

09-09-2002

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

Form PTO-1594

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)



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

1. Name of conveying party(ies):

Bingo Systems and Supply, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: 08/30/2002

2. Name and address of receiving party(ies)

Name: Foothill Capital Corporation, as Agent

Internal

Address: _____

2450 Colorado Avenue,

Street Address: Suite 3000 West

City: Santa Monica State: CA Zip: 90404

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☒ Corporation-State California
☐ Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? ☐ Yes ☒ No

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

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 2100383

Additional number(s) attached ☐ Yes ☒ No

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

Name: Goldberg Kohn et al.

Internal Address: Elizabeth Kostiuik

Street Address: 55 East Monroe St., Suite 3700

City: Chicago State: IL Zip: 60603

6. Total number of applications and registrations involved: _____

1

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

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Elizabeth Kostiuik, Paralegal

Name of Person Signing

Signature

09/05/02

Date

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

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

09/10/2002 6TON11 00000033 2100383

01 FC:481

40.00 DP

TRADEMARK
 REEL: 002577 FRAME: 0553

TRADEMARK MORTGAGE

THIS TRADEMARK MORTGAGE (this "Mortgage"), made as of the 30th day of August, 2002 is by and between Bingo Systems and Supply, Inc., a Missouri corporation ("Bingo Systems"), and Foothill Capital Corporation, a California corporation ("Agent"), as agent for the Lenders (as defined below).

W I T N E S S E T H

WHEREAS, pursuant to that certain Loan and Security Agreement of even date herewith among BK Entertainment, Inc., a Delaware corporation ("BK"), Western Bingo Supplies, Inc., a California corporation ("Western"), Video King Gaming Systems, Inc., a Colorado corporation ("Video King"; BK, Western and Video King are collectively referred to herein as the "Borrowers"), the lenders from time to time party thereto (the "Lenders") and Agent, as a Lender and as agent for the Lenders (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), Agent and the Lenders have agreed to make certain loans to Borrowers, and to extend certain other financial accommodations to or for the benefit of Borrowers;

WHEREAS, pursuant to that certain Security Agreement of even date herewith among Agent, Lenders and Bingo Systems (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Security Agreement"), Bingo Systems has granted to Agent, for the benefit of Agent and the Lenders, a continuing security interest in certain of the Company's assets, including, without limitation, the Trademarks (as defined below);

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bingo Systems and Agent, on behalf of itself and the Lenders, agree as follows:

1. Incorporation of Security Agreement; Loan Agreement Definitions. The Security Agreement and the provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interest. To secure the complete and timely payment and satisfaction of the Obligations, Bingo Systems hereby grants to Agent, on behalf of itself and the Lenders, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Bingo Systems' entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings

thereof, and all applications in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing, and all rights corresponding to any of the foregoing throughout the world and the goodwill of Bingo Systems' business connected with the use of and symbolized by the trademarks (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks").

3. New Trademarks. Bingo Systems represents and warrants that the Trademarks listed on Schedule A constitute all of the federally registered Trademarks now owned by Bingo Systems. If, before the Obligations shall have been satisfied in full and the Loan Agreement has been terminated, Bingo Systems shall obtain any new federally registered Trademarks, Bingo Systems shall give Agent prompt written notice thereof. Bingo Systems hereby agrees that, upon Agent's written request, Bingo Systems will execute and deliver to Agent one or more supplements to this Mortgage, each in form and content substantially similar to this Mortgage, in respect of any and all new federally registered Trademarks owned by Bingo Systems.

4. Term. The term of the security interests granted herein shall extend until the Obligations have been paid in full and the Loan Agreement has been terminated in accordance with its terms.

5. Effect on Other Agreements; Cumulative Remedies. At any time an Event of Default exists or has occurred and is continuing, Agent shall have all rights and remedies provided in this Mortgage, the other Loan Documents, the Uniform Commercial Code and other applicable law, all of which rights and remedies may be exercised without notice to or consent by Bingo Systems, except as such notice or consent is expressly provided for hereunder or in the Loan Agreement or as required by applicable law. Bingo Systems acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Agent and the Lenders under the Loan Agreement or the Security Agreement but rather is intended to supplement and facilitate the exercise of such rights and remedies. All of the rights and remedies of Agent with respect to the Trademarks, whether established hereby, by the Loan Agreement, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently.

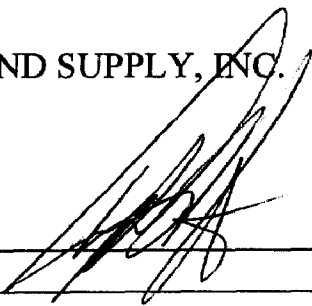
6. Binding Effect; Benefits. This Mortgage shall be binding upon Bingo Systems and its successors and assigns, and shall inure to the benefit of Agent and Lenders and their successors and assigns.

7. APPLICABLE LAW; SEVERABILITY. THIS MORTGAGE SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND GOVERNED BY, ALL OF THE PROVISIONS OF THE ILLINOIS UNIFORM COMMERCIAL CODE

AND BY THE OTHER INTERNAL LAWS (AS OPPOSED TO CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS. WHENEVER POSSIBLE, EACH PROVISION OF THIS MORTGAGE SHALL BE INTERPRETED IN SUCH A MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS MORTGAGE SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISIONS OR THE REMAINING PROVISIONS OF THIS MORTGAGE.

IN WITNESS WHEREOF, the parties hereto have duly executed this Mortgage as of the date first above written.

BINGO SYSTEMS AND SUPPLY, INC.

By 
Its Secretary

Accepted and Agreed to as of the date first written above:

FOOTHILL CAPITAL CORPORATION, as Agent

By _____
Its _____

IN WITNESS WHEREOF, the parties hereto have duly executed this Mortgage as of the date first above written.

BINGO SYSTEMS AND SUPPLY, INC.

By _____
Its _____

Accepted and Agreed to as of the date first written above:

FOOTHILL CAPITAL CORPORATION, as Agent

By *Frank R. Cate*
Its *Vice President*

SCHEDULE A

TRADEMARK REGISTRATIONS

Trademark Description	U.S. Serial/ Registration No.	Date Registered
SHOW ME 7 BINGO	2100383	09/23/97

TRADEMARK APPLICATIONS

Trademark Application Description	U.S. Application No.	Date Applied