of a Gaming Board, Secured Party may also request, in connection therewith, such Gaming Board to petition such local judicial or administrative tribunal or other authority as may be deemed appropriate by Secured Party for the appointment of a supervisor or similar official to conduct the normal gaming activities on the premises following the appointment of a receiver or similar remedy. Subject to the requirements of the applicable Uniform Commercial Code, Secured Party may direct the order and manner of sale of the Collateral, or portions thereof, as it in its sole and absolute discretion may determine, and each Grantor expressly waives any right to direct the order and manner of sale of any Collateral. Subject to applicable laws, Secured Party or any Person on Secured Party's behalf may bid and purchase at any such sale or other disposition. The net cash proceeds resulting from the collection, liquidation, sale, lease or other disposition of the Collateral shall be applied, *first*, to the expenses (including reasonable out-of-pocket attorneys' fees and costs, other than fees allocated to in-house attorneys) of retaking, holding, storing, processing and preparing for sale or lease, selling, leasing, collecting, and liquidating the Collateral, and *then* to the satisfaction of the Secured Obligations with application as to any particular Secured Obligations to be in the order determined by Secured Party in its sole and absolute discretion. Each Grantor and any other Person then obligated therefor shall pay to Secured Party on demand any deficiency with regard thereto which may remain after such sale, disposition, collection or liquidation of the Collateral. After all the Secured Obligations have been indefeasibly paid, the balance after such sale, disposition, collection or liquidation of the Collateral shall be reassigned and redelivered to Grantors or to the Person or Persons otherwise legally entitled thereto.

Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send or otherwise make available to Grantors, such notice as may be required by the applicable Uniform Commercial Code of the time and place of any public sale thereof or of the time on or after which any private sale thereof is to be made. Each Grantor hereby irrevocably appoints the Borrower as its agent for the purpose of receiving notices hereunder and agrees that such Grantor shall be deemed to have conclusively received any such notice when received by the Borrower. The requirement of sending reasonable notice to the Grantors conclusively shall be met if such notice is given to Borrower (or the Grantors) in accordance with the Loan Agreement at least ten (10) days before the date of the sale. Each Grantor expressly waives any right to receive notice of any public or private sale of any Collateral or other security for the Secured Obligations except as expressly provided for in this paragraph.

Upon the occurrence and during the continuance of an Event of Default, Secured Party may use any of the IP Collateral for the sale of goods, completion of work in process, or rendering of services in connection with enforcing any security interest granted to

Secured Party by any Grantor. Secured Party may grant such license or licenses relating to the IP Collateral for such term or terms, on such conditions and in such manner, as Secured Party, in its sole discretion, deems appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or nonexclusive basis throughout all or part of the United States of America, its territories and possessions, and all foreign countries. In connection with any such license or any sale or other disposition of the IP Collateral (or any part thereof), each Grantor shall supply to Secured Party, or Secured Party's designee, to the extent such Grantor is able to do so, such Grantor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the IP Collateral and such Grantor's customer lists and other records relating to the IP Collateral and the distribution thereof.

Upon consummation of any sale of Collateral hereunder, Secured Party shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the Collateral so sold absolutely free from any claim or right upon the part of any Grantor or any other Person, and each Grantor hereby waives (to the extent permitted by applicable laws) all rights of redemption, stay and appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. If the sale of all or any part of the Collateral is made on credit or for future delivery, Secured Party shall not be required to apply any portion of the sale price to the Secured Obligations until such amount actually is received by Secured Party, and any Collateral so sold may be retained by Secured Party until the sale price is paid in full by the purchaser or purchasers thereof. Secured Party shall not incur any liability in case any such purchaser or purchasers shall fail to pay for the Collateral so sold, and, in case of any such failure, the Collateral may be sold again.

11. Attorney-in-Fact. Each Grantor hereby irrevocably nominates and appoints Secured Party as its attorney-in-fact for the following purposes: (a) to do all acts and things which Secured Party may reasonably deem necessary or advisable to perfect and continue perfected the security interest created by this Agreement and, upon the occurrence and during the continuance of an Event of Default, to preserve, process, develop, maintain and protect the Collateral and the security interest of the Secured Party therein; (b) upon the occurrence and during the continuance of an Event of Default, to do any and every act which such Grantor is obligated to do under this Agreement, at the expense of such Grantor and without any obligation to do so; (c) to prepare, sign, file and/or record, for such Grantor, in the name of such Grantor, any financing statement, application for registration, or like paper, and to take any other action deemed by Secured Party necessary or desirable in order to perfect or maintain perfected the security interest granted hereby; (d) upon the occurrence and during the continuance of an Event of Default, to execute any and all papers and instruments and do all other things necessary or desirable to preserve and protect the Collateral and to protect Secured Party's security interest therein; and (e) upon the occurrence and during the continuance of an Event of Default, to endorse and transfer the Pledged Collateral to any transferee or designee; *provided, however*, that Secured Party shall be under no obligation whatsoever to take any of the foregoing actions, and Secured Party shall have no liability or responsibility for any act taken or omission with respect thereto, except to the extent that such liability is determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of Secured Party.

The foregoing power of attorney is coupled with an interest and is irrevocable until such time as when all Secured Obligations have been indefeasibly paid and performed in full and when no commitment of the Bank or facility provided by the Bank under the Loan Agreement remains outstanding.

12. Costs and Expenses. Each Grantor agrees to pay to Secured Party all costs and expenses (including, without limitation, reasonable out-of-pocket attorneys' fees and costs, other than fees allocated to in-house attorneys) incurred by Secured Party in the enforcement or attempted enforcement of this Agreement (including in connection with any workout, restructuring, bankruptcy, insolvency or other similar proceeding), whether or not an action is filed in connection therewith, and in connection with any waiver, supplementation, extension, renewal or amendment of any term or provision hereof. All advances, charges, costs and expenses, including reasonable out-of-pocket attorneys' fees and costs (other than fees allocated to in-house attorneys), incurred or paid by Secured Party in exercising any right, privilege, power or remedy conferred by this Agreement (including, without limitation, the right to perform any Secured Obligation of any Grantor under the Loan Documents), or in the enforcement or attempted enforcement thereof (including in connection with any workout, restructuring, bankruptcy, insolvency or other similar proceeding), shall be secured hereby and shall become a part of the Secured Obligations and shall be paid to Secured Party by Grantors, immediately upon demand, together with interest thereon at the rate(s) provided for under the Loan Agreement.

13. Statute of Limitations and Other Laws. All rights, privileges, powers and remedies granted to Secured Party hereunder shall continue to exist and may be exercised by Secured Party at any time and from time to time irrespective of the fact that any of the Secured Obligations may have become barred by any statute of limitations. Each Grantor expressly waives the benefit of any and all statutes of limitation, and any and all laws providing for exemption of property from execution or for valuation and appraisal upon foreclosure, to the maximum extent permitted by applicable law.

14. Other Agreements. Nothing herein shall in any way modify or limit the effect of terms or conditions set forth in any other security or other agreement executed by any Grantor or in connection with the Secured Obligations, but each and every term and condition hereof shall be in addition thereto. All provisions contained in the Loan Agreement or any other Loan Document that apply to Loan Documents generally are fully applicable to this Agreement and are incorporated herein by this reference.

15. Understandings with Respect to Waivers and Consents. Each Grantor warrants and agrees that each of the waivers and consents set forth herein is made after consultation with legal counsel and with full knowledge of its significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which such Grantor otherwise may have against Secured Party or others, or against Collateral, and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or law. If any of the waivers or consents herein are determined to be contrary to any applicable law or public policy, such waivers and consents shall be effective to the maximum extent permitted by law.

16. Continuing Effect. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by Secured Party, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

17. Release of Grantors. This Agreement and all obligations of Grantors hereunder shall be released when all Secured Obligations have been indefeasibly paid and performed in full and when no commitment of the Bank or facility provided by the Bank under the Loan Agreement remains outstanding. Upon such release of Grantors' obligations hereunder, Secured Party shall return any Pledged Collateral to Grantors, or to the Person or Persons legally entitled thereto, and shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required for the return of the Collateral to Grantors, or to the Person or Persons legally entitled thereto, and to evidence or document the release of Secured Party's interests arising under this Agreement, all as reasonably requested by, and at the sole expense of, Grantors.

18. Additional Powers and Authorization. Secured Party shall be entitled to the benefits accruing to it as the Bank under the Loan Agreement and the other Loan Documents. Notwithstanding anything contained herein to the contrary, Secured Party may employ agents, trustees, or attorneys-in-fact and may vest any of them with any property (including, without limitation, any Collateral pledged hereunder), title, right or power deemed necessary for the purposes of such appointment.

19. Amendment, Waiver, Etc. This Agreement shall not be amended, modified, supplemented, terminated or waived (explicitly or by implication) *except* in a writing signed by the Grantors and Secured Party.

20. Counterparts. This Agreement may be executed 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. Delivery of an executed counterpart of this Agreement (or of any other agreement or document required by this Agreement and any amendment to this Agreement) by telecopy or other electronic imaging means shall be as effective as delivery of a manually executed counterpart of this Agreement; *provided, however*, that the telecopy or other electronic image shall be promptly followed by an original if required by Secured Party.

21. Financing Statement Property Description. To perfect the security interest granted under this Agreement, each Grantor expressly authorizes Secured Party to file financing statements naming such Grantor as debtor with the Collateral description "all assets of the debtor", "all personal property of the debtor" or other words to that effect. Such

financing statements shall not be deemed to grant any security interest in any items of property otherwise excluded as Collateral pursuant to provisions hereof.

22. Governing Law. This Agreement is governed by and shall be interpreted according to federal law and the laws of Nevada. If state or local law and federal law are inconsistent, or if state or local law is preempted by federal law, federal law governs. If Secured Party has greater rights or remedies under federal law, whether as a national bank or otherwise, this paragraph shall not be deemed to deprive Secured Party of such rights and remedies as may be available under federal law.

23. Dispute Resolution Provision. This paragraph, including the subparagraphs below, is referred to as the "Dispute Resolution Provision." This Dispute Resolution Provision is a material inducement for the parties entering into this Agreement.

(a) This Dispute Resolution Provision concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document (including but not limited to any Loan Document) related to this Agreement (collectively a "Claim"). For the purposes of this Dispute Resolution Provision only, the term "parties" shall mean the Grantors and Secured Party and shall include any parent corporation, Subsidiary or Affiliate of Secured Party involved in the servicing, management or administration of any obligation described or evidenced by this Agreement.

(b) At the request of any party to this Agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Act"). The Act will apply even though this Agreement provides that it is governed by the law of a specified state.

(c) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this Dispute Resolution Provision. In the event of any inconsistency, the terms of this Dispute Resolution Provision shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, Secured Party may designate another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in any U.S. state where Collateral is located or if there is no such Collateral, in the state specified in the governing law section of this Agreement. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30)

days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and have judgment entered and enforced.

(e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and shall dismiss the arbitration if the Claim is barred under the applicable statutes of limitation. For purposes of the application of any statutes of limitation, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s), except as set forth at subparagraph (h) of this Dispute Resolution Provision. The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

(f) This paragraph does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights; or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(g) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(h) Any arbitration or court trial (whether before a judge or jury) of any Claim will take place on an individual basis without resort to any form of class or representative action (the "Class Action Waiver"). The Class Action Waiver precludes any party from participating in or being represented in any class or representative action regarding a Claim. Regardless of anything else in this Dispute Resolution Provision, the validity and effect of the Class Action Waiver may be determined only by a court and not by an arbitrator. The parties to this Agreement acknowledge that the Class Action Waiver is material and essential to the arbitration of any disputes between the parties and is nonseverable from the agreement to arbitrate Claims. If the Class Action Waiver is limited, voided or found unenforceable, then the parties' agreement to arbitrate shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. **The parties acknowledge and agree that under no circumstances will a class action be arbitrated.**

(i) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This waiver of jury trial shall remain in effect even if the Class Action Waiver is limited, voided or found

unenforceable. WHETHER THE CLAIM IS DECIDED BY ARBITRATION OR BY TRIAL BY A JUDGE, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.

24. Jurisdiction, Venue, Miscellaneous. This Agreement shall (a) bind each Grantor and each Grantor's successors and assigns, provided that no Grantor may assign its rights or obligations under this Agreement without the prior written consent of Secured Party (and any attempted assignment without such consent shall be void), and (b) inure to the benefit of Secured Party and its successors and assigns. Each Grantor hereby irrevocably (i) submits to the non-exclusive jurisdiction of any United States Federal or State court sitting in Clark County, Nevada, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, (ii) waives any objection it may have to the laying of venue of any such action or proceeding in any of the said courts and (iii) waives to the fullest extent permitted by law any defense asserting an inconvenient forum in connection therewith. Service of process by Secured Party in connection with such action or proceeding shall be binding on any Grantor if sent to Borrower (or to such Grantor) by registered or certified mail at its address specified in the Loan Agreement (or, if to such Grantor, the address specified in such Grantor's Subsidiary Guaranty). Each Grantor acknowledges and agrees that nothing in this Agreement shall affect the right to serve process in any other manner permitted by law or preclude the right to bring legal proceedings in any other court or courts of competent jurisdiction as Secured Party may elect and that legal proceedings in any one or more jurisdictions shall not preclude legal proceedings in any other jurisdiction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each Grantor has executed this Agreement by its duly authorized officer as of the date first written above.

“Grantors”

EDGEWATER GAMING, LLC,
a Nevada limited liability company

By: Saddle West Investors, LLC,
a Nevada limited liability company,
its Manager

By: 
Anthony A. Marnell, III, Manager

COLORADO BELLE GAMING, LLC,
a Nevada limited liability company

By: Saddle West Investors, LLC,
a Nevada limited liability company,
its Manager

By: 
Anthony A. Marnell, III, Manager

Signature Page to
Subsidiary Security Agreement

TRADEMARK
REEL: 004730 FRAME: 0739

**Schedule 1 – Existing and Pending Trademarks
(Marnell Sher Gaming, LLC, Colorado Belle Gaming, LLC, and Edgewater Gaming, LLC)**

U.S. Federal Trademark Registrations

Grantor	Mark	Registration No.	Registration Date
Colorado Belle Gaming, LLC	COLORADO BELLE	1,661,164	October 15, 1991
Colorado Belle Gaming, LLC	COLORADO BELLE	1,662,848	October 29, 1991
Edgewater Gaming, LLC	APRIL RUN	3,257,314	June 26, 2007
Edgewater Gaming, LLC	BIKER MARDI GRAS	3,506,577	September 23, 2008
Edgewater Gaming, LLC	EDGEWATER	2,680,041	January 28, 2003
Edgewater Gaming, LLC	EDGEWATER	2,680,040	January 28, 2003

U.S. Federal Trademark Applications

No pending federal trademark applications

State Trademark Registrations

Grantor	Mark	State	Registration No.	Registration Date
Colorado Belle Gaming, LLC	COLORADO BELLE	Nevada	SM00230914	September 12, 1990
Colorado Belle Gaming, LLC	COLORADO BELLE	Nevada	SM00230913	September 12, 1990
Colorado Belle Gaming, LLC	HOT NEW ORLEANS NIGHTS	Nevada	SM00260219	May 3, 1993
Colorado Belle Gaming, LLC	BOILER ROOM	Nevada	SM00300270	September 4, 1997
Colorado Belle Gaming, LLC	ROCKIN' ON THE RIVER	Nevada	SM00310915	April 23, 1999
Marnell Sher Gaming, LLC	CHILLIN' ON THE RIVER	Nevada	E0620462010-0	December 16, 2010
Edgewater Gaming, LLC	EDGEWATER HOTEL CASINO LAUGHLIN	Nevada	E0565472010-3	November 10, 2010

**Schedule 1 – Existing and Pending Trademarks
(Marnell Sher Gaming, LLC, Colorado Belle Gaming, LLC, and Edgewater Gaming, LLC)**

State Trademark Applications

No state trademark applications

Foreign Trademark Registrations

No foreign trademark registrations

Foreign Trademark Applications

No pending foreign trademark applications

Schedule 2 – Existing and Pending Patents
(Marnell Sher Gaming, LLC, Colorado Belle Gaming, LLC, and Edgewater Gaming, LLC)

None.

SCHEDULE 3 - PLEDGED DEBT

NONE

Schedule 4 – Existing and Pending Copyrights
(Marnell Sher Gaming, LLC, Colorado Belle Gaming, LLC, and Edgewater Gaming, LLC)

U.S. Copyright Registrations

Grantor	Title	Reg. No. and Date
Colorado Belle Gaming, LLC	(Wo)man vs. Machine	VA0001040396 / May 4, 2000

SCHEDULE 5 - COMMERCIAL TORT CLAIMS

REDACTED

SCHEDULE 6 - LICENSES AND OTHER INTELLECTUAL PROPERTY

None.

SCHEDULE 7 - LETTERS OF CREDIT

NONE

SCHEDULE 8 - DEPOSIT AND SECURITIES ACCOUNTS

REDACTED