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Form PTO-1595

U.S. DEPARTMENT OF COMMERCE

(Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2004)	U.S. Patent and Trademark Office	
Tab settings		
	Please record the attached original documents or copy thereof.	
Name of conveying party(ies):	Name and address of receiving party(ies)	
Bingo Press & Specialty Limited	Name: Foothill Capital Corporation, as Agent Internal Address:	
Additional name(s) of conveying party(ies) attached? Yes X No		
3. Nature of conveyance:		
Assignment Merger	Street Address: 2450 Colorado Avenue,	
X Security Agreement Change of Name		
Other	Suite 3000 West	
	City: Santa Monica State: CA Zip: 90404	
Execution Date: 08/30/2002	Additional name(s) & address(es) attached? Yes X No	
4. Application number(s) or patent number(s):		
If this document is being filed together with a new applie	cation, the execution date of the application is:	
A. Patent Application No.(s)	B. Patent No.(s) 4740016, D367943	
Additional numbers att	ached? Yes X No	
5. Name and address of party to whom correspondence concerning document should be mailed:	6. Total number of applications and patents involved: 2	
Name: Goldberg Kohn et al	7. Total fee (37 CFR 3.41)\$80.00	
Internal Address:	X Enclosed	
Elizabeth Kostiuk	Authorized to be charged to deposit account	
	<u> </u>	
	8. Deposit account number:	
Street Address: 55 East Monroe Street.		
Suite 3700	UV	
City: Chicago State: IL Zip: 60603		
	THIS SDACE	
9. Signature.		
o. O.g., a.d.o.		
Λ		
Elizabeth Kostiuk, Paralegal Name of Person Signing	Signature 09/05/02 Date	
(taille of a croom organity)	

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

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PATENT

REEL: 013248 FRAME: 0620

PATENT MORTGAGE

THIS PATENT MORTGAGE (this "Mortgage"), made as of the 30th day of August, 2002, is by and between Bingo Press & Specialty Limited, an Ontario corporation ("Bingo Press"), and Foothill Capital Corporation, a California corporation ("Agent"), as agent for the Lenders (as defined below).

WITNESSETH

WHEREAS, pursuant to that certain Loan and Security Agreement of even date herewith among Western Bingo Supplies, Inc., a California corporation ("Western"), BK Entertainment, Inc., a Delaware corporation ("BK"), Video King Gaming Systems, Inc., a Colorado corporation ("Video King"; Western, BK 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 General Security Agreement of even date herewith among Agent, Lenders and Bingo Press (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Security Agreement"), Bingo Press has granted to Agent, for the benefit of Agent and the Lenders, a continuing security interest in certain of Bingo Press' assets, including, without limitation, the Patents (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 Press and Agent, on behalf of itself and the Lenders, agree as follows:

- 1. <u>Incorporation of Security Agreement; Loan Agreement Definitions.</u> 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 Press 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 Press' entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the

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foregoing, 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 (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patents").

- 3. New Patents. Bingo Press represents and warrants that the Patents listed on Schedule A constitute all of the federally registered Patents now owned by Bingo Press. If, before the Obligations shall have been satisfied in full and the Loan Agreement has been terminated, Bingo Press shall obtain any new federally registered Patents, Bingo Press shall give Agent prompt written notice thereof. Bingo Press hereby agrees that, upon Agent's written request, Bingo Press 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 Patents owned by Bingo Press.
- 4. <u>Term.</u> 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 Press, except as such notice or consent is expressly provided for hereunder or in the Loan Agreement or as required by applicable law. Bingo Press 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 Patents, 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. <u>Binding Effect; Benefits</u>. This Mortgage shall be binding upon Bingo Press 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

PATENT REEL: 013248 FRAME: 0622 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.

BINGOPK	ESS & SPECIALTY LIMITED	
By	SERETORY	

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 PRESS & SPECIALTY LIMITED

By		
Its		

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

FOOTHILL CAPITAL CORPORATION, as Agent

By Jonal Many
Its Me President

SCHEDULE A

PATENTS

Patent Description	U.S. Patent No.	Issue Dates at 212
Lottery ticket	4740016	04/26/88
Lighter holder	D367943	03/12/96

PATENT APPLICATIONS

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

PATENT
RECORDED: 09/09/2002 REEL: 013248 FRAME: 0626