

Form PTO-1595
(rev 06/04)

RECORDATION FORM COVER SHEET PATENTS ONLY

U. S. Department of Commerce
Patent and Trademark Office

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below:

1. Name of conveying party(ies)/Execution Date(s):

AGS LLC
201 A&B Greer Drive
Simpsonville, SC 29681

Execution Date(s) **September 20, 2005**

Additional name(s) of conveying party(ies) attached? ___ Yes X No

2. Name and Address of receiving party(ies)

Name: **Marathon Special Opportunity Fund, L.P.**

Internal Address: _____

Street Address: **461 Fifth Avenue**

City: **New York**

State: **New York**

Country: **USA** Zip: **10011**

Additional name(s) & address(es) attached? ___ Yes X No

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other **Collateral Security Agreement**

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

A. Patent Application No(s).

60701187

This document is being filed together with a new application

B. Patent No(s).

5377975

5348299

Additional numbers attached? ___ Yes X No

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

Jonathan Seiden, Esq.
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
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6. Total number of applications and patents involved: 3

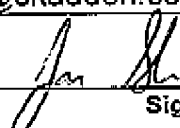
7. Total fee (37 CFR 1.21(h) and 3.41) \$120

All fees and any deficiencies (or credits) are authorized to be charged (or credited) to Deposit Account (Our Ref. 094870/2)

8. Payment Information

Deposit Account No. **19-2385**
Authorized user Name: **Philip H. Bartels**

9. Signature.



Signature
Jonathan Seiden
Name of Person Signing

January 25, 2006
Date

Total number of pages including cover sheet, and documents:

6

CH \$120.00 192385 60701187

**PATENT COLLATERAL SECURITY AGREEMENT
(Patents, Patent Applications and Patent Licenses)**

WHEREAS AGS LLC, a Delaware limited liability company, located at 201 A&B Greer Drive, Simpsonville, SC 29681 (the "Grantor") owns, or in the case of licenses is a party to, the Patent Collateral (as defined below);

WHEREAS, the parties hereto have entered that certain Credit Agreement, dated September 20, 2005, among AGS LLC, a Delaware limited liability company, the guarantors signatory thereto, the lenders signatory thereto, and MARATHON SPECIAL OPPORTUNITY FUND, L.P., as agent (the "Agent") (as amended from time to time, the "Credit Agreement"; defined terms used herein but not otherwise defined having the meanings ascribed in the Credit Agreement); and

WHEREAS, pursuant to (i) a Pledge and Security Agreement dated as of September 20, 2005 (as amended and/or supplemented from time to time, the "Security Agreement") among AGS LLC, the other parties named therein as Grantors, and the Agent (in such capacity, together with its successors in such capacity, the "Grantee"), and (ii) certain other Credit Documents (including this Patent Collateral Security Agreement), the Grantor has secured certain of its obligations (the "Secured Obligations") by granting to the Grantee for the benefit of such Lenders a continuing security interest in personal property of the Grantor, including all right, title and interest of the Grantor in and to the Patent Collateral (as defined below);

- (a) NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor grants to the Grantee for the benefit of the Lenders (as defined in the Security Agreement), to secure the Secured Obligations, a continuing security interest in and to all of the Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), except to the extent (and only to the extent) prohibited by a Permitted Encumbrance (as defined in the Security Agreement), whether now owned or existing or hereafter acquired or arising:
- (i) each Patent (as defined in the Security Agreement) owned by the Grantor, including, without limitation, each Patent referred to in Schedule 1 hereto;
 - (ii) each Patent License (as defined in the Security Agreement) to which the Grantor is a party; and
 - (iii) all proceeds of and revenues from the foregoing, including, without limitation, all proceeds of and revenues from any claim by the Grantor against third parties for past, present or future infringement of any Patent owned by the Grantor (including, without limitation, any Patent identified in Schedule 1 hereto).

- (b) The Grantor hereby irrevocably appoints the Grantee its true and lawful attorney, with full power of substitution, in the name of the Grantor, the Grantee, the Lenders or otherwise, for the use and benefit of the Lenders, but at the Borrower's (as defined in the Credit Agreement) expense, to the extent permitted by law to exercise, upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement) in accordance with the terms of the Credit Agreement, all or any of the powers with respect to all or any of the Patent Collateral as set forth in the Credit Documents, including without limitation, the remedies set forth in Section 7 of the Security Agreement.

The Grantor acknowledges and affirms that the rights and remedies of the Grantee with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

(Signature Page Follows)

IN WITNESS WHEREOF, the Grantor has caused this Patent Collateral Security Agreement to be duly executed by its officer thereunto duly authorized as of the 20 day of September, 2005.

AGS LLC

By: 
Name: Graham Weaver
Title: Chairman

Acknowledged:

MARATHON SPECIAL OPPORTUNITY FUND, L.P., as Agent

By: _____
Name:
Title:

Patent Collateral Security Agreement

IN WITNESS WHEREOF, the Grantor has caused this Patent Collateral Security Agreement to be duly executed by its officer thereunto duly authorized as of the 10th day of September, 2005.

AGS LLC

By: _____

Name: Graham Weaver
Title: Chairman

Acknowledged:

**MARATHON SPECIAL OPPORTUNITY
FUND, L.P., as Agent**

By: Marathon Asset Management, LLC
Its: Investment Manager and Authorized Signatory

By: *L. J. Hanover*
Name: Louis Hanover
Title: Chief Investment Officer

Patent Collateral Security Agreement

Schedule 1Patent Collateral

Country	Title	Patent No. [Pub. No.] (App. No.)	Issue Date [Pub. Date] (Filing Date)	Owner	Status/ Comments
US	Electronic gaming apparatus and method	5377975	1/3/1995	Ronald C. Clapper, Jr.	Issued
US	Electronic gaming apparatus	5348299	9/20/1994	Ronald C. Clapper, Jr.	Issued

Draft Utility Patent Application for Traditional Chinese Game Play-Enabling System and Method prepared by Law Offices of Fulwider, Patton, Lee & Utecht, LLP dated April 18, 2005.

Draft Utility Patent Application for Electronic Gaming Apparatus and Method Enabling Three Dimensional Game of Play prepared by Law Offices of Robert J. Schaap dated March 31, 2005.

Provisional patent application for electronic game with players selectable indicia filed on July 20, 2005 and assigned serial number 60/701187.

Patent Collateral Security Agreement