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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): August 29, 2016**



**GALAXY GAMING, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation)

<b>000-30653</b>	<b>20-8143439</b>
(Commission File Number)	(I.R.S. Employer Identification No.)

6767 Spencer Street  
Las Vegas, Nevada 89119  
(Address of principal executive offices)

(702) 939-3254  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement****Item 3.01 Unregistered Sales of Equity Securities****Item 8.01 Other Events**

Galaxy Gaming, Inc. (the "Company"), entered into a Loan Agreement (the "Loan Agreement") dated August 29, 2016, as borrower, with Breakaway Capital Management, LLC, as administrative agent (the "Administrative Agent") for the lenders from time to time party thereto (collectively, the "Lenders"), together with a six-year warrant to purchase 1,965,780 shares at an exercise price of \$0.30 per share, subject to standard anti-dilution adjustment (the "Warrants").

The Loan Agreement provides for a term loan by the Lenders in an aggregate principal amount of \$10,500,000 (the "Term Loan"). Proceeds of the Term Loan were primarily used to prepay in full the outstanding long-term debt due to Prime Table Games, LLC, and Prime Table Games, UK. The remainder of the proceeds from the Term Loan will be used for general corporate purposes and working capital needs.

The Term Loan is secured by a senior lien on the Company's assets pursuant to a separate Guaranty and Security Agreement (the "Security Agreement") dated August 29, 2016.

During the initial twelve-month period of the Term Loan, the outstanding principal will accrue interest at the rate of 14.0% per annum. Thereafter, the outstanding principal will accrue interest at the lesser of 14.0% per annum or 12.5% per annum for any quarterly period in which the Unadjusted Total Leverage Ratio (as defined in the Loan Agreement) is less than 2.5:1.0.

The Loan Agreement requires quarterly interest-only payments, each in the amount of \$367,500, on September 30 and December 31, 2016. After December 31, 2016, the Company is required to make quarterly principal payments of \$262,500 plus accrued interest. The remaining principal and any unpaid interest will be payable in full on August 29, 2021. Voluntary prepayments of the Term Loan, in full or in part, are permitted after the first anniversary of the Term Loan, subject to the following premiums: (i) 104% between the first and second anniversary of the Term Loan, (ii) 102% between the second and third anniversary of the Term Loan, and (iii) 101% between the third and fourth anniversary of the Term Loan. There will be no premium for a pre-payment during the final year of the Term Loan. The Loan Agreement also requires certain mandatory prepayments in the amount of 100% of the proceeds from certain asset dispositions (other than in the ordinary course of business) and certain other extraordinary events, and 25% of the proceeds from the sale and issuance of capital stock.

Under the Loan Agreement, the Company is subject to quarterly financial covenants (the "Financial Covenants") requiring:

(A) The Company's Total Leverage Ratio (as defined in the Loan Agreement) not to exceed the ratio set forth below:

Measurement Date	Ratio
September 30, 2016	2.75:1.00
December 31, 2016	2.75:1.00
March 31, 2017	2.75:1.00
June 30, 2017	2.50:1.00
September 30, 2017	2.50:1.00
December 31, 2017	2.25:1.00
The last day of each fiscal quarter thereafter	2.00:1.00

(B) The Company's Adjusted EBITDA (as defined in the Loan Agreement) not to fall below:

Measurement Date	Amount
September 30, 2016	\$4,250,000
December 31, 2016	\$4,250,000
March 31, 2017	\$4,250,000
June 30, 2017	\$4,250,000
September 30, 2017	\$4,500,000
December 31, 2017	\$4,750,000
The last day of each fiscal quarter thereafter	\$5,000,000

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(C) The Company's Capital Expenditures (as defined in the Loan Agreement) not to exceed:

Measurement Date	Amount
Fiscal year ending December 31, 2016	\$500,000
Each fiscal year thereafter	\$500,000

The Loan Agreement also required the Company to make certain representations and warranties, together with affirmative and negative covenants that are customary for credit arrangements of this type, including covenants which restrict the Company's ability to, among other things, create liens on the Company's assets, borrow money, and engage in unapproved mergers, consolidations, significant asset sales and certain other transactions.

#### ***Warrant Agreement***

In connection with the Loan Agreement, on August 29, 2016, the Company entered into a Warrant Agreement (the "Warrant Agreement") with the Lenders, pursuant to which the Company issued to the Lenders warrants to purchase 1,965,780 shares of common stock at an initial exercise price of \$0.30 per share (the "Warrants"). The number of shares of common stock issuable upon exercise of the Warrants, and/or the exercise price of such shares, is subject to standard anti-dilution adjustments in the event of stock splits, reorganizations, stock dividends, and similar events. As of the date of the Warrant Agreement, the shares of common stock issuable upon a full exercise of the Warrants would represent 5.0% of the total issued and outstanding shares of the Company's common stock. The Lender is also granted the right, but not the obligation, to purchase up to 5.0% of the total number of new securities that the Company may, from time to time, sell and issue.

The Warrants may not be exercised prior to the earliest of (a) the fifth anniversary of the Loan Agreement, (b) the date on which the obligations described in the Loan Agreement are repaid in full, or (c) the date on which the Lender declares all or any portion of the outstanding amount of the Term Loan to be due and payable under the terms of the Loan Agreement (collectively, the "Trigger Date"). The Warrants expire on August 29, 2022. Exercise of the Warrants requires a sixty (60) day prior written notice, during which time the Company may exercise its Call Right described below.

The Warrant Agreement includes a call right (the "Call Right") whereby the Company can purchase the Warrants for a fixed sum of \$1,333,333 upon providing the Warrant holders with a thirty (30) day prior written notice. The Warrant Agreement also includes a put right (the "Put Right") whereby the Lenders may require the Company to purchase from the Lenders all or any portion of the Warrants at a purchase price equal to the lesser of (a) the fair market value of the underlying shares of common stock as of the date of exercise of the Put Right, or (b) \$1,333,333. The Put Right may not be exercised prior to the Trigger Date (as defined above), and the Put Right expires on August 29, 2022.

The Warrants issued in connection with the Loan Agreement and the securities of the Company into which they are exercisable were offered and sold without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and regulations promulgated thereunder, and in reliance on similar exemptions under applicable state laws. The Lenders have represented to the Company that they are accredited investors. No person received any underwriting discount or commission in connection with the issuance of the Warrants or the underlying shares of the Company's common stock.

The Company's reliance upon Section 4(a)(2) of the Securities Act was based in part upon the following factors: (a) the issuance of the Warrants was in connection with isolated private transactions which did not involve any public offering; (b) there were a limited number of offerees; (c) there were no subsequent or contemporaneous public offerings of the securities by the Company; (d) the securities were not broken down into smaller denominations; and (e) the negotiations for the sale of the securities took place directly between the offerees and the Company.

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### ***Security Agreement***

Pursuant to the Security Agreement, the Company agreed to grant to the Administrative Agent for the benefit of the Lenders a lien on and security interest in the assets of the Company. The Company authorized the Administrative Agent to make all required filings pursuant to Article 9 of the UCC in the appropriate jurisdictions to perfect the security interest in the Company's assets. Pursuant to the Security Agreement, the security interest will be released when the loans made pursuant to the Loan Agreement and all other secured obligations have been paid in full.

The foregoing is only a brief description of the material terms of the Loan Agreement, the Warrant Agreement and Warrants, and the Security Agreement (collectively, the "Agreements") and does not purport to be a complete description of the rights and obligations of the parties thereunder. The foregoing descriptions are qualified in their entirety by reference to the full text of the respective Agreement. The forms of the Loan Agreement, the Warrant Agreement, and the Security Agreement are attached as Exhibits 99.1, 99.2, and 99.3, respectively, to this Current Report on Form 8-K.

### ***Press Release***

On August 29, 2016, the Company issued a press release to provide information to the market about the Loan Agreement and the Term Loans provided for therein. The Company's press release is included as an Exhibit to this Current Report pursuant to Item 8.01 Other Events. The press release shall not be deemed "filed" for purposes of Section 17 of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

### **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Loan Agreement dated August 29, 2016 between Galaxy Gaming, Inc. and Breakaway Capital Management, LLC
99.2	Warrant Agreement dated August 29, 2016
99.3	Guaranty and Security Agreement, dated August 29, 2016
99.4	Press Release dated August 29, 2016

### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 29, 2016

GALAXY GAMING, INC.

By: /s/ Gary A. Vecchiarelli  
Gary A. Vecchiarelli  
Chief Financial Officer

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**LOAN AGREEMENT**

dated as of August 29, 2016

by and among

**GALAXY GAMING, INC.**  
as Borrower,  
**the Guarantors from time to time party hereto,**

**The Lenders from time to time party hereto,**

and

**BREAKAWAY CAPITAL MANAGEMENT, LLC**  
as Administrative Agent



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## LOAN AGREEMENT

**THIS LOAN AGREEMENT**, dated as of August 29, 2016 (this "**Agreement**"), is by and among **GALAXY GAMING, INC.**, a Nevada corporation (the "**Borrower**"), the Guarantors from time to time party hereto, the lenders from time to time party hereto (each, a "**Lender**" and, collectively, the "**Lenders**") and **BREAKAWAY CAPITAL MANAGEMENT, LLC**, a Delaware limited liability company ("**Breakaway**"), as administrative agent for the Lenders and as collateral agent for the Lenders (in each such capacity, together with its successors and assigns in such capacity, the "**Administrative Agent**").

### ARTICLE I. Defined Terms; Etc.

Section 1.01. Defined Terms. As used herein, the following terms shall have the meanings specified in this Section 1.01 unless the context otherwise requires:

"**Adjusted EBITDA**" means, for any Test Period, an amount determined for the Companies on a consolidated basis equal to, without duplication, (a) the consolidated net income (or deficit) of the Companies determined in accordance with GAAP; provided, that there shall be excluded (i) the income (or loss) of any Person in which any Person (other than a Company) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid in cash to a Credit Party during such specified period and (ii) the income of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or other distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation or Applicable Law, *plus* (b) to the extent reducing Consolidated Net Income, the sum of (i) the interest expense of the Companies, (ii) provisions for Taxes based on income, (iii) total depreciation expense, (iv) total amortization expense, (v) New Growth Initiative Payroll Expenses, (vi) research and development costs in excess of \$500,000 per year, calculated in accordance with GAAP, (vii) non-cash compensation expenses (including deferred non-cash compensation expenses), or other non-cash expenses or charges, arising from the sale or issuance of Capital Stock, the granting of stock options, and the granting of stock appreciation rights and similar arrangements (including any repricing, amendment, modification, substitution, or change of any such Capital Stock, stock option, stock appreciation rights, or similar arrangements) *minus* the amount of any such expenses or charges when paid in cash to the extent not deducted in the computation of net income (or loss), (viii) other non-cash charges, expenses or losses and (ix) extraordinary non-recurring charges, expenses or losses *minus* (c) to the extent increasing Consolidated Net Income, (i) non-cash gains and (ii) extraordinary non-recurring gains.

"**Affiliate**" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Applicable Laws**" means, as to any Person, any law (including common law), statute, regulation, ordinance, rule, order, policy, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority or determination of an arbitrator, in each case applicable to or binding on such Person or any of its property, products, business or operations or the consummation of the Transactions.

"**Applicable Premium**" means in connection with any prepayment or repayment of all or any portion of the Outstanding Amount of the Term Loans, (i) after the first anniversary of the Closing Date but on or prior to the second anniversary of the Closing Date, four percent (4%) of the Outstanding Amount of the Term Loans being, or required to be, prepaid or repaid; (ii) after the second anniversary of the Closing Date but on or prior to the third anniversary of the Closing Date, two percent (2%) of the Outstanding Amount of the Term Loans being, or required to be, prepaid or repaid; (iii) after the third anniversary of the Closing Date but on or prior to the fourth anniversary of the Closing Date, one percent (1%) of the Outstanding Amount of the Term Loans being, or required to be, prepaid or repaid; and (iv) after the fourth anniversary of the Closing Date but on or prior to the Closing Date, zero percent (0%) of the Outstanding Amount of the Term Loans being, or required to be, prepaid or repaid.

"**Applicable Rate**" means fourteen percent (14%) per annum; provided, that solely after the first anniversary of the Closing Date, if the Unadjusted Total Leverage Ratio determined as of the last day of any fiscal quarter is less than 2.50:1.00, the "Applicable Rate" solely for the following fiscal quarter will be reduced to twelve and a half percent (12.5%) per annum.

"**Bankruptcy Code**" means title 11 of the United States Code, as in effect from time to time.

"**Board of Directors**" means, as to any Person, the board of directors (or comparable managers) of such Person, or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"**California Gaming Authorities**" means the California Gambling Control Commission, the California Bureau of Gambling Control and all other applicable state, county, city and municipal authorities within the State of California possessing regulatory, licensing or permit authority over the ownership or operation of gaming activities or the manufacture, sale or distribution of gaming products, gaming devices, associated equipment or other gaming equipment in the State of California (or any such county, city or municipality therein).

"**Capital Expenditures**" means, for any specified period, the sum of, without duplication, all expenditures made, directly or indirectly, by the Companies during such period, determined on a consolidated basis in accordance with GAAP, that are or should be reflected as additions to property, plant or equipment or similar items reflected in the consolidated statement of cash flows of the Companies, or have a useful life of more than one year, but excluding expenditures made for assets leased to a customer during such period.

"**Capital Stock**" means any and all shares, interests, participations, units or other equivalents (however designated) of capital stock of a corporation, membership interests in a limited liability company, partnership interests of a limited partnership, any and all equivalent ownership interests in a Person and any and all warrants, rights or options to purchase any of the foregoing.

"**Capitalized Lease Obligations**" means, as applied to any Person, all obligations under all leases of property that have been or should be, in accordance with GAAP, recorded as capitalized leases on the balance sheet of such Person or any of its Subsidiaries (excluding the footnotes thereto), on a consolidated basis.

"**Change of Control**" means any of the following: (a) any Person or two or more Persons acting in concert (other than Permitted Holders), shall have acquired beneficial ownership, directly or indirectly, of Capital Stock of the Borrower (or other securities convertible into such Capital Stock) representing thirty-five percent (35%) or more of the combined voting power of all Capital Stock of the Borrower entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Board of Directors of the Borrower; (b) any Person or two or more Persons acting in concert (other than Permitted Holders), shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Borrower or control over the Capital Stock of such Person entitled to vote for members of the Board of Directors of the Borrower on a fully-diluted basis (and taking into account all such Equity Interests that such Person or group has the right to acquire pursuant to any option right) representing thirty-five percent (35%) or more of the combined voting power of such Capital Stock; (c) during any period of twenty-four (24) consecutive months commencing on or after the Closing Date, the occurrence of a change in the composition of the Board of Directors of the Borrower such that a majority of the members of such Board of Directors are not Continuing Directors; or the Borrower fails to own and control, directly or indirectly, 100% of the Capital Stock of each other Credit Party.

"**Closing Date**" means August 29, 2016.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"**Collateral**" means any assets of the Credit Parties upon which the Administrative Agent has been granted a Lien in connection with this Agreement.

"**Collections**" means all cash, checks, credit card slips or receipts, notes, instruments, and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds) of the Credit Parties.

"**Companies**" means Borrower and its direct and indirect Subsidiaries.

"**Contingent Liability**" means, for any Person, any agreement, undertaking or arrangement by which such Person guarantees or otherwise is contingently liable upon the Indebtedness of any other Person or guarantees the payment of dividends or other distributions upon the Capital Stock of any other Person.

"**Continuing Director**" means (a) any member of the Board of Directors who was a director (or comparable manager) of the Borrower on the Closing Date, and (b) any individual who becomes a member of the Board of Directors after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by either the Permitted Holders or a majority of the Continuing Directors.

"**Control**" means (other than when used in the terms "**Change of Control**" and "**Control Agreement**") the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms "**Controlling**" and "**Controlled**" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, the power to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"**Control Agreement**" means a control agreement, in form and substance reasonably satisfactory to the Administrative Agent, executed and delivered by the applicable Credit Party, the Administrative Agent, and the applicable securities intermediary or bank, which agreement is sufficient to give the Administrative Agent "control" over each of such Credit Party's securities accounts, deposit accounts or investment property, as the case may be.

**"Credit Documents"** means this Agreement, any Control Agreement, the Fee Letter, the Subordination Agreement, any Validity and Support Agreement, any Security Document, any Note issued by the Borrower hereunder, any subordination agreements in favor of the Administrative Agent with respect to this Agreement, and any other document, instrument, certificate or agreement executed by any Credit Party, and delivered to the Administrative Agent or any Lender in connection with any of the foregoing or the Obligations, together with any modification of any term, or any waiver with respect to, any of the foregoing.

**"Credit Party"** means the Borrower and each of the Guarantors.

**"Default"** means any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

**"Default Rate"** means an interest rate equal to the sum of: (a) the Applicable Rate; plus (b) two percent (2%) per annum.

**"Depository Bank"** means each bank, financial institution, securities intermediary or other such Person party to a Control Agreement.

**"Disposition"** means, with respect to any Person, any sale, transfer, lease, contribution or other conveyance (including by way of merger) of, or the granting of options, warrants or other rights to, any of such Person's or their respective Subsidiaries' assets (including accounts receivable and Capital Stock of Subsidiaries) to any other Person in a single transaction or series of transactions.

**"Disqualified Capital Stock"** means any Capital Stock that, by its terms (or by the terms of any security or other Capital Stock into which it is convertible or for which it is exchangeable) or upon the happening of any event or condition, (a) matures or is mandatorily redeemable (other than solely for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof (other than solely for Qualified Capital Stock), in whole or in part, (c) provides for the scheduled payment of dividends in cash or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Capital Stock that would constitute Disqualified Capital Stock, in each case, prior to the date that is one hundred and eighty (180) days after the Maturity Date.

**"Domestic Subsidiary"** means each Subsidiary of the Borrower that is a "United States person" within the meaning of Section 7701(a)(30) of the Code.

**"Event of Loss"** means, with respect to any property of any Credit Party, any of the following: (a) any loss, destruction or damage of such property; or (b) any actual condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, of such property, or confiscation of such property or the requisition of the use of such property.

**"Existing Indebtedness"** means the Borrower's existing Indebtedness, as set forth on Schedule I, that will remain outstanding after the Closing Date.

**"Extraordinary Receipts"** means any amounts received by the Borrower or any of its Subsidiaries not in the ordinary course of business (and not consisting of proceeds of Dispositions or Indebtedness), including (i) foreign, United States, state or local tax refunds, (ii) proceeds of pension plan reversions, (iii) proceeds of insurance (other than an Event of Loss), (iv) proceeds of judgments, settlements or other consideration of any kind in connection with any cause of action, (v) indemnity payments and (vi) any purchase price adjustment received in connection with any purchase agreement and any amounts received from escrow arrangements in connection with any purchase agreement.

"**Fee Letter**" means the Fee Letter, dated as of the date hereof, by and between the Borrower and Breakaway.

"**Fees**" means all amounts payable pursuant to, or referred to in the Fee Letter.

"**Foreign Subsidiary**" means each Subsidiary of a Credit Party that is not a Domestic Subsidiary.

"**GAAP**" means generally accepted accounting principles in the United States of America set forth from time to time. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

"**Gaming Authorities**" means the Nevada Gaming Authorities, the California Gaming Authorities, and each other federal, state or local regulatory agency, board or commission and each tribal authority or agency that has jurisdiction over the ownership or operation of gaming establishments or the manufacture, sale or distribution of gaming products, gaming devices, associated equipment or other gaming equipment.

"**Gaming Laws**" means all applicable federal, state, local and tribal laws, rules, ordinances and regulations pursuant to which the Gaming Authorities possess regulatory, licensing or permit authority over the ownership or operation of gaming establishments or the manufacture, sale or distribution of gaming products, gaming devices, associated equipment or other gaming equipment in any jurisdiction where the Borrower or its Subsidiaries do business.

"**Gaming License**" means any finding of suitability, registration, license, qualification, franchise or other approval or authorization issued by any Gaming Authority and required to develop gaming products or gaming devices or to own or lease gaming equipment or to engage in the manufacture, sale or distribution of gaming products, gaming devices, associated equipment or other gaming equipment in any country, state or other jurisdiction in which the Borrower or any of its Subsidiaries conduct business.

"**Gaming Subsidiary**" means any Subsidiary of the Borrower that holds a Gaming License.

"**Governing Documents**" means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

"**Governmental Authority**" means the government of the United States, any foreign country or any multinational authority, or any state, commonwealth, protectorate or political subdivision thereof, and any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including the Pension Benefit Guaranty Corporation and other quasi-governmental entities established to perform such functions.

"**Guarantors**" means (a) each Person that is a Subsidiary on the Closing Date, and (b) each Person that becomes a party to the Security Agreement or otherwise provides a guarantee for the payment and performance of the Obligations pursuant to an agreement reasonably acceptable to the Administrative Agent after the Closing Date.

"**Hedging Agreement**" means (a) any and all documents that provide for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging exposure to fluctuations in interest or exchange rates, loan, credit exchange, security, or currency valuations or commodity prices, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement, including any such obligations or liabilities thereunder.

**"Historical Financial Statements"** means (a) the audited consolidated financial statements of the Borrower for the fiscal year ended December 31, 2015, and (b) the unaudited consolidated financial statements of the Borrower for the fiscal year to date period ended June 30, 2016.

**"Indebtedness"** means, as to any Person, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP: (a) all indebtedness of such Person (including any partnership or joint venture in which such person is a general partner) for borrowed money and all indebtedness of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) the maximum amount (after giving effect to any prior drawings or reductions which may have been reimbursed) of all letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person; (c) all obligations of such Person to pay the deferred purchase price of property or services other than trade accounts payable in the ordinary course of business (but including any earn-out obligations) that are not longer than 60 days past due; (d) indebtedness secured by a Lien on property owned by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; provided, that the amount of such Indebtedness shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith; (e) all Capitalized Lease Obligations; (f) all obligations of such Person in respect of Disqualified Capital Stock; and (g) all guarantees of such Person in respect of any of the foregoing.

**"Investment"** means, relative to any Person, (a) any loan, advance or extension of credit made by such Person to any other Person, including the purchase by such first Person of any bonds, notes, debentures or other debt securities of any such other Person; (b) Contingent Liabilities in favor of any other Person; and (c) any Capital Stock or other investment held by such Person in any other Person.

**"Key Person"** means Robert Saucier.

**"Lien"** means any mortgage, pledge, security interest, hypothecation, assignment for collateral purposes, lien (statutory or other) or similar encumbrance, and any easement, right-of-way, license, restriction (including zoning restrictions), defect, exception or irregularity in title or similar charge or encumbrance (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

**"Material Adverse Effect"** means an effect that results in or causes, or could reasonably be expected to result in or cause, a material adverse change in any of (a) the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise), results of operations, performance or prospects of the Companies taken as a whole, (b) the validity or enforceability of this Agreement or any of the other Credit Documents, (c) the ability of any Credit Party to perform its obligations under any Credit Document or (d) the rights or remedies of the Secured Parties or the Lenders hereunder or thereunder (including the priority of any Liens granted to Administrative Agent in the Collateral).



**"Material Contracts"** means, collectively, (a) the Transaction Documents (other than the Credit Documents), (b) any other agreement evidencing, securing or pertaining to any Indebtedness in excess of \$250,000, (c) any real property lease, (d) any operating lease where annual rentals exceed \$250,000, (e) any agreement having annual payments in excess of \$250,000, (f) any license agreement or similar agreement granting intellectual property rights of a third Person to any Company, to the extent the consideration payable thereunder to such Person by any Company exceeds \$1,250,000 in the aggregate during the term of this Agreement or \$250,000 annually, (g) any license agreement or similar agreement granting intellectual property rights of any Company to a third Person, to the extent the consideration payable thereunder to any Credit Party or any of its Subsidiaries by such Person exceeds \$1,250,000 in the aggregate during the term of this Agreement or \$250,000 annually, and (h) any other agreement the termination of which (without contemporaneous replacement) could reasonably be expected to have a Material Adverse Effect.

**"Maturity Date"** means the date that is five (5) years after the Closing Date.

**"Maximum Rate"** means, at any time, the maximum rate of non-usurious interest permitted by Applicable Law.

**"Mortgaged Property"** means each parcel of real property and improvements thereto with respect to which a mortgage (or similar instrument) is granted pursuant to [Section 6.11](#).

**"Nevada Gaming Authorities"** means the Nevada Gaming Commission, the Nevada Gaming Control Board and all applicable county, city and municipal authorities within the State of Nevada possessing regulatory, licensing or permit authority over the ownership or operation of gaming activities or the manufacture, sale or distribution of gaming products, gaming devices, associated equipment or other gaming equipment in the State of Nevada (or any such county, city or municipality therein).

**"New Growth Initiative Payroll Expenses"** means amounts expensed by the Company for payroll-related expenses, including salaries and wages, payroll taxes and benefits for company employees hired for the first time (and not to replace, or replace the work of, any existing employee or contractor) in such Test Period.

**"Note"** means a promissory note substantially in the form of [Exhibit A](#).

**"Obligations"** means all obligations (monetary or otherwise, whether absolute or contingent, matured or unmatured) of the Credit Parties arising under or in connection with any Credit Document, including all fees payable under any Credit Document (including the Fees), all principal of and interest on the Term Loans (including all interest accruing during the pendency of any proceeding of the type described in [Section 7.01\(g\)](#), whether or not allowed in such proceeding), all premiums (including any Applicable Premium) on the Term Loans and all costs, expenses and indemnities payable under any Credit Document, in each case, whether primary, secondary, direct, contingent, fixed or otherwise (including, in each case, all monetary or other obligations accruing or incurred during the pendency of any proceeding of the type described in [Section 7.01\(g\)](#), whether or not allowed in such proceeding).

**"Outstanding Amount"** means, with respect to any Term Loans on any date, the aggregate outstanding principal amount thereof after giving effect to prepayments or repayments of such Term Loans occurring on such date occurring on such date.

**"Permits"** means, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other contractual obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**"Permitted Holders"** means, as of any date, Robert Saucier and any Person that is Controlled by him.

**"Person"** means any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

**"Pledged Stock"** has the meaning given to such term in the Security Agreement.

**"Qualified Capital Stock"** means any Capital Stock that is not Disqualified Capital Stock.

**"Refinanced Indebtedness"** means the Borrower's existing indebtedness, as set forth on Schedule II, that will be repaid in full with the proceeds of the Term Loans.

**"Register"** means a register for the recordation of the names and addresses of Lenders and, as applicable, the Term Loan Commitments of each Lender pursuant to the terms hereof from time to time, and the principal amount of (and interest on) Lenders' interests in the Term Loans and other Obligations.

**"Related Parties"** means, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

**"Required Lenders"** means, at any time, the Lenders holding a majority of the outstanding principal amount of the Term Loans at such time.

**"Restricted Payment"** means, with respect to any Person, (a) the declaration or payment of any dividend on, or the making of any payment or distribution on account of, or setting apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any class of Capital Stock of such Person or any warrants or options to purchase any such Capital Stock, whether now or hereafter outstanding, or the making of any other distribution in respect thereof, either directly or indirectly, whether in cash or property, (b) any payment of a management fee (or other fee of a similar nature) by such Person to any holder of its Capital Stock or any Affiliate thereof, and (c) any payment or prepayment of principal of, or premium or interest on, any Indebtedness subordinate to the Obligations unless such payment is permitted under the terms of the subordination agreement applicable thereto.

**"Secretary's Certificate"** means, with respect to each Credit Party, a certificate from the secretary of such Credit Party (a) attesting to the resolutions of such Credit Party's Board of Directors authorizing its execution, delivery and performance of the Credit Documents to which it is a party, (b) attaching such resolutions, (c) authorizing specific officers of such Credit Party to execute the same, (d) attesting to the incumbency and signatures of such specific officers of such Credit Party, (e) attaching such Credit Party's Governing Documents, as amended, modified, or supplemented prior to the Closing Date, which Governing Documents (i) shall be certified by the secretary of such Credit Party, and (ii) with respect to Governing Documents that are charter documents, certified as of a recent date (not more than thirty (30) days prior to the Closing Date) by the appropriate government official, (f) attaching certificates of status with respect to such Credit Party, dated within ten (10) days of the Closing Date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of such Credit Party, which certificate shall indicate that such Credit Party is in good standing in such jurisdiction, and (f) attaching certificates of status with respect to such Credit Party, each dated within thirty (30) days prior to the Closing Date, such certificates to be issued by the appropriate officer of the jurisdictions (other than the jurisdiction of organization of such Credit Party) in which its failure to be duly qualified or licensed would constitute a Material Adverse Effect, which certificates shall indicate that such Credit Party is in good standing in such jurisdictions.

"**Secured Parties**" means, collectively, (a) the Lenders, (b) the Administrative Agent, (c) the beneficiaries of each indemnification obligation undertaken by any Credit Party under the Credit Documents, (d) any successors, indorsees, transferees and assigns of each of the foregoing and (e) any other holder of any Secured Obligation (as defined in the Security Agreement).

"**Security Agreement**" means a Guaranty and Security Agreement, by and among each Credit Party and the Administrative Agent for the benefit of the Secured Parties substantially in the form of Exhibit B.

"**Security Documents**" means, collectively, the Security Agreement, any Mortgage and each other security agreement or other instrument executed and delivered pursuant to Section 5.11 or pursuant to any of the Security Documents to guarantee or secure any of the Obligations.

"**Solvent**" means, with respect to any Person, at any date, that (a) the sum of such Person's debt (including Contingent Liabilities) does not exceed the present fair saleable value of such Person's present assets (which, for this purpose, shall include, without limitation, rights of contribution in respect of obligations for which such Person has provided a guarantee), (b) such Person's capital is not unreasonably small in relation to its business as contemplated on such date, (c) such Person has not incurred and does not intend to incur debts including current obligations beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is "solvent" within the meaning given that term and similar terms under Applicable Laws relating to fraudulent transfers and conveyances.

"**Subordination Agreement**" means a subordination agreement, substantially in the form of Exhibit C, executed and delivered by the Credit Parties and each holder of Existing Indebtedness, including Carpathia Associates, LLC, a New Mexico limited liability company.

"**Subsidiary**" of any Person means (a) any corporation more than 50% of whose Voting Stock having by the terms thereof power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any partnership, association, joint venture or other entity in which such Person directly or indirectly through one or more Subsidiaries has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"**Taxes**" means all income, stamp or other taxes, duties, levies, imposts, charges, assessments, fees, deductions or withholdings, now or hereafter imposed, enacted, levied, collected, withheld or assessed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

"**Term Loan Commitment**" means, in the case of each Lender that is a Lender on the date hereof, the amount set forth opposite such Lender's name on Schedule 1.01 as such Lender's "Term Loan Commitment", as the same may be changed from time to time pursuant to the terms hereof.

"**Test Period**" means, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower most recently ended as of such date of determination.

"**Total Leverage Ratio**" means, with respect to any Person, as of any date, the ratio of (a) Indebtedness of such Person outstanding as of such date to (b) Adjusted EBITDA of such Person for the Test Period ended on, or most recently prior to, such date.

"**Total Term Loan Commitment**" means the sum of the Term Loan Commitments. On the Closing Date, the Total Term Loan Commitment shall be \$10,500,000 as set forth on Schedule 1.01.

"**Transaction Documents**" means the Credit Documents, the Warrant Documents, and each of the other documents executed and/or delivered in connection with the Transactions.

"**Transactions**" means, collectively, the entry into this Agreement and the other transactions contemplated by the Transaction Documents.

"**UCC**" means the Uniform Commercial Code as from time to time in effect in the State of California.

"**Unadjusted EBITDA**" means, for any Test Period, an amount determined for the Companies on a consolidated basis equal to, without duplication, (a) the consolidated net income (or deficit) of the Companies determined in accordance with GAAP; provided, that there shall be excluded (i) the income (or loss) of any Person in which any Person (other than a Company) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid in cash to a Credit Party during such specified period and (ii) the income of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or other distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation or Applicable Law, *plus* (b) to the extent reducing Consolidated Net Income, the sum of (i) the interest expense of the Companies, (ii) provisions for Taxes based on income, (iii) total depreciation expense, (iv) total amortization expense, (v) non-cash compensation expenses (including deferred non-cash compensation expenses), or other non-cash expenses or charges, arising from the sale or issuance of Capital Stock, the granting of stock options, and the granting of stock appreciation rights and similar arrangements (including any repricing, amendment, modification, substitution, or change of any such Capital Stock, stock option, stock appreciation rights, or similar arrangements) *minus* the amount of any such expenses or charges when paid in cash to the extent not deducted in the computation of net income (or loss), (vi) other non-cash charges, expenses or losses and (vi) extraordinary non-recurring charges, expenses or losses *minus* (c) to the extent increasing Consolidated Net Income, (i) non-cash gains and (ii) extraordinary non-recurring gains.

"**Unadjusted Total Leverage Ratio**" means, with respect to any Person, as of any date, the ratio of (a) Indebtedness of such Person outstanding as of such date to (b) Unadjusted EBITDA of such Person for the Test Period ended on, or most recently prior to, such date.

"**Validity and Support Agreement**" shall mean each validity and support agreement, substantially in the form of Exhibit D, executed and delivered by Robert Saucier.

"**Voting Stock**" means, with respect to any Person, shares of such Person's Capital Stock having the right to vote for the election of directors (or Persons acting in a comparable capacity) of such Person under ordinary circumstances.

"**Warrant Agreement**" means a warrant agreement dated as of even date with this Agreement, executed and delivered by the Borrower and the Administrative Agent, the form and substance of which is reasonably satisfactory to the Administrative Agent.

"**Warrant Certificate**" means each warrant certificate dated as of even date with this Agreement, executed and delivered by the Borrower to the Administrative Agent, the form and substance of which is satisfactory to the Administrative Agent.

"**Warrant Documents**" means the Warrant Agreement, the Warrants, any Warrant Certificate issued by the Borrower, and any other document, instrument, certificate or agreement executed by any Credit Party, and delivered to the Administrative Agent or any Lender in connection with the Warrant Agreement, together with any modification of any term, or any waiver with respect to, any of the foregoing.

"**Warrants**" means the warrants issued in connection with the Warrant Agreement, which shall be evidenced by Warrant Certificates.

Section 1.02. Rules of Construction. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document: (i) references to "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (ii) the term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form; (iii) unless otherwise expressly provided herein, references to agreements (including this Agreement and each of the other Credit Documents) and other contractual obligations shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted by any Credit Document; (iv) references to "Material Adverse Effect" shall be deemed to be followed by the phrase ", individually or in the aggregate"; and (v) references to "will" shall be construed to have the same meaning and effect as the word "shall."

Section 1.03. Computation of Interest, Fees, Etc. All interest and fees shall be computed on the basis of the actual number of days occurring during the period for which such interest or fee is payable over a year comprised of 365 (or 366, as appropriate) days. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a business day, the date of such payment or performance shall extend to the immediately succeeding business day and such extension of time shall be included in computing interest and fees in connection with such payment. For purposes of computing interest or fees, any payments under this Agreement that are made later than 2:00 p.m., New York City time, shall be deemed to have been made on the next succeeding business day.

## ARTICLE II. CREDIT FACILITIES.

Section 2.01. Term Loans. Subject to the terms and conditions of this Agreement, each Lender having a Term Loan Commitment severally agrees to make loans (each, a "**Term Loan**" and collectively, the "**Term Loans**") to the Borrower on the Closing Date, which Term Loans (i) shall be in an amount equal to the Term Loan Commitment of such Lender and (ii) shall be in an aggregate amount equal to the Total Term Loan Commitments, (iii) shall be made on the Closing Date and (iv) may be repaid or prepaid in accordance with the provisions hereof, but once repaid or prepaid may not be reborrowed.

Section 2.02. Amortization and Maturity Date. The Borrower shall repay the principal amount of outstanding Term Loans on the dates and in the amounts set forth in Schedule 2.02. For the avoidance of doubt, the Borrower agrees to pay to the Lenders, on the Maturity Date, the Outstanding Amount of the Term Loans, the Applicable Premium (if any is then due and payable as of such date of determination) owing with respect thereto, and all other Obligations.

Section 2.03. Interest and Fees. The Borrower shall pay interest on outstanding Term Loans at a rate equal to the Applicable Rate; provided, that during the continuance of any Default, the Borrower shall pay interest on the Term Loans and all other unpaid Obligations at the Default Rate. All such interest shall be payable on demand in cash. Interest on Term Loans shall accrue from the Closing Date to but excluding the date of any repayment of such Term Loans. Interest shall be payable (i) quarterly in arrears on the last day of each March, June, September and December, beginning with the calendar quarter ending September 30, 2016, (ii) as of the day of any payment or prepayment of the principal balance of the Term Loans or any portion thereof (on the amount so paid or prepaid), and (iii) on the Maturity Date (whether by acceleration or otherwise). The Borrower shall pay to the Administrative Agent all Fees.

Section 2.04. Change in Law. If any change in Applicable Law shall: (a) (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Secured Party; (ii) subject any Secured Party to any Taxes on any extension of credit made by it, its Commitment or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or (iii) impose on any Secured Party any other condition, cost or expense (other than Taxes) affecting this Agreement the Term Loans made by such Lender, and (b) the result of any of the foregoing shall be to increase the cost to such Secured Party of making, converting to, continuing or maintaining any Term Loan or to increase the cost to such Secured Party, or to reduce the amount of any sum received or receivable by such Secured Party hereunder (whether of principal, interest or any other amount), then, upon request of such Secured Party, the Borrower shall pay to such Secured Party such additional amount or amounts as will compensate such Secured Party for such additional costs incurred or reduction suffered.

Section 2.05. Voluntary Prepayments. Solely on or after the first anniversary of the Closing Date, the Borrower may voluntarily prepay the Outstanding Amount of the Term Loans, ratably in whole or in part from time to time, in an amount not less than \$300,000 or an integral multiple of \$50,000 in excess thereof (or, if less, the entire Outstanding Amount of the Term Loans), upon not less than thirty (30) days prior irrevocable written notice to the Administrative Agent. In connection with any such voluntary prepayment, the Borrower shall pay in immediately available funds the sum of: (i) the Outstanding Amount of the Term Loans being paid or prepaid; plus (ii) the Applicable Premium, plus (iii) accrued and unpaid interest (at the rate then applicable to the Term Loan) on the amounts on the Outstanding Amount of the Term Loans being paid or prepaid. The Borrower may not voluntarily prepay the Term Loans prior to the first anniversary of the Closing Date.

Section 2.06. Mandatory Prepayments. Concurrently with (i) the incurrence of any Indebtedness (other than any Permitted Indebtedness); (ii) the consummation by any Disposition (other than any Permitted Disposition (excluding those consummated pursuant to Section 6.04(b)), (iii) the sale or issuance of any Capital Stock (other than the issuance of Capital Stock of the Borrower to directors, officers and employees of the Borrower and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors, (iv) the receipt of any Extraordinary Receipts which in any fiscal year exceed, in the aggregate with respect to all Extraordinary Receipts received in such fiscal year, \$250,000, or (v) the receipt of any insurance proceeds or condemnation awards, in each case, by any Company, the Borrower shall prepay Term Loans in an amount equal to the result of (A) (I) in the case of clauses (i), (ii), (iv) and (v), one hundred percent (100%) of the gross proceeds therefrom, or (II) in the case of clause (iii), twenty-five percent (25%) of the gross proceeds therefrom, *plus* (B) in the case of clauses (i) through (iii), the Applicable Premium, *minus* (C) in the case of clauses (i) through (iv), the reasonable direct costs of such transaction approved by the Administrative Agent, *minus* (D) in the case of clause (iv) or (v), the reasonable cost of collection approved by the Administrative Agent or amount used, or to be used, by such Company within 365 days of the event resulting in the receipt of such Extraordinary Receipts or insurance proceeds or condemnation awards to replace or repair the property subject to such event. Any of the foregoing amounts not reinvested in accordance with this Section 2.06 will be subject to mandatory prepayment at the end of the 365-day period.

Section 2.07. Application of Payments. Each prepayment of Term Loans pursuant to Section 2.05 or 2.06 shall be applied to reduce the remaining amortization installments in inverse order of maturity. All proceeds of Collateral received by the Administrative Agent or any other Person pursuant to the exercise of remedies against the Collateral, and all payments received upon and after the acceleration of any of the Obligations shall be applied as follows: first, to pay any costs and expenses of the Administrative Agent and fees then due to the Administrative Agent under the Credit Documents, including any indemnities then due to the Administrative Agent under the Credit Documents, until paid in full, second, to pay any premiums then due to the Administrative Agent or any of the Lenders under the Credit Documents until paid in full, third, ratably to pay any costs or expense reimbursements of Lenders and indemnities then due to any of the Lenders under the Credit Documents until paid in full, fourth, ratably to pay interest due in respect of the outstanding Term Loans until paid in full, fifth, ratably to pay the remaining amortization installments in inverse order of maturity, sixth, to pay any other Obligations, and seventh, to Borrower or such other Person entitled thereto under Applicable Law.

Section 2.08. Payment of Obligations; Method and Place of Payment. The obligations of each Credit Party hereunder and under each other Credit Document are not subject to counterclaim, set-off, rights of rescission, or any other defense. Except as otherwise specifically provided herein, all payments under any Credit Document shall be made by the Borrower to the Administrative Agent for the ratable account of the Secured Parties entitled thereto, not later than 2:00 p.m. on the date when due and shall be made in immediately available funds in Dollars by wire transfer to such deposit account as the Administrative Agent shall notify the Borrower in writing from time to time within a reasonable time prior to such payment.

Section 2.09. Prepayment Premium. All prepayments of the Term Loans made or required to be made prior to the fourth anniversary of the Closing Date (whether voluntary or mandatory, and whether before or after acceleration of the Obligations or the commencement of any bankruptcy or insolvency proceeding, but in any event (a) including any such prepayment in connection with (i) a Change of Control, (ii) an acceleration of the Obligations as a result of the occurrence of an Event of Default, (iii) foreclosure and sale of, or collection of, the Collateral, (iv) sale of the Collateral in any insolvency proceeding, (v) the restructure, reorganization, or compromise of the Obligations by the confirmation of a plan of reorganization or any other plan of compromise, restructure, or arrangement in any insolvency proceeding, or (vi) the termination of this Agreement for any reason, and (b) excluding mandatory prepayments made pursuant to any of Sections 2.06(iv) or 2.06(v) (any such prepayment or event described in this Section 2.09 (other than prepayments described in clause (b)), a "**Prepayment Premium Event**") shall be subject to a premium equal to the Applicable Premium. It is understood and agreed that if the Obligations are accelerated prior to the fourth anniversary of the Closing Date for any reason, including because of default, the commencement of any insolvency proceeding or other proceeding pursuant to any applicable debtor relief laws, sale, disposition or encumbrance (including that by operation of law or otherwise), the Applicable Premium, determined as of the date of acceleration will also be due and payable as though said Obligations were voluntarily prepaid as of such date and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof. The Applicable Premium payable in accordance with the immediately preceding sentence shall be presumed to be the liquidated damages sustained by each Lender as the result of the early termination and the Borrower agrees that it is reasonable under the circumstances. The Borrower expressly agrees that: (A) the Applicable Premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel and (B) the Applicable Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made. The Borrower expressly acknowledges that its agreement to pay the Applicable Premium as herein described is a material inducement to the Lenders to provide the Term Loan Commitments and make the Term Loans.

**ARTICLE III.  
REPRESENTATIONS AND WARRANTIES.**

In order to induce the Lenders to enter into this Agreement and make the Term Loans as provided for herein, the Credit Parties make the following representations and warranties to the Lenders, all of which shall survive the Closing Date:

Section 3.01.                    Status. Each Credit Party (a) is a duly organized or formed and validly existing corporation or other registered entity in good standing under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing in all other jurisdictions where it does business or owns assets, except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

Section 3.02.                    Power and Authority. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Transaction Documents to which it is a party. Each Credit Party has duly executed and delivered the Transaction Documents to which it is a party and such Transaction Documents constitute the legal, valid and binding obligation of such Credit Party enforceable against such Credit Party in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

Section 3.03.                    No Violation. None of (a) the execution, delivery and performance by any Credit Party of the Documents to which it is a party and compliance with the terms and provisions thereof, or (b) the consummation of the Transactions, will (i) contravene any applicable provision of any Applicable Law, (ii) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property of any Credit Party (other than Liens created under the Credit Documents) pursuant to, the terms of any contractual obligation to which any Credit Party is a party or by which it or any of its property is bound, or (iii) violate any provision of the organizational documents or Permit of any Credit Party, except with respect to any conflict, breach or contravention or default (but not creation of Liens) referred to in clause (ii), to the extent that such conflict, breach, contravention or default could not reasonably be expected to have a Material Adverse Effect. No Company is in default under any contractual obligation except those default that could not reasonably be expected to have a Material Adverse Effect.



Section 3.04. Litigation, Labor Controversies, etc. There is no pending or, to the knowledge of any Credit Party, threatened litigation, action, proceeding or labor controversy except as disclosed in Schedule 3.04. No Credit Party is party to or otherwise subject to a collective bargaining or similar agreements between or applicable to any Credit Party and any union, labor organization or other bargaining agent in respect of the employees of any Credit Party.

Section 3.05. Use of Proceeds; Margin Stock; Investment Company Act. The proceeds of the Term Loans are intended to be and shall be used solely for the purposes set forth in and permitted by Section 5.10. No Credit Party is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of the Term Loans will be used to purchase or carry margin stock or otherwise for a purpose which violates, or would be inconsistent with Regulation U or Regulation X of the Board of Governors of the Federal Reserve System of the United States. No Credit Party is, or will be after giving effect to the Transactions and the transactions contemplated under the Credit Documents, an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940.

Section 3.06. Governmental Approvals. Except as set forth on Schedule 3.06, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required in connection with the consummation of the Transactions or the due execution, delivery and performance by any Credit Party of any Credit Document to which it is or will be a party, except for (i) approvals of Gaming Authorities required in connection with the pledge of the Capital Stock of any Gaming Subsidiary or in connection with any restriction on the Credit Parties' ability to transfer, issue, or pledge such Capital Stock, or (ii) filings or recordations required in connection with the Liens granted by the Credit Parties pursuant to the Credit Documents. Each Company (a) is in compliance with all Applicable Laws and Permits and (b) has all requisite governmental licenses, Permits, authorizations, consents and approvals to operate its business as currently conducted, except in such instances in which the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 3.07. Accuracy of Information. None of the factual information (taken as a whole) at any time furnished by any Credit Party or any of its authorized representatives in writing to the Administrative Agent or any Lender (including all information contained in the Credit Documents) for purposes of or in connection with any of the Transactions contains any untrue statement of a material fact or omits to state any material fact necessary to make such information and data (taken as a whole) not materially misleading, in each case, at the time such information was provided in light of the circumstances under which such information was furnished. The Budget and pro forma financial information provided to the Administrative Agent were prepared in good faith based upon assumptions believed by the Credit Parties to be reasonable at the time made, it being recognized by Agent and the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

Section 3.08. Financial Condition; Financial Statements. The Historical Financial Statements present fairly in all material respects the financial position and results of operations of the Borrower at the respective dates of such information and for the respective periods covered thereby, subject in the case of unaudited financial information, to changes resulting from normal year end audit adjustments and to the absence of footnotes. The Historical Financial Statements have been prepared in accordance with GAAP consistently applied. Schedule 3.08 is a complete and correct list of each agreement or other arrangement providing for or otherwise relating to any extension of credit (or commitment for any extension of credit) to, any Subsidiary which will remain outstanding after the Closing Date (other than this Agreement and the other Credit Documents), in each case, in excess of \$50,000 and the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement as of the Closing Date is correctly described in Schedule 3.08.

Section 3.09. Tax Returns and Payments. Each Credit Party has filed all applicable federal and state income Tax returns and, except as set forth in Schedule 3.09, all other Tax returns required to be filed by them and has paid all Taxes and assessments payable by them that have become due, other than those contested in good faith by appropriate proceedings with respect to which such Credit Party has maintained adequate reserves in accordance with GAAP. No Tax Lien has been filed, and, to the knowledge of any Credit Party, except as set forth in Schedule 3.09, no claim is being asserted, with respect to any such Tax, fee, or other charge.

Section 3.10. Subsidiaries. None of the Credit Parties has any direct or indirect Subsidiaries other than the Subsidiaries listed on Schedule 3.10.

Section 3.11. Ownership of Properties. Set forth on Schedule 3.11 is a list of all of the real property owned or leased by any Company, indicating in each case whether the respective property is owned or leased, the identity of the owner or lessor and the location of the respective property. Each Company owns (a) in the case of owned real property, good, indefeasible and marketable fee simple title to such real property, (b) in the case of owned personal property, good and valid title to such personal property, and (c) in the case of leased real property or personal property, valid, subsisting, marketable, insurable and enforceable (except as may be limited by bankruptcy, insolvency, moratorium, fraudulent conveyance or other laws applicable to creditors' rights generally and by generally applicable equitable principles, whether considered in an action at law or in equity) leasehold interests (as the case may be) in such leased property, in each case, free and clear in each case of all Liens or claims, except for Permitted Liens.

Section 3.12. Solvency. On the Closing Date after giving effect to the Transactions and the other transactions related thereto, the Companies, on a consolidated basis, are Solvent.

Section 3.13. Security Documents. The Security Documents are effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable first priority (subject only to Permitted Liens) security interests in the Collateral described therein and proceeds thereof, and the Credit Parties have delivered all instruments to the Administrative Agent and taken all other actions necessary to ensure such security interests constitute fully perfected Liens on, and first priority (subject only to Permitted Liens) security interests in, all right, title and interest of the Credit Parties in such Collateral to secure the Obligations. Upon the filing of the financing statements in appropriate form in the offices specified on the applicable schedule to such Security Agreement, such security interests in and Liens on the Collateral granted thereby shall be perfected, first priority security interests (subject to Permitted Liens) in the Collateral that can be perfected by filing such financing statements, and, subject to any required Gaming Authority approvals, no further recordings or filings are or will be required in connection with the creation, perfection or enforcement of such security interests and Liens on the Collateral that can be perfected by filing such financing statements.

Section 3.14. No Material Adverse Effect. Since December 31, 2015, there has been no Material Adverse Effect, and there has been no circumstance, event or occurrence, and no fact is known to the Credit Parties that could reasonably be expected to result in a Material Adverse Effect.

Section 3.15. Contractual or Other Restrictions. Other than the Credit Documents, as set forth in Schedule 3.15(a) and to the extent permitted by Section 6.09, no Company is a party to any agreement or arrangement or subject to any Applicable Law that limits its ability to pay dividends to, or otherwise make Investments in or other payments to any Credit Party, that limits its ability to grant Liens in favor of the Administrative Agent or that otherwise limits its ability to perform the terms of the Credit Documents. No Company is a party to any Hedging Agreement except as set forth in Schedule 3.15(b).

Section 3.16. Insurance. The properties of each Company are insured with financially sound and reputable insurance companies that are not Affiliates of any Company against loss and damage in such amounts, with such deductibles and covering such risks as are customarily carried by Persons of comparable size and of established reputation engaged in the same or similar businesses and owning similar properties in the general locations where such Company operates, in each case as described on Schedule 3.16. All premiums with respect thereto that are due and payable have been duly paid and no Company has received or is aware of any notice of violation or cancellation thereof and each Company has complied in all material respects with the requirements of such policy.

Section 3.17. Deposit Accounts and Securities Accounts. Set forth in Schedule 3.17 is a list of all of the deposit accounts and securities accounts of each Company, including, with respect to each bank or securities intermediary at which such accounts are maintained by such Company.

Section 3.18. Licenses and Permits.

(a) (i) All licenses (including all necessary Gaming Licenses), Permits, and consents and similar rights required from any Governmental Authority, for the ownership, use, or operation of the businesses or properties now owned or operated by Borrower or any of its Subsidiaries, are in full force and effect; (ii) each of Borrower and its Subsidiaries is in compliance, in all respects, with all of the provisions thereof applicable to it; and (iii) none of such licenses, Permits, or consents is the subject of any pending or, to the best of the Borrower's knowledge, threatened proceeding for the revocation, cancellation, suspension, or non-renewal thereof. As of the Closing Date (and as of each subsequent date on which the Borrower delivers to Administrative Agent an updated schedule pursuant hereto), set forth on Schedule 3.18 is a complete and accurate list of all such licenses, Permits, and consents that are necessary and appropriate for the operation of the Borrower's and the Borrower's businesses, and the businesses of their Subsidiaries, and such schedule identifies the date by which an application for the renewal of such license, Permit, or consent must be filed and describes the status of each such pending application.

(b) the Borrower and its Subsidiaries, have obtained (A) all licenses, Permits, and consents necessary or appropriate to conduct their businesses and operations, and (B) as of the Closing Date, all required approvals from the Gaming Authorities of the transactions contemplated hereby and by the other Credit Documents.

Section 3.19. Representations and Warranties in Credit Documents: No Default. All representations and warranties set forth in this Agreement and the other Credit Documents are true and correct in all respects at the time as of which such representations were made and on the Effective Date. No Event of Default has occurred and is continuing and no condition exists which constitutes a Default or an Event of Default.

#### **ARTICLE IV. CONDITIONS PRECEDENT.**

The occurrence of the Closing Date is subject to the satisfaction of the following conditions precedent:

Section 4.01. Documents. The Administrative Agent shall have received fully executed copies of (a) each Transaction Document, (b) a Secretary's Certificate in respect of each Credit Party, (c) legal opinions of counsel to the Credit Parties, which opinions shall be addressed to the Administrative Agent and the Lenders and (d) such other documents or certificates as the Administrative Agent shall reasonably request, in each case of clauses (a) through (d), in form and substance satisfactory to the Administrative Agent.

Section 4.02. Collateral. The Administrative Agent shall have received (a) all Pledged Stock and Pledged Indebtedness (each as defined in the Security Agreement) required to be delivered to the Administrative Agent on the Closing Date, accompanied by instruments of transfer and stock powers undated and endorsed in blank, (b) UCC filing, tax Lien, judgment Lien, bankruptcy and litigation searches requested by the Administrative Agent, and evidence satisfactory to the Administrative Agent that the Liens indicated in any such financing statement and other filings are Permitted Liens or have been released or will be released on the Closing Date, (c) customary liability and property insurance certificates and endorsements thereto naming the Administrative Agent as loss payee and additional insured and otherwise in form and substance satisfactory to the Administrative Agent and (d) evidence that all actions that the Administrative Agent deems necessary or desirable to perfect and/or protect the Administrative Agent's Liens on the Collateral shall have been taken by the Credit Parties.

Section 4.03. Solvency and Financials. The Administrative Agent shall have received a fully executed closing and solvency certificate from the chief financial officer of the Borrower in form and substance satisfactory to the Administrative Agent, which shall attach, among other things, (a) the Historical Financial Statements, (b) financial statements for the last twelve months ended as of the last day of the last full fiscal month ending at least thirty (30) days prior to the Closing Date, (c) financial projections of the Credit Parties for each fiscal year of the Borrower during the 5-year period from January 1, 2016 through December 31, 2020 (including projected Adjusted EBITDA and Capital Expenditures) and a pro forma balance sheet of the Companies as of the last day of the last full fiscal month ending at least thirty (30) days prior to the Closing Date giving effect to the Transactions and (d) a detailed sources and uses statement and funds flow memorandum which reflects (i) the sources of all funds to be used by the Credit Parties to consummate the Transactions and to pay all transaction expenses incurred in connection therewith and (ii) all uses of such funds, in each case of clauses (a) through (d), in form and substance satisfactory to the Administrative Agent.

Section 4.04. Payment of Outstanding Indebtedness. The Administrative Agent shall have received satisfactory evidence that the Companies shall have no outstanding Indebtedness after giving effect to the Closing Date and the use of proceeds from the Term Loans (other than the Term Loans and Existing Indebtedness to the extent permitted by Section 6.01) and that there shall be no Liens upon any assets of the Companies other than Permitted Liens.

Section 4.05. Material Adverse Effect. The Administrative Agent shall have determined that there shall not have occurred any Material Adverse Effect since December 31, 2015.

Section 4.06. Fees and Expenses. The Administrative Agent and each Lender shall have received, for their respective accounts, (a) all fees and expenses due and payable to such Person under the Fee Letter and (b) the reasonable fees, costs and expenses due and payable to such Person pursuant to Section 8.05.

Section 4.07. No Default; Representations and Warranties. (a) No Default or Event of Default shall have occurred and be continuing and (b) all representations and warranties made by each Credit Party contained herein or in the other Credit Documents shall be true and correct in all respects, in each case, with the same effect as though such representations and warranties had been made on and as of the date of the Closing Date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date).

Section 4.08. Approvals, Consents, etc. Other than (a) those that have been duly obtained or made and which are in full force and effect and (b) the filings or other actions necessary to perfect Liens under the Credit Documents, the Borrower shall have received all licenses, approvals, or evidence of other actions required by any Governmental Authority approvals (including any required by any Gaming Laws) in connection with the consummation of the Transactions or the due execution, delivery or performance by any Credit Party of any Transaction Document to which it is a party.

## **ARTICLE V. AFFIRMATIVE COVENANTS.**

Section 5.01. Financial Information. The Credit Parties will furnish the Administrative Agent and each Lender copies of the following:

(a) Within thirty (30) days after the end of each month (other than each month that coincides with the end of a fiscal quarter, which is addressed in Section 5.01(b)), (i) the unaudited consolidated balance sheet as of the end of such month and the statements of income for such month and the year-to-date portion of such fiscal year, (ii) a comparison of the corresponding figures for such month, and the year-to-date portion, of the prior fiscal year, (iii) a reconciliation of the actual results for such month as compared to the then-current Budget, (iv) a calculation of Adjusted EBITDA for the year-to-date portion of such fiscal year and a comparison of Adjusted EBITDA for such period of the prior fiscal year and (v) copies of all monthly (or other, periodic) bank (or other financial intermediary) statements of account with respect to all securities accounts, deposit accounts and investment property of the Credit Parties.

(b) Within forty-five (45) days after the end of each fiscal quarter, (i) the unaudited consolidated balance sheet as of the end of such fiscal quarter and the statements of income and cash flow for such fiscal quarter and the year-to-date portion of such fiscal year, (ii) a comparison of the corresponding figures for such fiscal quarter, and the year-to-date portion, of the prior fiscal year, (iii) a reconciliation of the actual results for such fiscal quarter as compared to the then-current Budget and (iv) a calculation of Adjusted EBITDA for the year-to-date portion of such fiscal year and a comparison of Adjusted EBITDA for such period of the prior fiscal year.

(c) Within ninety (90) days after the end of each fiscal year, (i) the consolidated balance sheet as of the end of such fiscal year and the statements of income and cash flow for such fiscal year, (ii) a comparison of the corresponding figures for the prior fiscal year, (iii) an unqualified audit opinion from an independent public accounting firm reasonably acceptable to the Administrative Agent, (iv) a reconciliation of the actual results for such fiscal year as compared to the then-current Budget and (v) a calculation of Adjusted EBITDA for such fiscal year and a comparison of Adjusted EBITDA for the prior fiscal year.

(d) Concurrently with the delivery of the financial information pursuant to clauses (b) and (c) above, a certificate duly completed and executed by the chief financial officer or treasurer of the Borrower substantially in the form of Exhibit E (i) certifying that such financial information presents fairly in all material respects the financial condition, results of operations and cash flows of the Companies in accordance with GAAP, subject in the case of unaudited financial information, to changes resulting from normal year-end audit adjustments and to the absence of footnotes, (ii) showing compliance with Section 6.12 and stating that no Default or Event of Default has occurred and is continuing, (iii) specifying any change in the identity of the Subsidiaries as at the end of such period as compared to the Closing Date or the most recent period, as the case may be, and (iv) including (A) an updated Schedule 3.11 and Schedule 3.17 and (B) a written supplement substantially in the form of Schedules 1-5, as applicable, to the Security Agreement with respect to any additional assets acquired by any Credit Party after the date hereof.

(e) Within thirty (30) days after the commencement of each fiscal year of the Borrower, commencing with its fiscal year 2017, financial projections for the then current fiscal year and the next succeeding fiscal year on a month-by-month basis, and for each fiscal year thereafter to the Maturity Date on an annual basis, in each case, in each case, as customarily prepared by management of the Credit Parties for their internal use consistent in scope with the financial statements provided pursuant to Section 5.01(c), setting forth the principal assumptions on which such projections are based and in form and substance satisfactory to the Administrative Agent (such projections and the projections delivered as of the Closing Date pursuant to Section 4.03(c), collectively, the "*Budget*").

Section 5.02. Notices and Reports. Unless otherwise specified below, within five (5) business days after an executive officer of any Company becomes aware of the following or after receipt of the following, the Credit Parties shall provide a written notice of the following or deliver the following to the Administrative Agent, as applicable:

(a) the occurrence of any Default or an Event of Default or any default or event of default under any Material Contract, which notice shall specify the nature thereof, the period of existence thereof and what action the applicable Company proposes to take with respect thereto;

(b) any pending or threatened (in writing) litigation, action, proceeding or other controversy which purports to affect the legality, validity or enforceability of any Transaction Document, Material Contract or organizational document and a statement of an executive officer of the Borrower specifying the nature thereof, and what actions the applicable Credit Parties propose to take with respect thereto, together with copies of all relevant documentation;

(c) the commencement of, or any development in, any litigation, investigation, dispute or proceeding affecting any Company (A) in which the amount of damages claimed is \$250,000 (or its equivalent in another currency or currencies) or more, (B) in which injunctive or similar relief is sought and which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, (C) in which the relief sought is an injunction or other stay of the performance of this Agreement or any other Transaction Document or (D) which alleges potential violations of any securities laws;

(d) copies of all "management letters" submitted to any Company by such Company's independent public accountants in connection with each audit made by such accountants;

(e) immediately upon becoming aware thereof, notice (whether involuntary or voluntary) of the bankruptcy, insolvency, reorganization of any Company, or the appointment of any trustee in connection with or anticipation of any such occurrence, or the taking of any step by any Person in furtherance of any such action or occurrence;

(f) upon becoming aware of any additional corporate or limited liability company information of the type delivered pursuant to Section 4.01(b), or of any change to such information delivered on the Closing Date or pursuant to this Section 5.02(f) or otherwise under the Credit Documents, a certificate from the secretary of such Credit Party notifying the Administrative Agent of such information or change and attaching thereto any relevant documentation in connection therewith;

(g) concurrently with the delivery of the financial statements provided for in Section 5.01(c), (i) a report of a reputable insurance broker with respect to insurance policies maintained by the Credit Parties in form and substance satisfactory to the Administrative Agent and (ii) commencing with the fiscal year ending December 31, 2016, (a) endorsements to (I) all "All Risk" policies naming the Administrative Agent, on behalf of the Secured Parties, as loss payee and (II) all general liability and other liability policies naming the Administrative Agent, on behalf of the Secured Parties, as additional insured and (b) legends providing that no cancellation, reduction in amount or change in insurance coverage thereof shall be effective until at least thirty (30) days after receipt by the Administrative Agent of written notice thereof; and

(h) such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender may reasonably request in writing from time to time.

Section 5.03. Books, Records and Inspections. The Credit Parties will, and will cause each of their respective Subsidiaries to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP consistently applied of all material financial transactions and matters involving the assets and business of the Companies, as the case may be. The Credit Parties will, and will cause each of their respective Subsidiaries to, permit representatives and independent contractors of the Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Credit Parties and (unless an Event of Default then exists) at reasonable times during normal business hours, upon reasonable advance notice to the Credit Parties; provided, that so long as no Event of Default has occurred and is continuing, the Credit Parties shall not be obligated to reimburse the Administrative Agent for more than two such inspections during any calendar year. Any information obtained by the Administrative Agent pursuant to this Section 5.03 may be shared with any Lender upon the request of such Lender, but shall be otherwise be subject to the terms of that certain Mutual Nondisclosure Agreement, dated as of March 30, 2016, by and between the Borrower and Breakaway Capital Partners.

Section 5.04. Maintenance of Insurance. The Credit Parties will, and will cause each of their respective Subsidiaries to, at all times maintain in full force and effect, with insurance companies that the Credit Parties believe (in their reasonable business judgment) are financially sound and reputable at the time the relevant coverage is placed or renewed, insurance in at least such amounts and against at least such risks (and with such risk retentions) as are usually insured against in the same general area by companies engaged in businesses similar to those engaged in by the Credit Parties.

Section 5.05. Payment of Taxes. The Credit Parties will pay and discharge, and will cause each of their respective Subsidiaries to pay and discharge, all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, or as required pursuant to any installation plan the Company may have entered into with any taxing authority, prior to the date on which penalties attach thereto (except if being contested in good faith by proper proceedings as to which such Credit Party has maintained adequate reserves with respect thereto in accordance with GAAP), and all lawful claims that, if unpaid, could reasonably be expected to become a Lien having priority over the Administrative Agent's Liens or an otherwise Lien upon any properties of the Credit Parties or any of their respective Subsidiaries.

Section 5.06. Maintenance of Existence. Each Credit Party will, and will cause its Subsidiaries to, (a) preserve and maintain in full force and effect its organizational existence (except in a transaction permitted by Section 6.03), and (b) preserve and maintain its good standing under the laws of its state or jurisdiction of incorporation, organization or formation, and each state or other jurisdiction where such Person is qualified, or is required to be so qualified, to do business as a foreign entity.

Section 5.07. Maintenance of Properties. Each Credit Party will, and will cause its Subsidiaries to, maintain, preserve, protect and keep its properties in good repair, working order and condition (ordinary wear and tear excepted and subject to dispositions permitted pursuant to Section 6.04), and make necessary repairs, renewals and replacements thereof and will maintain and renew as necessary all licenses, Permits and other clearances necessary to use and occupy such properties, in each case so that the business carried on by such Person may be properly conducted at all times.

Section 5.08. End of Fiscal Years; Fiscal Quarters. The Credit Parties will, for financial reporting purposes, cause (a) each of their, and each of their Subsidiaries' fiscal years to end on December 31 of each year and (b) each of their, and each of their Subsidiaries', fiscal quarters to end on dates consistent with such fiscal year-end and the Borrower's past practice.

Section 5.09. Additional Guarantors and Grantors. Subject to any applicable limitations set forth in the Security Agreement, the Credit Parties will upon the formation or acquisition thereof cause any direct or indirect Subsidiary formed or otherwise purchased or acquired after the Closing Date to execute a joinder to the Security Agreement in the form of Exhibit A to the Security Agreement, or a guarantee and security agreement in form and substance satisfactory to Administrative Agent.



Section 5.10. Use of Proceeds. The proceeds of the Term Loans shall be used (a) to refinance the Refinanced Indebtedness, (b) to pay the transaction fees, costs and expenses incurred in connection with the entering into this Agreement and (c) for working capital purposes of the Companies to the extent not prohibited by this Agreement.

Section 5.11. Further Assurances. The Credit Parties will execute any and all further documents, financing statements and instruments, and take all such further actions, which may be required under any Applicable Law, or which the Administrative Agent may reasonably request, in order to evidence the Obligations and to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by any Security Document, all at the sole cost and expense of the Borrower. Subject to any applicable limitations set forth in any applicable Security Document, if any (i) fee simple interest in real property or (ii) real property leasehold interest with aggregate rentals in excess of \$50,000 is acquired by any Credit Party after the Closing Date, the Borrower will notify the Administrative Agent and the Lenders thereof and will cause such assets to be subjected to a Lien securing the applicable Obligations and will take, and cause the other Credit Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and/or perfect such Liens consistent with the applicable requirements of the Security Documents, all at the sole cost and expense of the Borrower. Any Mortgage delivered to the Administrative Agent in accordance with the preceding sentence shall be accompanied by (A) a policy or policies (or unconditional binding commitment thereof) of title insurance issued by a nationally recognized title insurance company insuring the Lien of each Mortgage as a valid Lien (with the priority described therein) on the Mortgaged Property described therein, free of any other Liens (except Permitted Liens), together with such endorsements and reinsurance as the Administrative Agent may reasonably request and (B) if requested by the Administrative Agent, an opinion of local counsel to the applicable Credit Party(ies) in form and substance reasonably satisfactory to the Administrative Agent. Notwithstanding anything herein to the contrary, if the Administrative Agent determines in writing that the cost of creating or perfecting any Lien on any property is excessive in relation to the practical benefits afforded to the Lenders thereby, then such property may be excluded from the Collateral for all purposes of the Credit Documents.

Section 5.12. Bank Accounts. Within thirty (30) days after the Closing Date, the Credit Parties shall establish and deliver to Administrative Agent a Control Agreement with respect to each of their respective securities accounts, deposit accounts and investment property set forth on Schedule 5.12 other than those accounts (i) used solely to fund payroll or employee benefits, so long as such payroll or employee benefit account is a zero balance account, (ii) which contain, at all times, less than \$50,000 in the aggregate for all such accounts, or (iii) restricted by Gaming Laws due to player jackpot funds (each, an "**Excluded Account**"). The Credit Parties shall not allow any Collections to be deposited to any accounts other than accounts listed on Schedule 5.12; provided, that, so long as no Event of Default has occurred and is continuing, the Credit Parties may establish new deposit accounts, commodities accounts or securities accounts so long as, prior to the time such account is established: (i) the Credit Parties have delivered to the Administrative Agent an amended Schedule 5.12 including such account and (ii) the Credit Parties have delivered to Administrative Agent a Control Agreement with respect to such account to the extent such account is not an Excluded Account. If, notwithstanding the provisions of this Section 5.12, after the occurrence and during the continuance of an Event of Default, the Credit Parties receive or otherwise have dominion over or control of any Collections or other amounts, the Credit Parties shall hold such Collections and amounts in trust for the Administrative Agent and shall not commingle such Collections with any other funds of any Credit Party or other Person or deposit such Collections in any account other than those accounts set forth on Schedule 5.12. As soon as available and in any event within three (3) business days after receipt thereof, the Credit Parties shall provide the Administrative Agent with copies of all monthly (or other, periodic) bank (or other financial intermediary) statements of account with respect to all securities accounts, deposit accounts and investment property of the Credit Parties.

Section 5.13. Quarterly Lender Meeting. Each Credit Party will, and will cause each of its Subsidiaries to participate in a meeting of the Lenders, so long as no Event of Default or Default shall have occurred and be continuing, on a quarterly basis, and otherwise as frequently as may be required by the Administrative Agent, during each fiscal year, to be held via teleconference and in person at least once per year, at a time selected by the Administrative Agent and reasonably acceptable to the Lenders and the Borrower. The purpose of each such meeting shall be to present the Credit Parties' previous fiscal years' financial results and to present the Credit Parties' Budget for the then current fiscal year as compared to actual financial performance for the then current fiscal year.

Section 5.14. Board Observation Rights. Breakaway shall have the right to appoint a single observer to the Board of Directors of each Credit Party who shall be entitled to attend all meetings of the Board of Directors and each committee of the Board of Directors (other than any portions of any portions of any meetings of the Board of Directors or any of its committees that constitute executive sessions or relate to this Agreement or which involve the exchange of privileged attorney-client information or work product), but shall not be entitled to vote, and who shall receive all reports, meeting materials, notices, written consents, and other materials (in each case other than any portions of such reports or materials that contain confidential information (including with respect to executive sessions) relating to this Agreement or privileged attorney-client information or work product) as and when provided to the members of the Board of Directors. Upon the occurrence and during the continuance of an Event of Default, the Borrower shall reimburse Breakaway for the reasonable travel expenses incurred in such by any such observer appointed by Breakaway in connection with attendance at or participation in meetings to the extent consistent with the applicable Credit Party's policies of reimbursing directors generally for such expenses.

Section 5.15. Compliance with Laws, Etc. Each Credit Party will, and will cause each of its Subsidiaries to comply, in all respects with all Applicable Laws, Permits, rules, regulations, orders (including, without limitation, all Gaming Laws), judgments and awards (including any settlement of any claim that, if breached, could give rise to any of the foregoing), such compliance to include (i) paying before the same become delinquent all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any of its properties, (ii) paying all other lawful claims which if unpaid might become a Lien or charge upon any of its properties, except, in each case, to the extent contested in good faith by proper proceedings which stay the imposition of any penalty, fine or Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof in accordance with GAAP, and (iii) the filing of a report with relevant Gaming Authorities with respect to this Agreement.

Section 5.16. Licenses and Permits. Each Credit Party will, and will cause each of its Subsidiaries to (a) ensure that all licenses (including all necessary Gaming Licenses), Permits, and consents and similar rights required from any federal, state, or local governmental body (including the Gaming Authorities) for the ownership, use, or operation of the businesses or properties now owned or operated by the Borrower or its Subsidiaries are in full force and effect, and (b) comply, in all respects, with all of the provisions thereof applicable to it.

Section 5.17. Post-Closing Covenant. Each Credit Party will perform, and will cause each of its Subsidiaries to perform each of the conditions subsequent set forth in Schedule 5.17 within the applicable time periods specified there.

**ARTICLE VI.  
NEGATIVE COVENANTS.**

Section 6.01. Limitation on Indebtedness. No Company shall, directly or indirectly, suffer to exist or otherwise become directly or indirectly liable, contingently or otherwise with respect to any Indebtedness, except for the following (collectively, the "**Permitted Indebtedness**"):

- (a) Indebtedness in respect of the Obligations;
- (b) Existing Indebtedness and any refinancing, renewal or extension of such Existing Indebtedness in a principal amount not in excess of the outstanding Existing Indebtedness plus the amount of any interest, premiums or penalties required to be paid thereon plus fees and expenses associated therewith, in an amount not to exceed ten percent (10%) of the principal amount of such outstanding Existing Indebtedness;
- (c) unsecured Indebtedness (i) incurred in the ordinary course of business of the Companies in respect of open accounts extended by suppliers on normal trade terms in connection with purchases of goods and services which are not overdue for a period of more than ninety (90) days or, if overdue for more than ninety (90) days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Companies and (ii) in respect of performance, surety or appeal bonds provided in the ordinary course of business, but excluding (in each case) Indebtedness incurred through the borrowing of money or Contingent Liabilities in respect thereof;
- (d) Indebtedness (i) evidencing the deferred purchase price of property or incurred to finance the acquisition of equipment of the Companies used in the ordinary course of business of such Company (provided, that such Indebtedness is incurred within sixty (60) days of the acquisition of such property), and (ii) Capitalized Lease Obligations; provided that (A) the aggregate amount of all Indebtedness for all Companies outstanding pursuant to this clause (d) shall not at any time exceed \$250,000 in the aggregate and (B) no Default or Event of Default has occurred and is continuing;
- (e) Indebtedness owed to any Person providing worker's compensation, health, disability or other employee benefits or property, casualty or liability insurance to any Company incurred in connection with such Person providing such benefits or insurance pursuant to customary reimbursement or indemnification obligations to such Person;
- (f) Indebtedness owed to any Credit Party; and
- (g) guarantees in respect of Indebtedness permitted under clauses (a), (b), (d), (e) and (f) of this Section 6.01.

Section 6.02. Limitation on Liens. No Company, directly or indirectly, suffer to exist any Lien upon any property of any such Company, whether now owned or hereafter acquired, except for the following (collectively, the "**Permitted Liens**"):

- (a) Liens securing the Obligations;

(b) Liens existing as of the Closing Date and disclosed in Schedule 6.02(b) securing Indebtedness permitted under Section 6.01(b), and any refinancings, renewals and extensions of such Indebtedness; provided, that no such Lien shall extend to any property not subject to such Lien on the Closing Date;

(c) Liens securing Indebtedness of the type permitted under Section 6.01(d); provided, that (i) such Lien is granted within sixty (60) days after such Indebtedness is incurred, and (ii) such Lien secures only the assets that are the subject of the Indebtedness referred to in such clause;

(d) Liens arising by operation of law in favor of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business for amounts not yet overdue or are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been established on its books;

(e) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, bids, leases or other similar obligations (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety, appeal or performance bonds;

(f) judgment Liens in existence for less than thirty (30) days after the entry thereof or with respect to which execution has been stayed or the payment of which is covered in full (subject to a customary deductible) by insurance maintained with responsible insurance companies and which do not otherwise result in an Event of Default under Section 7.01(g);

(g) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances not interfering in any material respect with the value or use of the property to which such Lien is attached;

(h) Liens for Taxes, assessments or other governmental charges or levies not yet due and payable, or that are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been established on its books;

(i) Liens arising in the ordinary course of business by virtue of any contractual, statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies covering deposit or securities accounts (including funds or other assets credited thereto) or other funds maintained with a depository institution or securities intermediary, so long as the applicable provisions of Section 5.12 have been complied with, in respect of such deposit accounts;

(j) any interest or title of a lessor, licensor or sublessor under any lease, license or sublease entered into by any Company in the ordinary course of its business and covering only the assets so leased, or subleased;

(k) Liens solely on any cash earnest money deposits made by such Person in connection with any letter of intent or purchase agreement permitted hereunder; and

(l) Liens of sellers of goods to such Person arising under Article 2 of the Uniform Commercial Code or similar provisions of Applicable Law in the ordinary course of business, covering only the goods sold or securing only the unpaid purchase price of such goods and related expenses to the extent such Indebtedness is permitted hereunder.

Section 6.03. Consolidation, Merger, etc. No Company shall consolidate with, or merge into or with, any other Person or purchase or otherwise acquire all or substantially all of the assets of any Person (or any division thereof); provided, that (a) any Company may liquidate or dissolve voluntarily into, and may merge with and into, the Borrower (so long as the Borrower is the surviving entity), (b) any Guarantor may liquidate or dissolve voluntarily into, and may merge with and into any Credit Party, (c) any Subsidiary that is not a Credit Party may liquidate or dissolve voluntarily into, and may merge with and into any Credit Party or, (d) the assets or Capital Stock of any Company may be purchased or otherwise acquired by the Borrower, (e) the assets or Capital Stock of any Guarantor may be purchased or otherwise acquired by any Credit Party, (f) the assets or Capital Stock of any Subsidiary that is not a Credit Party may be purchased or otherwise acquired by any Credit Party, and (g) the Borrower may enter into business acquisitions that do not exceed either \$750,000 individually or \$2,000,000 in the aggregate during the term of this Agreement, which are accounted for using the acquisition method of accounting in accordance with Accounting Standards Codification 805.

Section 6.04. Permitted Dispositions. No Company shall make a Disposition, or enter into any agreement to make a Disposition to any Person in one transaction or a series of transactions, except for the following (collectively, the "**Permitted Dispositions**"):

(a) Dispositions in the ordinary course of its business and is of obsolete or worn out property or property no longer used in its business; or

(b) Dispositions for fair market value; provided, that (i) the aggregate fair market value, as well as the aggregate book value, of all such asset sales do not exceed \$100,000 in any fiscal year or \$500,000 in the aggregate during the term of this Agreement; (ii) immediately prior to and immediately after giving effect to such Disposition, no Default or Event of Default has occurred and is continuing or would result therefrom; (iii) the Borrower has applied any proceeds arising therefrom pursuant to Section 2.06; and (iv) no less than eighty percent (80%) of the consideration received for such sale, transfer, lease, contribution or conveyance is received in cash;

(c) Dispositions of Inventory in the ordinary course of business;

(d) Dispositions constituting leases, as lessor, with respect to property no longer used or useful in such Person's business and otherwise in the ordinary course of business;

(e) Dispositions of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such Dispositions are reasonably promptly applied to the purchase price of similar replacement equipment, all in the ordinary course of business in accordance with Section 2.06;

(f) Dispositions otherwise permitted by Section 6.03;

(g) Dispositions by (i) any Company to the Borrower or, (ii) any Company (other than the Borrower) to any Credit Party;

(h) Dispositions of real property to a Governmental Authority that results from a condemnation;

(i) Dispositions with respect to the non-exclusive licensing of intellectual property in the ordinary course of business; or

(j) Dispositions of intellectual property assets, provided, that (i) immediately prior to and immediately after giving effect to such Disposition, no Default or no Event of Default has occurred and is continuing or would result therefrom, and (ii) such intellectual property assets (A) have not produced any revenue during the immediately preceding twelve (12) month period and (B) are neither necessary nor material to the business of the Credit Parties.

Section 6.05. Investments. No Company shall permit to exist any Investment in any other Person, except for the following (collectively, the "**Permitted Investments**"):

- (a) Investments existing on the Closing Date and identified in Schedule 6.05(a);
- (b) Investments in cash and cash equivalents;
- (c) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;
- (d) Investments by way of contributions to capital or purchases of Capital Stock by any Credit Party in any other Credit Party;
- (e) Investments constituting (i) accounts receivable, (ii) trade debt, or (iii) deposits made in connection with the purchase price of goods or services, in each case, arising in the ordinary course of business;
- (f) Investments consisting of any deferred portion of the sales price received by any Credit Party in connection with any Disposition permitted under Section 6.04;
- (g) intercompany loans by any Credit Party permitted pursuant to Section 6.04(f);
- (h) the maintenance of deposit accounts in the ordinary course of business so long as the applicable provisions of the Control Agreements have been complied with in respect of such deposit accounts;
- (i) Indebtedness permitted by Section 6.01(g); and
- (j) loans and advances to officers, directors and employees of any Credit Party for reasonable and customary business related travel expenses, entertainment expenses, moving expenses and similar expenses, in each case incurred in the ordinary course of business, in an aggregate principal amount at any time not to exceed \$50,000;

provided, that no Investment otherwise permitted under the immediately foregoing clauses (d), (f), (g) or (j) shall be permitted to be made if any Default or Event of Default has occurred and is continuing or would result therefrom.

Section 6.06. Restricted Payments, etc. No Company shall make any Restricted Payment, or make any deposit for any Restricted Payment, other than cash or paid-in-kind dividends by any Subsidiary to any Credit Party; provided, that so long as immediately prior to and immediately after giving effect to such Restricted Payment, no Default or no Event of Default has occurred and is continuing or would result therefrom, the Borrower may enter into business acquisitions that do not exceed either \$750,000 individually or \$2,000,000 in the aggregate during the term of this Agreement, which are accounted for using the acquisition method of accounting in accordance with Accounting Standards Codification 805.

Section 6.07. Modification of Certain Agreements. No Company shall consent or agree to any amendment, supplement, termination, rescission, waiver or other modification of, or enter into any forbearance from exercising any rights with respect to the terms or provisions contained in (a) any of the Transaction Documents, the Material Contracts, or the organizational documents, in each case, (i) other than any amendment, supplement, termination, rescission, waiver or modification or forbearance that is not adverse to the Secured Parties as reasonably determined by the Administrative Agent and (ii) unless Administrative Agent has received at least five (5) business day's prior notice of such amendment, supplement, termination, rescission, waiver or other modification and the terms thereof or (b) any document, agreement or instrument evidencing or governing any Indebtedness that has been subordinated to the Obligations in right of payment or any Liens that have been subordinated in priority to the Liens of Administrative Agent unless such amendment, supplement, termination, rescission, waiver or other modification is permitted under the terms of the subordination agreement applicable thereto.

Section 6.08. Transactions with Affiliates. No Company shall enter into or cause or permit to exist any arrangement, transaction or contract with any Affiliate except (a) on fair and reasonable terms no less favorable to such Company than it could obtain in an arm's-length transaction with a Person that is not an Affiliate and (b) any transaction expressly permitted under Sections 6.03, 6.05(d), 6.05(g) or 6.06.

Section 6.09. Restrictive Agreements, etc. No Company shall enter into any agreement (other than a Credit Document) prohibiting (a) the creation or assumption of any Lien upon its properties or revenues, whether now owned or hereafter acquired, (b) the ability of such Person to amend or otherwise modify any Credit Document or (c) the ability of such Person to make any payments, directly or indirectly, to the Borrower, including by way of dividends, advances, repayments of loans, reimbursements of management and other intercompany charges, expenses and accruals or other returns on investments. The foregoing prohibitions shall not apply to customary restrictions of the type described in clause (a) above (which do not prohibit the Credit Parties from complying with or performing the terms of this Agreement and the other Credit Documents) which are contained in any agreement, (i) governing any Indebtedness permitted by Section 6.01(d) as to the transfer of assets financed with the proceeds of such Indebtedness, (ii) for the creation or assumption of any Lien on the sublet or assignment of any leasehold interest of any Company entered into in the ordinary course of business, (iii) for the assignment of any contract entered into by Company in the ordinary course of business or (iv) for the transfer of any asset pending the close of the sale of such asset pursuant to a Disposition permitted under this Agreement.

Section 6.10. Certain Transactions. No Company shall (a) enter into any Hedging Agreement, (b) enter into any agreement or arrangement providing for the sale or transfer by a Credit Party of any property to a Person and the subsequent lease or rental of such property or other similar property from such Person, directly or indirectly or (c) issue any Capital Stock to any Person other than to the Borrower or another wholly-owned Domestic Subsidiary of the Borrower.

Section 6.11. Changes in Business. No Company shall engage in any business activity other than such business activities described on Schedule 6.11.

Section 6.12. Financial Covenants. The Credit Parties will not permit:

(a) Total Leverage Ratio. The Total Leverage Ratio, as of each Test Period below, to be greater than the ratio set forth below opposite such Test Period:

Measurement Date	Ratio
September 30, 2016	2.75:1.00
December 31, 2016	2.75:1.00
March 31, 2017	2.75:1.00
June 30, 2017	2.50:1.00
September 30, 2017	2.50:1.00
December 31, 2017	2.25:1.00
The last day of each fiscal quarter thereafter	2.00:1.00

(b) Adjusted EBITDA. Adjusted EBITDA for each Test Period ending on the applicable measurement date set forth below, to be less than the amount set forth below opposite such Test Period:

Measurement Date	Amount
September 30, 2016	\$ 4,250,000
December 31, 2016	\$ 4,250,000
March 31, 2017	\$ 4,250,000
June 30, 2017	\$ 4,250,000
September 30, 2017	\$ 4,500,000
December 31, 2017	\$ 4,750,000
The last day of each fiscal quarter thereafter	\$ 5,000,000

(c) Capital Expenditures. Capital Expenditures to exceed, during each fiscal year set forth below, the amount set forth opposite such fiscal year:

Fiscal Year	Amount
Fiscal year ending December 31, 2016	\$ 500,000
Each fiscal year thereafter	\$ 500,000

#### ARTICLE VII. EVENTS OF DEFAULT.

Section 7.01. Listing of Events of Default. Each of the following events or occurrences described in this Section 7.01 shall constitute an "*Event of Default*":

(a) Non-Payment of Obligations. The Borrower shall fail to pay (i) any principal of any Term Loan when such amount is due, (ii) any interest on any Term Loan when due and such failure to pay shall continue unremedied for a period of three (3) business days after such amount is due or (iii) any other amount when due, and such failure to pay shall continue unremedied for a period of five (5) business days after such amount is due.



(b) Breach of Warranty. Any representation or warranty by any Credit Party made or deemed to be made in any Transaction Document (including any certificates delivered pursuant to Article III) shall fail to be true and correct in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) when made or deemed to have been made.

(c) Non-Performance of Certain Covenants and Obligations. Any Company shall default in the due performance or observance of any of its obligations under Sections 5.01, 5.02, 5.04, 5.06(a), 5.06(b) (solely with respect to such Credit Party's maintenance of good standing in its jurisdiction of organization), 5.09, 5.10, 5.12, 5.15, 5.16, 5.17 or Article VI or any Credit Party shall default in the due performance or observance of its obligations under any covenant applicable to it under the Security Agreement.

(d) Non-Performance of Other Covenants and Obligations. Any Company shall default in the due performance and observance of any obligation contained in any Transaction Document executed by it (other than as specified in Sections 7.01(a), 7.01(b) or 7.01(c)), and such default shall continue unremedied for a period of fifteen (15) days after any Credit Party shall first have knowledge thereof.

(e) Default on Other Indebtedness, etc. (i) A default shall occur in the payment of any amount when due (subject to any applicable grace period), whether by acceleration or otherwise, of any principal or stated amount of, or interest or fees on, any Indebtedness (other than the Obligations) of any Company having a principal or stated amount, individually or in the aggregate, in excess of \$50,000, or a default shall occur in the performance or observance of any obligation or condition with respect to any such Indebtedness if the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders, to cause or declare such Indebtedness to become immediately due and payable, (ii) a default shall occur (after expiration of any available grace or cure periods) in the performance or observance of any obligation or condition with respect to any Indebtedness which has been subordinated (whether as to payment or Lien priority) to the Obligations or Agent's Liens or any such Indebtedness shall be required to be or prepaid, redeemed, purchased or defeased, or require an offer to purchase or defease such Indebtedness to be made, prior to its expressed maturity, (iii) any Indebtedness of any Company having a principal or stated amount, individually or in the aggregate, in excess of \$50,000 shall otherwise be required to be prepaid, redeemed, purchased or defeased, or require an offer to purchase or defease such Indebtedness to be made, prior to its expressed maturity or (iv) any default shall occur (after expiration of any available grace or cure periods) under any Material Contract.

(f) Judgments. Any judgment or order for the payment of money individually or in the aggregate in excess of \$250,000 (exclusive of any amounts fully covered by insurance (less any applicable deductible) and as to which the insurer has acknowledged its responsibility to cover such judgment or order) shall be rendered against any Company and such judgment shall not have been vacated or discharged or stayed or bonded pending appeal within thirty (30) days after the entry thereof or enforcement proceedings shall have been commenced by any creditor upon such judgment or order.

(g) Bankruptcy, Insolvency, etc. Any Company shall (i) become insolvent or generally fail to pay, or admit in writing its inability or unwillingness generally to pay, its debts as they become due; (ii) apply for, consent to, or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for any substantial part of the assets or other property of any such Person, or make a general assignment for the benefit of creditors; (iii) in the absence of such application, consent or acquiesce to or permit or suffer to exist, the appointment of a trustee, receiver, sequestrator or other custodian for a substantial part of the property of any thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within forty-five (45) days; provided, that each Company hereby expressly authorizes each Secured Party to appear in any court conducting any relevant proceeding during such 45-day period to preserve, protect and defend their rights under the Credit Documents; (iv) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law or any dissolution, winding up or liquidation proceeding, in respect thereof, and, if any such case or proceeding is not commenced by such Person, such case or proceeding shall be consented to or acquiesced in by such Person, or shall result in the entry of an order for relief or shall remain for forty-five (45) days undismissed; provided, that each Credit Party hereby expressly authorizes each Secured Party to appear in any court conducting any such case or proceeding during such 45-day period to preserve, protect and defend their rights under the Credit Documents; or (v) take any action authorizing, or in furtherance of, any of the foregoing.

(h) Impairment of Security, etc. Any Credit Document or any Lien granted thereunder shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Credit Party party thereto, or any Credit Party or any other Person shall, directly or indirectly, contest or limit in any manner such effectiveness, validity, binding nature or enforceability; or, except as permitted under any Credit Document, any Lien securing any Obligation shall, in whole or in part, cease to be a perfected Lien.

(i) Change of Control. Any Change of Control shall occur.

(j) Restraint of Operations; Loss of Assets. If any Company is enjoined, restrained, or in any way prevented by court order or other Governmental Authority from continuing to conduct all or any part of its business affairs or if any portion of any Company's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person and the same is not discharged before the earlier of thirty (30) days after the date it first arises or five (5) days prior to the date on which such property or asset is subject to forfeiture by such Company.

(k) Key Persons. (i) One or more of the Key Persons ceases, for any reason, including, without limitation, termination of employment, sale of interests, incapacitation or death, to devote substantially all of his or her professional time and efforts to the operation of the Credit Parties (each, a "**Key Person Departure**"), except when such Key Person Departure is due, in whole or in part, to any restriction, requirement, condition or limitation imposed on the employment of any such Key Person by any Gaming Authority in connection with any Gaming License, or (ii) the terms or scope of the employment of any such Key Person by any Credit Party shall be significantly diminished (each, a "**Key Person Role Diminishment**"), except when such Key Person Role Diminishment is due, in whole or in part, to any restriction, requirement, condition or limitation imposed on the employment of any such Key Person by any Gaming Authority in connection with any Gaming License; provided, that no occurrence of an Event of Default pursuant to clause (i) or (ii) shall have occurred if the Borrower delivers to the Administrative Agent a commercially reasonable plan of succession or transition that is approved by the Administrative Agent (such approval not to be unreasonably withheld) within one hundred and eighty (180) days after the occurrence of such Key Person Departure or Key Person Role Diminishment, as applicable.

(l) Certain Gaming Licenses. (i) The Borrower withdraws with prejudice its application for a Gaming License or is denied a Gaming License by the Nevada Gaming Authorities; (ii) (A) the Borrower shall be granted by the Nevada Gaming Authorities a Gaming License that is subject to certain conditions, restrictions, or limitations determined by the Administrative Agent in its discretion to be unduly burdensome (such Gaming License, a "**Conditional Gaming License**"), and (B) the Borrower (I) fails to comply with such conditions, restrictions, or limitations with respect to such Conditional Gaming License, or (II) upon the request of the Administrative Agent, fails to provide evidence to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, that the Borrower has complied and is continuing to comply with such conditions, restrictions, or limitations with respect to such Conditional Gaming License; or (iii) (A) the Borrower shall be denied a Gaming License by the California Gaming Authorities, and (B) within twelve (12) months of such denial of a Gaming License by the California Gaming Authorities, the Gaming Authorities for the jurisdictions in which there exist contracts that either singularly or in total represent ten percent (10%) or greater of the Borrower's gross revenue, determined in accordance with the most recent financial statements delivered pursuant to Section 5.01(c), shall revoke or fail to renew such applicable Gaming Licenses with respect to such jurisdictions.

Section 7.02. Remedies Upon Event of Default. If any Event of Default (other than an Event of Default described in Section 7.01(g)) has occurred, the Administrative Agent may, and upon the direction of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare all or any portion of the outstanding principal amount of the Obligations (including the Applicable Premium) to be due and payable (if not theretofore terminated) to be terminated, whereupon the full unpaid amount of such Obligations that shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment. If any Event of Default described in Section 7.01(g) shall occur, then, automatically, and without notice, demand or presented to the Borrower, all of the principal amount of Obligations (including the Applicable Premium) shall be immediately due and payable. The Lenders and the Administrative Agent shall have all other rights and remedies available at law and in equity or pursuant to any Credit Documents.

Section 7.03. Gaming Laws.

(a) Each Credit Party agrees that, upon the occurrence of and during the continuance of an Event of Default and at the Administrative Agent's request, it will, and will cause each of its Subsidiaries to, cooperate with the Administrative Agent and the Required Lenders with respect to the filing of their applications for approval of, and shall use commercially reasonable efforts to take all other and further actions required by the Administrative Agent or the Required Lenders to assist the Administrative Agent and the Required Lenders with obtaining, any and all such Gaming Licenses and such other approvals or consents of the Gaming Authorities and any other Governmental Authorities with jurisdiction, as are necessary for the Administrative Agent to operate the businesses of the Borrower or its Subsidiaries or to acquire an interest in any Person holding any such Gaming License pursuant to the Gaming Laws. To enforce the provisions of this Section 7.03, where permitted by relevant Gaming Laws, the Administrative Agent (subject to applicable instructions, if any, from the Required Lenders), is empowered to request the appointment of a receiver from any court of competent jurisdiction. Such receiver shall be instructed to seek from the applicable Gaming Authority and any other Governmental Authorities with jurisdiction, authorization pursuant to the Gaming Laws to continue the operation of the businesses of the Borrower and its Subsidiaries under all necessary Gaming Licenses for the purpose of seeking a bona fide purchaser of the businesses of the Borrower and its Subsidiaries. Each Credit Party hereby agrees to authorize, and to cause each of its Subsidiaries to authorize, such an authorization pursuant to the Gaming Laws to continue the operation of the businesses of the Borrower and its Subsidiaries upon the request of the receiver so appointed and, if such Credit Party, or any such Subsidiary, shall refuse to authorize the transfer, its approval may be required by the court. Upon the occurrence and continuance of an Event of Default, each Credit Party shall further use, and shall cause its Subsidiaries to use, commercially reasonable efforts to assist in obtaining approval of the applicable Gaming Authority and any other Governmental Authorities with jurisdiction, if required, for any action or transactions contemplated by this Agreement or the Credit Documents, including but not limited to, the preparation, execution, and filing with the applicable Gaming Authority and any other Governmental Authorities with jurisdiction, of any application or applications for authorization pursuant to the Gaming Laws for the receiver to continue the operation of the businesses of the Borrower and its Subsidiaries under any Gaming License or transfer of control necessary or appropriate under the applicable Gaming Laws for approval of the transfer or assignment of any portion of the Collateral. Each Credit Party acknowledges that the authorization pursuant to the Gaming Laws for the receiver to continue the operation of the businesses of the Borrower and its Subsidiaries under the Gaming Licenses or for a transfer of control is integral to the Administrative Agent's realization of the value of the Collateral, that there is no adequate remedy at law for failure by such Credit Party to comply with the provisions of this Section 7.03 and that such failure would not be adequately compensable in damages, and therefore agree that the agreements contained in this Section 7.03 may be specifically enforced; and

(b) All rights, remedies, and powers provided in this Agreement and the other Credit Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provision of the Gaming Laws, and all provisions of this Agreement and the other Credit Documents are intended to be subject to all applicable mandatory provisions of the Gaming Laws and to be limited solely to the extent necessary to not render the provisions of this Agreement or the other Credit Documents invalid or unenforceable, in whole or in part. The Administrative Agent will timely apply for and receive all required approvals of the applicable Gaming Authority for the sale or other disposition of any gaming products, gaming devices, associated equipment or other gaming equipment regulated by the Gaming Laws (including any such sale or disposition of gaming equipment and associated gaming equipment consisting of slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, and all other "gaming devices" (as such term or words of like import referring thereto are defined in the Gaming Laws), and "associated equipment" (as such term or words of like import referring thereto are defined in the Gaming Laws).

**ARTICLE VIII.  
MISCELLANEOUS.**

Section 8.01. Amendments and Waivers. No Credit Document may be amended, supplemented or modified except in accordance with the provisions of this Section 8.01. The Required Lenders may, or, with the consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into written amendments, supplements or modifications of any Credit Document for the purpose of adding any provisions thereto or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of any Credit Document or any Default or Event of Default and its consequences; provided, that no such waiver, amendment, supplement or modification shall directly: (i) reduce or forgive any portion of any Term Loans (including any scheduled amortization payments thereon), extend the final scheduled maturity date of any Term Loans, reduce the stated interest rate on any Term Loans, extend the date of any scheduled amortization payment or modify Section 8.07 or any other provision that provides for pro rata sharing of payments to Lenders, in each case, without the written consent of each Lender directly and adversely affected thereby (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the Default Rate); (ii) amend, modify or waive any provision of this Section 8.01 or reduce the percentages specified in the definitions of the term "Required Lenders" or consent to the assignment or transfer by any Credit Party of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 6.03), in each case without the written consent of each Lender directly and adversely affected thereby; (iii) increase the aggregate amount of any Term Loan Commitment of any Lender without the consent of such Lender; or (iv) release all or substantially all of the Guarantors under the Security Agreement (except as expressly permitted by the Security Agreement), or release all or substantially all of the Collateral under the Security Agreement and the Mortgages (except as expressly permitted thereby and in Section 8.12), in each case without the prior written consent of each Lender.

Section 8.02. Notices and Other Communications; Facsimile Copies. Unless otherwise expressly provided herein, all notices and other communications provided for in any Credit Document shall be in writing through e-mail to the e-mail address set forth on Schedule 8.02 or as shall be designated by any party in a notice to the other parties. All such notices and other communications shall be deemed to be given or made when delivered; provided, that notices and other communications to the Administrative Agent pursuant to Article II shall not be effective until actually received by such Person. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of any Credit Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic notices to either Administrative Agent may be recorded by Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 8.03. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Administrative Agent or any Lender, any right, remedy, power or privilege under any Credit Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.04. Survival of Representations and Warranties. All representations and warranties made hereunder and in the other Credit Documents shall survive the execution and delivery of this Agreement and the making of the Term Loans hereunder.

Section 8.05. Payment of Expenses; Indemnification; Taxes.

The Borrower agrees, (a) to pay or reimburse the Administrative Agent for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the negotiation, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Transaction Documents, and the consummation and administration of the Transactions, including the reasonable fees, disbursements and other charges of counsel to the Administrative Agent, (b) to pay or reimburse each Lender and the Administrative Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement and the other Transaction Documents, including the reasonable fees, disbursements and other charges of counsel to each Lender and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold harmless each Lender and the Administrative Agent from any and all Taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Credit Documents and any such other documents and (d) to pay, indemnify and hold harmless each Lender and the Administrative Agent and their respective Related Parties from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, and reasonable and documented (to the extent available) out-of-pocket costs, expenses or disbursements of any kind or nature whatsoever, including reasonable and documented (to the extent available) fees, disbursements and other charges of counsel, with respect to the execution, delivery, enforcement, performance and administration of any Credit Document and any such other documents (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"); provided, that the Credit Parties shall have no obligation hereunder to the Administrative Agent or any Lender nor any of their Related Parties with respect to Indemnified Liabilities arising from the gross negligence or willful misconduct of the party to be indemnified as determined by a final and non-appealable decision of a court of competent jurisdiction. The agreements in this Section 8.05 shall survive repayment of the Term Loans and all other amounts payable hereunder and termination of this Agreement. To the fullest extent permitted by Applicable Law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against any Lender, any Administrative Agent and their respective Related Parties, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Term Loan or the use of the proceeds thereof. Neither any Lender, the Administrative Agent nor any of their respective Related Parties shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

All payments required to be made by any Credit Party hereunder or under any of the other Credit Document shall be made to the Secured Parties free and clear of, and without deduction for, any and all present and future Taxes. If any Credit Party shall be required by law to deduct any such Taxes from or in respect of any sum payable hereunder, (i) the sum payable shall be increased as much as shall be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 8.05) each Secured Party receives an amount equal to the sum they would have received had no such deductions been made, (ii) such Credit Party shall make such deductions, and (iii) such Credit Party shall pay the full amount deducted to the relevant taxing or other authority in accordance with applicable law. Within thirty (30) days after the date of any payment of Taxes, such Credit Party shall furnish to each Lender the original or a certified copy of a receipt evidencing payment thereof. Each Credit Party shall indemnify and, within ten (10) days of demand therefor, pay the applicable Secured Party for the full amount of Taxes (including any Taxes imposed by any jurisdiction on amounts payable under this Section 8.05) paid by such Secured Party and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted.

Section 8.06. Successors and Assigns; Participations and Assignments. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that except as set forth in Section 6.03, no Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by any Credit Party without such consent shall be null and void). Neither the Administrative Agent nor a Lender may assign or delegate all or any portion of its rights and duties under this Agreement or any other Credit Document (including the Obligations owed to it and its Term Loan Commitments) to one or more assignees without the prior written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned) if (a) the proposed assignment is to a Person that competes, directly or indirectly, with the Borrower, or (b) the proposed assignment (i) would violate Gaming Laws applicable to the business of the Borrower, (ii) would result in the loss of any Gaming License of the Borrower that was previously issued and owned by the Borrower, or (iii) otherwise would result in a material adverse change in the business of the Borrower; provided, that the consent of the Borrower shall not be required with respect to any proposed assignment described in clauses (a) or (b)(iii) above upon the occurrence and during the continuance of an Event of Default. Additionally, no Lender may assign or delegate all or any portion of its rights and duties under this Agreement or any other Credit Document (including the Obligations owed to it and its Term Loan Commitments) to one or more assignees without the prior written consent of the Administrative Agent.

Section 8.07. Adjustments; Set-off. If any Lender (a "**Benefited Lender**") shall at any time receive any payment of all or part of its Term Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7.01(g), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Term Loans or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Term Loans, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. The foregoing provisions of this Section 8.07 shall not apply to payments made and applied in accordance with the terms of this Agreement and the other Credit Documents. After the occurrence and during the continuance of an Event of Default, to the extent consented to by Administrative Agent, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower or any other Credit Party, any such notice being expressly waived by the Credit Parties to the extent permitted by Applicable Law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender; provided, that the failure to give such notice shall not affect the validity of such set-off and application.

Section 8.08. Counterparts.

(a) The Credit Documents may be executed by one or more of the parties thereto on any number of separate counterparts (including by electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(b) Any provision of any Credit Document that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, not affect the validity or enforceability of the remaining provisions of such Credit Document and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(c) The Credit Documents represent the agreement of the Credit Parties, the Administrative Agent and the Lenders with respect to the subject matter thereof, and there are no promises, undertakings, representations or warranties by any party thereto relative to the subject matter thereof not expressly set forth or referred to in the Credit Documents; provided, that any provision of any Credit Document that relates solely to rights as between Lenders shall be subject to any written agreement among such Lenders, and in the event of any conflict between this Agreement and such written agreement among such Lenders, such written agreement among such Lenders shall control the specific Lender rights addressed therein.

(d) Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(e) Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby shall be instituted in the courts of the State of California or in the United States of America for the Central District of California, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The parties irrevocably and unconditionally (i) waive any objection to the laying of venue of any suit, action or any proceeding in such courts and (ii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party hereto. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth in Schedule 8.02 shall be effective service of process for any suit, action or other proceeding brought in any such court.

Section 8.09. Choice of Law and Venue; Jury Trial Waiver; Judicial Reference Provision.

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER CREDIT DOCUMENT IN RESPECT OF SUCH OTHER CREDIT DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE THE ADMINISTRATIVE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH CREDIT PARTY AND EACH SECURED PARTY WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 8.09.

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH CREDIT PARTY AND EACH SECURED PARTY HEREBY WAIVES THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE CREDIT DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH CREDIT PARTY AND EACH SECURED PARTY REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.



(d) EACH CREDIT PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES AND THE STATE OF CALIFORNIA, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY CREDIT DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AGAINST ANY CREDIT PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY CREDIT PARTY AGAINST THE ADMINISTRATIVE AGENT, ANY OTHER SECURED PARTY, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OR LOSSES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH CREDIT PARTY HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR. NO CLAIM MAY BE MADE BY THE ADMINISTRATIVE AGENT OR ANY OTHER SECURED PARTY AGAINST ANY CREDIT PARTY, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OR LOSSES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH OF THE ADMINISTRATIVE AGENT AND EACH SECURED PARTY HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

(f) IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CLAIM AND THE WAIVER SET FORTH IN CLAUSE (C) ABOVE IS NOT ENFORCEABLE IN SUCH PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(i) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBCLAUSE (ii) BELOW, ANY CLAIM SHALL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE. VENUE FOR THE REFERENCE PROCEEDING SHALL BE IN THE COUNTY OF LOS ANGELES, CALIFORNIA.

(ii) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF OR RECOUPMENT), (C) APPOINTMENT OF A RECEIVER, AND (D) TEMPORARY, PROVISIONAL, OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS, OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) - (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO PARTICIPATE IN A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT WITH RESPECT TO ANY OTHER MATTER.

(iii) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY SHALL HAVE THE RIGHT TO REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). THE REFEREE SHALL BE APPOINTED TO SIT WITH ALL OF THE POWERS PROVIDED BY LAW. PENDING APPOINTMENT OF THE REFEREE, THE COURT SHALL HAVE THE POWER TO ISSUE TEMPORARY OR PROVISIONAL REMEDIES.

(iv) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS A COURT REPORTER AND A TRANSCRIPT IS ORDERED, A COURT REPORTER SHALL BE USED AND THE REFEREE SHALL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY THE COSTS OF THE COURT REPORTER; PROVIDED, THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(v) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND SHALL ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA.

(vi) THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH CALIFORNIA SUBSTANTIVE AND PROCEDURAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS OR HER DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE REFEREE SHALL ISSUE A DECISION AND PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 644, THE REFEREE'S DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE FINAL JUDGMENT OR ORDER FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE SHALL BE FULLY APPEALABLE AS IF IT HAS BEEN ENTERED BY THE COURT.

(vii) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY HERETO KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION SHALL APPLY TO ANY DISPUTE BETWEEN THEM THAT ARISES OUT OF OR IS RELATED TO THIS AGREEMENT OR THE OTHER CREDIT DOCUMENTS.

Section 8.10. Acknowledgments. Each Credit Party hereby acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of each Credit Document, (b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Credit Parties arising out of or in connection with the Credit Documents, and the relationship between the Administrative Agent and the Lenders, on one hand, and the Credit Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor and (c) no joint venture is created by the Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Credit Parties and the Lenders.

Section 8.11. Disclosure. Each of the Administrative Agent, the Lenders and any Affiliate thereof is hereby expressly permitted to refer to any Company in connection with any promotion or marketing undertaken by the Administrative Agent, such Lender or such Affiliate and may utilize any trade name, trademark, logo or other distinctive symbol associated with such Company or any of their businesses and, in connection therewith such Company hereby grants to the Administrative Agent and each Lender a royalty free, irrevocable limited license to use such Company's name, trade name, trademarks, logos, trade dress and other identifying intellectual property, now existing or hereafter acquired, in any literature, advertisements, websites, promotional or other marketing materials now or hereafter used by the Administrative Agent or such Lender or Affiliate. No Company shall, directly or indirectly, publish any press release or other similar public disclosure or announcements (including any marketing materials) regarding any Transaction Document or any of the Transactions, without the consent of the Administrative Agent, which consent shall not be unreasonably withheld.

Section 8.12. Releases of Guarantees and Liens. Notwithstanding anything to the contrary contained in any Credit Document, the Administrative Agent is hereby irrevocably authorized by each Secured Party (without requirement of notice to or consent of any Secured Party except as expressly required by Section 8.01) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Credit Document or that has been consented to in accordance with Section 8.01 or (ii) at such time as (a) the Obligations shall have been paid in full and (b) the Term Loan Commitments have been terminated. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release its interest in particular types or items of property, or to release any guarantee obligations pursuant to this Section 8.12. In each case as specified in this Section 8.12, the Administrative Agent will (and each Lender irrevocably authorizes the Administrative Agent to), at the Borrower's expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral or guarantee obligation from the assignment and security interest granted under the Security Documents, in each case in accordance with the terms of the Credit Documents and this Section 8.12.

(a) Each Secured Party hereby appoints Breakaway as its Administrative Agent under and for purposes of each Credit Document and hereby authorizes the Administrative Agent to act on behalf of such Secured Party under each Credit Document and, in the absence of other written instructions from the Lenders pursuant to the terms of the Credit Documents received from time to time by the Administrative Agent, to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Administrative Agent by the terms hereof and thereof, together with such powers as may be incidental thereto.

(b) Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall have no duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations, representations and warranties or liabilities shall be read into any Credit Document or otherwise exist against the Administrative Agent. Anything contained in any of the Credit Documents to the contrary notwithstanding, the Borrower, the Administrative Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Security Agreement or any other Security Documents, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Security Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations (including Obligations owed to any other Secured Party) as a credit on account of the purchase price for any Collateral payable by the Administrative Agent at such sale or other disposition.

(c) The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective outstanding Term Loans on the date on which indemnification is sought under this Section 8.13 (or, if indemnification is sought after the date the Term Loans shall have been paid in full, ratably in accordance with such outstanding Term Loans immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, disbursements or Taxes of any kind whatsoever that may at any time (whether before or after the payment of the Term Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of, the Term Loan Commitments, any Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section 8.13 shall survive the payment of the Term Loans and all other amounts payable hereunder.

(d) The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents it appoints. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 8.13 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein, as well as activities as the Administrative Agent.

(e) The Administrative Agent may at any time give notice of its resignation to the Secured Parties and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with, unless an Event of Default exists, the consent of the Borrower (which consent shall not be unreasonably withheld or delayed), to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth in this Section 8.13(e); provided, that, if the Administrative Agent shall notify the Secured Parties and the Borrower that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of any Secured Party under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Secured Party directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for in this Section 8.13(e). Upon the acceptance of a successor's appointment as the Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided in this Section 8.13(e)). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Credit Documents, the provisions of this Article VIII shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as the Administrative Agent.

Section 8.14. Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's office a Register. The entries in the Register shall be conclusive, and the Borrower and the Secured Parties may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and each Lender at any reasonable time and from time to time upon reasonable prior written notice. In addition, at any time that a request for a consent for a material or substantive change to the Credit Documents is pending, any Lender wishing to consult with other Lenders in connection therewith may request and receive from the Administrative Agent a copy of the Register.

Section 8.15. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Credit Document, the interest paid or agreed to be paid under the Credit Documents shall not exceed the Maximum Rate. If Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Term Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by the Applicable Laws: (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest; (b) exclude voluntary prepayments and the effects thereof; and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 8.16. Revival and Reinstatement of Obligations; Certain Waivers. If any Lender repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such Lender in full or partial satisfaction of any Obligation or on account of any other obligation of any Credit Party under any Credit Document, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "**Voidable Transfer**"), or because such Lender elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such Lender elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such Lender related thereto, (a) the liability of the Credit Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist, and (b) the Administrative Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (i) the Administrative Agent's Liens shall have been released or terminated, or (ii) any provision of this Agreement shall have been terminated or cancelled, the Administrative Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Credit Party in respect of such liability or any Collateral securing such liability. This provision shall survive the termination of this Agreement and the repayment in full of the Obligations.

Section 8.17. Gaming Laws. The Administrative Agent and the Required Lenders agree to cooperate with all applicable Gaming Authorities in connection with the administration of the regulatory jurisdictions of such Gaming Authorities over the Credit Parties, including the provision of such documents or other information as may be requested by such Gaming Authorities relating to the Administrative Agent or the Required Lenders, to the Credit Parties, or to the Credit Documents.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

**GALAXY GAMING, INC.**, a Nevada corporation,  
as the Borrower

By: /s/ Robert Saucier

Name: Robert Saucier

Title: CEO

**BREAKAWAY CAPITAL MANAGEMENT, LLC**, a Delaware limited liability company, as the Administrative Agent

By: /s/ Michael Connolly

Name: Michael Connolly

Title: Authorized Signatory

**BREAKAWAY CAPITAL PARTNERS FUND, L.P.**, a Delaware limited partnership, as a Lender

By: /s/ Michael Connolly

Name: Michael Connolly

Title: Authorized Signatory

**BCPF GALAXY SPV LLC**, a Delaware limited liability company, as a Lender

By: /s/ Michael Connolly

Name: Michael Connolly

Title: Authorized Signatory



**SCHEDULE 2.02****TERM LOAN REPAYMENT SCHEDULE**

Date	Repayment Amount
March 31, 2017	\$ 262,500
June 30, 2017	\$ 262,500
September 30, 2017	\$ 262,500
December 31, 2017	\$ 262,500
March 31, 2018	\$ 262,500
June 30, 2018	\$ 262,500
September 30, 2018	\$ 262,500
December 31, 2018	\$ 262,500
March 31, 2019	\$ 262,500
June 30, 2019	\$ 262,500
September 30, 2019	\$ 262,500
December 31, 2019	\$ 262,500
March 31, 2020	\$ 262,500
June 30, 2020	\$ 262,500
September 30, 2020	\$ 262,500
December 31, 2020	\$ 262,500
March 31, 2021	\$ 262,500
June 30, 2021	\$ 262,500



## WARRANT

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SECURITIES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW AND, IF THE COMPANY REQUESTS, AN OPINION SATISFACTORY TO THE COMPANY TO SUCH EFFECT HAS BEEN RENDERED BY COUNSEL.

This Warrant, dated as of August 29, 2016, is between, on the one hand, Galaxy Gaming, Inc. (the "**Company**"), and, on the other hand, each holder listed on **Schedule A** attached hereto (each, a "**Holder**" and collectively, the "**Holders**").

FOR VALUE RECEIVED, the **Company** hereby certifies that the Holders, or their registered assigns, are entitled to purchase from the Company One Million Nine Hundred Sixty Five Thousand Seven Hundred Eighty (1,965,780) fully paid and non-assessable shares of Common Stock of the Company (the "**Common Shares**") at a purchase price of \$0.30 per Common Share (the "**Exercise Price**") which Exercise Price is equal to the Fair Market Value per Common Share on the Closing Date of the Loan Agreement, all subject to the terms, conditions and adjustments set forth below in this Warrant. This Warrant is being granted in connection with a certain Loan Agreement by and among the Company, the lenders from time to time party thereto, and Breakaway Capital Management, LLC, dated as of August 29, 2016 (the "**Loan Agreement**"). Certain capitalized terms used herein are defined in Section 1 hereof and in the Loan Agreement.

This Warrant has been issued in connection with the Loan Agreement as defined herein.

1. Definitions. As used in this Warrant, the following terms have the respective meanings set forth below:

"**Aggregate Exercise Price**" means an amount equal to (a) the number of Warrant Interests in respect of which this Warrant is then being exercised pursuant to Section 3 hereof, times (b) the Exercise Price.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day, except a Saturday, Sunday or legal holiday, on which banking institutions in the city of Los Angeles, CA are authorized or obligated by law or executive order to close.

"**Call Purchase Valuation**" shall be \$1,333,333 for all of the Warrant Interests issuable on the Original Issue Date, prorated for any Warrant Interests issued pursuant to a partial exercise of this Warrant.

"**Common Shares**" means Common Shares of the Company, and any Common Shares into which such Common Shares shall have been converted, exchanged or reclassified following the date hereof.

"**Company**" has the meaning set forth in the preamble.

"**Convertible Securities**" means any securities (directly or indirectly) convertible into or exchangeable for Common Shares, but excluding Options.

"**Exercise Date**" means, for any given exercise of this Warrant, the date on which the conditions to such exercise as set forth in Section 3 shall have been satisfied at or prior to 5:00 p.m., Los Angeles, CA time, on a Business Day, including, without limitation, the receipt by the Company of the Exercise Agreement, the Warrant and the Aggregate Exercise Price.

"**Exercise Agreement**" has the meaning set forth in Section 3(a)(i).

"**Exercise Period**" has the meaning set forth in Section 2.

"**Exercise Price**" has the meaning set forth in the preamble.

"**Fair Market Value**" of the Common Shares means, as of any particular date, the average of the closing prices of the Common Shares for each of the sixty (60) trading days ending on, or immediately prior to, such date.

"**Holder**" has the meaning set forth in the preamble.

"**Holder Sale Notice**" has the meaning set forth in Section 3(j)(ii).

"**Loan Agreement**" has the meaning set forth in the Preamble.

"**New Securities**" means any Common Shares or other equity interests of the Company whether now authorized or not, and rights, options or warrants to purchase such equity interests, and securities of any type whatsoever that are, or may become, convertible into Common Shares.

"**Offered Warrant Interests**" has the meaning set forth in Section 3(j)(ii).

"**Options**" means any warrants or other rights or options to subscribe for or purchase Common Shares or Convertible Securities.

"**Original Issue Date**" means the date set forth as the Original Issue Date above.

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"**Put Purchase Price**" has the meaning set forth in Section 3(i)(i).

"**Repurchase Notice**" has the meaning set forth in Section 3(i)(i).

"**Repurchased Warrant Interests**" has the meaning set forth in Section 3(i)(i).

"**Trigger Date**" means the earlier to occur of (a) the 5<sup>th</sup> anniversary of the date hereof, (b) the date on which the Obligations described in the Loan Agreement are paid in full, or (c) the date on which the Administrative Agent declares all or any portion of the outstanding amount of the Obligations to be due and payable under Section 7.02 of the Loan Agreement.

"**Warrant**" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"**Warrant Exercise Notice**" has the meaning set forth in Section 3(a).

"**Warrant Interests**" means the Common Shares or other equity interests of the Company then purchasable upon exercise of this Warrant in accordance with the terms of this Warrant.

2. Term of Warrant. Subject to the terms and conditions hereof, at any time, or from time to time, after the Trigger Date and prior to 5:00 p.m., Los Angeles, CA time, on the 6<sup>th</sup> anniversary of the date hereof or, if such day is not a Business Day, on the next preceding Business Day (the "**Exercise Period**"), each Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Interests purchasable hereunder (subject to adjustment as provided herein).

3. Exercise of Warrant.

(a) Exercise Procedure. This Warrant may be exercised from time to time on any Business Day during the Exercise Period, for all or any part of the unexercised Warrant Interests, upon a Holder giving the Company sixty (60) calendar days' prior written notice of its intention to exercise this Warrant (the "**Warrant Exercise Notice**"). Upon expiration of such sixty (60) day period after the Warrant Exercise Notice, assuming the Company has not exercised its Call Right pursuant to Section 3(i), such Holder shall:

(i) surrender this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with an Exercise Agreement in the form attached as Exhibit A (each, an "**Exercise Agreement**") in the Warrant Certificates (as defined below), duly completed (including specifying the number of Warrant Interests to be purchased) and executed; and

(ii) make payment to the Company of the Aggregate Exercise Price in accordance with Section 3(b).

(b) Payment of the Aggregate Exercise Price. Payment of the Aggregate Exercise Price shall be made, at the option of any Holder as expressed in the Exercise Agreement, by the following methods:

(i) by delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company, in the amount of such Aggregate Exercise Price;

(ii) by instructing the Company to withhold a number of Warrant Interests then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price;

(iii) by surrendering to the Company (x) Warrant Interests previously acquired by a Holder with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price and/or (y) other securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (which value in the case of debt securities shall be the principal amount thereof plus accrued and unpaid interest, and in the case of Common Shares or other securities shall be the Fair Market Value thereof); or

(iv) any combination of the foregoing.

In the event of any withholding of Warrant Interests or surrender of other equity securities pursuant to clause (ii), (iii) or (iv) above where the number of Common Shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of Common Shares withheld by or surrendered to the Company shall be rounded up to the nearest whole Common Shares and the Company shall make a cash payment to such Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a Common Share being so withheld by or surrendered to the Company in an amount equal to (x) such incremental fraction of a Common Share being so withheld or surrendered times (y) in the case of Common Shares, the Fair Market Value per Warrant Interest as of the Exercise Date, and, in all other cases, the value thereof as of the Exercise Date determined in accordance with clause (iii)(y) above.

(c) Delivery of Certificates for Common Shares.

(i) The Company has delivered certificates (the "**Warrant Certificates**") to each Holder to purchase the Warrant Interests as set forth on **Schedule A** attached hereto. Such Warrant Certificates and any other certificates evidencing Warrant Interests issued under this Warrant are in registered form. Each Warrant Certificate is dated as of the date hereof.

(ii) Upon receipt by the Company of the Exercise Agreement, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with Section 3(a) hereof), the Company shall, as promptly as practicable, and in any event within two Business Days thereafter, execute (or cause to be executed) and deliver (or cause to be delivered) to such Holder a Warrant Certificate representing the Warrant Interests issuable upon such exercise, together with cash in lieu of any fraction of a Common Share interest, as provided in Section 3(d) hereof. The Warrant Certificate so delivered shall be, to the extent possible, in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Agreement and shall be registered in the name of such Holder or, subject to compliance with Section 6 below, such other Person's name as shall be designated in the Exercise Agreement. This Warrant shall be deemed to have been exercised and such Warrant Certificate of Warrant Interests shall be deemed to have been issued, and such Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Interests for all purposes, as of the Exercise Date.

(d) Fractional Common Shares. The Company shall not be required to issue a fractional Warrant Interest upon exercise of any Warrant. As to any fraction of a Warrant Interest that a Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to (i) such fraction multiplied times (ii) the Fair Market Value of one Warrant Interest on the Exercise Date.

(e) Delivery of New Warrant. Unless the purchase rights represented by this Warrant have expired or have been fully exercised, the Company shall, at the time of delivery of the Warrant Certificate representing the Warrant Interest being issued in accordance with Section 3(c) hereof, deliver to such Holder a new Warrant evidencing the rights of such Holder to purchase the unexpired and unexercised Warrant Interests called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) Valid Issuance of Warrant and Warrant Interests; Payment of Taxes. With respect to the exercise of this Warrant, the Company hereby represents, covenants and agrees:

(i) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(ii) All Warrant Interests issuable upon the exercise of this Warrant pursuant to the terms hereof shall be, upon issuance, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Interests are, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights of any member of the Company and free and clear of all taxes, liens and charges.

(iii) The Company shall take all such actions as may be necessary to ensure that all such Warrant Interests are issued without violation by the Company of any applicable law or governmental regulation. The parties hereto acknowledge and agree that the Company is subject to certain applicable Gaming Laws in relation to the Company's business. As a result, the Company may need to disclose to certain applicable Gaming Authorities the Warrant and the issuance of Warrant Interests, and such applicable Gaming Authorities may request certain information concerning the Holders. The Holders hereby agree to cooperate with reasonable information requests from such applicable Gaming Authorities concerning the Warrant and the issuance of the Warrant Interests; provided, that the failure of the Holders to so cooperate shall not provide any defense to the Obligations of the Company under the Loan Agreement or impair the agreements and covenants of the Company that are set forth in this Warrant or in the Loan Agreement.

(iv) The Company shall pay all expenses in connection with, and all taxes (other than income tax) and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Interests upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to any applicable withholding or the issuance or delivery of the Warrant Interests to any Person other than the Holders, and no such issuance or delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax, or has established to the satisfaction of the Company that such tax has been paid.

(g) Conditional Exercise. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with a public offering or a sale of the Company (pursuant to a merger, sale of Common Shares, or otherwise), such exercise may at the election of such Holder be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(h) Reservation of Common Shares. During the Exercise Period, the Company shall at all times reserve and keep available Common Shares or other securities constituting Warrant Interests, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Interests issuable upon the exercise of this Warrant. The Company shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Common Shares upon the exercise of this Warrant.

(i) Warrant Call Right.

(i) Call Right. At any time, the Company may, at its election, require the Holders to sell to the Company all or any of the Warrant or Warrant Interests at the Call Purchase Valuation.

(ii) Procedures. If the Company desires to exercise its right to purchase the Warrant or Warrant Interests pursuant to this Section 3(i), the Company shall deliver to the Holders a written notice (the "**Repurchase Notice**") specifying the number of Warrant Interests to be repurchased by the Company (the "**Repurchased Warrant Interests**") and the purchase price therefor in accordance with Section 3(i)(i). The closing of any sale of Repurchased Warrant Interests pursuant to this Section 3(i) shall take place no later than 30 days following receipt by any Holder of the Repurchase Notice. The Company shall pay the Call Purchase Valuation by certified or official bank check or by wire transfer of immediately available funds. The Company shall give such Holder at least 10 days' written notice of the date of closing, which notice shall include the method of payment selected by the Company.

(iii) Cooperation. Any Holder and the Company shall take all actions as may be reasonably necessary to consummate the sale contemplated by this Section 3(i), including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

(j) Warrant Put Right.

(i) Put Right. At any time during the Exercise Period, if the Company has not delivered a Repurchase Notice pursuant to Section 3(i)(ii), then, subject to the other provisions of this Section 3(j), the Holders together may elect to sell to the Company all or any portion of the Warrant or Warrant Interests held by such Holders at a purchase price equal to the lesser of (A) Fair Market Value on the date of the Holder Sale Notice, or (B) \$1,333,333 (prorated for the portion of the Warrant or Warrant Interests being sold to the Company) (the "**Put Purchase Price**").

(ii) Procedures. If a Holder desires to sell the Warrant or the Warrant Interests pursuant to this Section 3(j), such Holder shall deliver to the Company a written notice (the "**Holder Sale Notice**") specifying the number of Warrant Interests to be sold (the "**Offered Warrant Interests**") by such Holder. Promptly following receipt of the Holder Sale Notice, the Company shall deliver to the Offering Service Provider a calculation of the Put Purchase Price for the Offered Warrant Interests. Such Holder shall have the right to irrevocably rescind the Holder Sale Notice for a period of 10 days following the delivery of such calculation. The closing of any sale of Offered Warrant Interests pursuant to Section 3(j) shall take place no later than sixty (60) calendar days following receipt by the Company of the Holder Sale Notice, if not otherwise rescinded pursuant to the prior sentence. The Company shall pay the Put Purchase Price for the Offered Warrant Interests by certified or official bank check or by wire transfer of immediately available funds. The Company shall give such Holder at least 10 days' written notice of the date of closing, which notice shall include the method of payment selected by the Company.

(iii) Cooperation. Any Holder and the Company shall take all actions as may be reasonably necessary to consummate the sale contemplated by this Section 3(j), including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

4. Effect of Certain Events on Warrant Interests.

(a) Adjustment to Warrant Interests Upon Reorganization, Reclassification, Consolidation or Merger. In the event of any (i) capital reorganization of the Company, (ii) reclassification of the Common Shares of the Company (other than as a result of a Common Share distribution or subdivision, split-up or combination of Common Shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction, in each case which entitles the holders of Common Shares to receive (either directly or upon subsequent liquidation) Common Shares (including pursuant to stock splits or reverse stock splits), securities or assets with respect to or in exchange for Common Shares, each Warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Interests then exercisable under this Warrant, be exercisable for the kind and number of Common Shares or other securities or assets of the Company or of the successor Person resulting from such transaction to which a Holder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if such Holder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Warrant Interests then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment (in form and substance satisfactory to such Holder) shall be made with respect to such Holder's rights under this Warrant to ensure that the provisions of this Warrant shall thereafter be applicable, as nearly as possible, to any Common Shares, securities or assets thereafter acquirable upon exercise of this Warrant. The provisions of this Section 4(a) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or similar transactions. The Company shall not effect any such reorganization, reclassification, consolidation, merger, sale or similar transaction unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to such Holder, the obligation to deliver to such Holder such Common Shares, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, with respect to any event or other transaction contemplated by the provisions of this Section 4(a), such Holder shall have the right to elect prior to the consummation of such event or transaction, to give effect to the exercise rights contained in Section 2 instead of giving effect to the provisions contained in this Section 4(a) with respect to this Warrant.

(b) Distributions. Subject to the provisions of Section 4(a), as applicable, if the Company, at any time or from time to time after the Original Issue Date, makes or declares, or fixes a record date for the determination of holders of Common Shares entitled to receive, a distribution payable in securities of the Company, cash or other property, then, and in each such event, provision shall be made so that any Holder shall receive upon exercise of the Warrant, in addition to the number of Warrant Interests receivable thereupon, the kind and amount of securities of the Company, cash or other property which such Holder would have been entitled to receive had the Warrant been exercised in full into Warrant Interests on the date of such event and had such Holder thereafter, during the period from the date of such event to and including the Exercise Date, retained such securities, cash or other property receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this Section 4(b) with respect to the rights of such Holder; provided, that no such provision shall be made if such Holder receives, simultaneously with the distribution to the holders of Common Shares, a distribution of such securities, cash or other property in an amount equal to the amount of such securities, cash or other property as such Holder would have received if the Warrant had been exercised in full into Warrant Interests on the date of such event.



(c) Certificate as to Adjustment.

(i) As promptly as reasonably practicable following any adjustment of the kind of Warrant Interests pursuant to the provisions of Section 4, but in any event not later than two Business Days thereafter, the Company shall furnish to the Holders a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by any Holder, but in any event not later than two Business Days thereafter, the Company shall furnish to such Holder a certificate of an executive officer certifying the amount of other Common Shares, securities or assets then issuable upon exercise of the Warrant.

(d) Notices. In the event:

(i) that the Company shall take a record of the holders of its Common Shares (or other securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any securities, or to receive any other security; or

(ii) of any capital reorganization of the Company, any reclassification of the Common Shares of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then, and in each such case, the Company shall send or cause to be sent to the Holders at least 10 days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such distribution, meeting or consent or other right or action, and a description of such distribution or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Shares (or such other securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their Common Shares (or such other securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, and the amount per Common Share and character of such exchange applicable to the Warrant and the Warrant Interests.

5. Purchase Rights. In addition to any adjustments pursuant to Section 4(a) above, if at any time the Company grants, issues or sells any Common Shares, Options, Convertible Securities or rights to purchase Common Shares, warrants, securities or other property pro rata to the record holders of Common Shares (the "**Purchase Rights**"), then the Holders shall be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holders would have acquired if the Holders had held the number of Warrant Interests acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights.

6. Transfer of Warrant. Subject to the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights and obligations hereunder are transferable, in whole or in part, by any Holder without charge to such Holder, upon surrender of this Warrant to the Company at its then principal executive offices with a properly completed and duly executed Assignment in the form attached as Exhibit B in the Warrant Certificates, together with funds sufficient to pay any transfer taxes described in Section 3(f)(iv) in connection with the making of such transfer. Upon such compliance, surrender and delivery and, if required, such payment, the Company shall execute and deliver to such assignee or assignees a new Warrant or Warrants containing the same terms and conditions as set forth in this Warrant, which new Warrant or Warrants shall be in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to such Holder a new Warrant containing the same terms and conditions as set forth in this Warrant evidencing the portion of this Warrant, if any, not so assigned, and this Warrant shall promptly be cancelled.

7. Holder Not Deemed a Member; Limitations on Liability. Except as otherwise specifically provided herein (including Section 4(b)), prior to the issuance to the Holders of the Warrant Interests to which the Holders are then entitled to receive upon the due exercise of this Warrant, the Holders shall not, by virtue of this Warrant, be entitled to vote or receive distributions or be deemed the holders of Common Shares of the Company with respect to the Warrant Interests for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holders, as such, any of the rights of a member of the Company or any right to vote, give or withhold consent to any action (whether any reorganization, issuance of Common Shares, reclassification of Common Shares, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive distributions or otherwise. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holders to purchase any securities (upon exercise of this Warrant or otherwise) or as a member of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 7, the Company shall provide the Holders with copies of the same notices and other information given to the members of the Company generally, contemporaneously with the giving thereof to the members.

8. Anti-Dilution Rights. The Company hereby grants to the Holders the right, but not the obligation, to purchase up to five percent (5.0%) of the total number of New Securities that the Company may, from time to time, sell and issue. Such anti-dilution right shall be offered to the Holders pursuant to a written notice from the Company (the "Anti-Dilution Notice") provided no later than ten (10) days after any such issuance. The Anti-Dilution Notice shall describe the type and price of New Securities as well as the terms upon which the Company offered the same. The Holders shall have twenty (20) Business Days from the date of the Anti-Dilution Notice is delivered to it to elect to purchase up to five percent (5.0%) of the total number of New Securities issued by the Company. Time shall be of the essence.

9. Replacement on Loss; Division and Combination.

(a) Replacement of Warrant on Loss. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of a Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to such Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Interests as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) Division and Combination of Warrant. Subject to compliance with the applicable provisions of this Warrant as to any transfer or other assignment which may be involved in such division or combination, this Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. Subject to compliance with the applicable provisions of this Warrant as to any transfer or assignment which may be involved in such division or combination, the Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Interests as the Warrant or Warrants so surrendered in accordance with such notice.

10. No Impairment. The Company shall not, by amendment of its organizational documents, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holders in order to protect the exercise rights of the Holders against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

11. Compliance with the Securities Act.

(a) Agreement to Comply with the Securities Act; Legend. The Holders, by acceptance of this Warrant, agree to comply in all respects with the provisions of this Section 11 and the restrictive legend requirements set forth on the face of this Warrant and further agree that such Holders shall not offer, sell or otherwise dispose of this Warrant or any Warrant Interests to be issued upon exercise hereof except under circumstances that will not result in a violation of the Securities Act of 1933, as amended (the "**Securities Act**"). This Warrant and all Warrant Interests issued upon exercise of this Warrant (unless registered under the Securities Act) shall be stamped or imprinted with a legend in substantially the following form:

"THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SECURITIES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW AND, IF THE COMPANY REQUESTS, AN OPINION SATISFACTORY TO THE COMPANY TO SUCH EFFECT HAS BEEN RENDERED BY COUNSEL."

(b) Representations of the Holders. In connection with the issuance of this Warrant, each Holders specifically represents, as of the date hereof, to the Company by acceptance of this Warrant as follows:

(i) The Holder is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act. The Holder is acquiring this Warrant and the Warrant Interests to be issued upon exercise hereof for investment for its own account and not with a view towards, or for resale in connection with, the public sale or distribution of this Warrant or the Warrant Interests, except pursuant to sales registered or exempted under the Securities Act.

(ii) The Holder understands and acknowledges that this Warrant and the Warrant Interests to be issued upon exercise hereof are "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that, under such laws and applicable regulations, such securities may be resold without registration under the Securities Act only in certain limited circumstances. In addition, the Holder represents that it is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

(iii) The Holder acknowledges that it can bear the economic and financial risk of its investment for an indefinite period, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Warrant and the Warrant Interests. The Holder has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Warrant and the business, properties, prospects and financial condition of the Company.

12. Warrant Register. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

13. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 13).

If to the Company:

Galaxy Gaming, Inc.  
6767 Spencer Street  
Las Vegas, Nevada 89119  
Facsimile: (702) 939-3255  
E-mail: gary@GalaxyGaming.com  
Attention: Gary A. Vecchiarelli, CFO

with a copy to:

Kirton McConkie  
50 E. South Temple, Suite 400  
Salt Lake City, Utah 84111  
Facsimile: (801) 212-2006  
E-mail: apearson@kmclaw.com  
Attention: Alexander N. Pearson

If to BCPF Galaxy SPV LLC:

BCPF Galaxy SPV LLC  
1901 Avenue of the Stars, Suite 360  
Los Angeles, CA 90067  
E-mail: mike.connolly@breakawaycap.com  
Attention: Michael Connolly

with a copy to:

Paul Hastings  
515 South Flower, 25<sup>th</sup> Floor  
Los Angeles, CA 90071  
E-mail: yousufdhamee@paulhastings.com  
Attention: Yousuf Dhamee  
BCPF Galaxy SPV LLC

If to Breakaway Capital Partners Fund, L.P.:

1901 Avenue of the Stars, Suite 360  
Los Angeles, CA 90067  
E-mail: mike.connolly@breakawaycap.com  
Attention: Michael Connolly

with a copy to:

Paul Hastings  
515 South Flower, 25<sup>th</sup> Floor  
Los Angeles, CA 90071  
E-mail: yousufdhamee@paulhastings.com  
Attention: Yousuf Dhamee

14. Cumulative Remedies. Except to the extent expressly provided in Section 7 to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

15. Equitable Relief. Each of the Company and the Holders acknowledge that a breach or threatened breach by such party of any of its obligations under this Warrant would give rise to irreparable harm to the other party hereto for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction.

16. Entire Agreement. This Warrant, together with the Loan Agreement, constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Warrant and the Loan Agreement, the statements in the body of this Warrant shall control.

17. Successor and Assigns. This Warrant and the rights evidenced hereby shall be binding upon and shall inure to the benefit of the parties hereto and the successors of the Company and the successors and permitted assigns of the Holders. Such successors and/or permitted assigns of the Holders shall be deemed to be Holders for all purposes hereunder.

18. No Third-Party Beneficiaries. This Warrant is for the sole benefit of the Company and the Holders and their respective successors and, in the case of the Holders, permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Warrant.

19. Headings. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

20. Amendment and Modification; Waiver. Except as otherwise provided herein, this Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holders of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
21. Severability. If any term or provision of this Warrant is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Warrant or invalidate or render unenforceable such term or provision in any other jurisdiction.
22. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.
23. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the state or federal courts located in California, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.
24. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.
25. Counterparts. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant.
26. No Strict Construction. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

**COMPANY:**

GALAXY GAMING, INC.

By: /s/ Gary Vecchiarelli

Name: Gary Vecchiarelli

Title: CEO

[Signature Page to Warrant]

Accepted and agreed,

**HOLDERS:**

BCPF GALAXY SPV LLC

By: /s/ Michael Connolly  
Name: Michael Connolly  
Title: Authorized Signatory

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BREAKAWAY CAPITAL PARTNERS FUND, L.P.

By: /s/ Michael Connolly  
Name: Michael Connolly  
Title: Authorized Signatory

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[Signature Page to Warrant]



SCHEDULE A  
Schedule of Holders

Holder	Percentage of Total Number of Warrants Issued	Warrant Shares Represented by Warrants
Breakaway Capital Partners Fund, L.P.	89.52%	1,759,841
BCPF Galaxy SPV LLC	10.48%	205,939



**GUARANTY AND SECURITY AGREEMENT**

This **GUARANTY AND SECURITY AGREEMENT**, dated as of August 29, 2016 (this "**Agreement**"), is by and among the Persons listed on the signature pages hereof as "Grantors" and each other Person which hereafter becomes a party hereto by execution of the form of Joinder Agreement attached hereto as Exhibit A (each, a "**Grantor**" and collectively, the "**Grantors**"), and **BREAKAWAY CAPITAL MANAGEMENT, LLC**, a Delaware limited liability company, in its capacity as administrative agent for the Secured Parties and as collateral for the Secured Parties (in each such, together with its successors and assigns in such capacity, the "**Administrative Agent**").

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Loan Agreement, of even date herewith (as amended, restated, supplemented, or otherwise modified from time to time, the "**Loan Agreement**"), by and among **GALAXY GAMING, INC.**, a Nevada corporation (the "**Borrower**"), the Grantors from time to time party thereto, the lenders from time to time party thereto (each, a "**Lender**" and, collectively, the "**Lenders**"), and the Administrative Agent, the Secured Parties have agreed to make certain financial accommodations available to the Borrower from time to time pursuant to the terms and conditions thereof; and

**WHEREAS**, the Administrative Agent has agreed to act as agent for the benefit of the Secured Parties in connection with the transactions contemplated by the Loan Agreement and this Agreement;

**WHEREAS**, in order to induce the Secured Parties to enter into the Loan Agreement and the other Credit Documents and to extend the Loans thereunder, and to induce the Secured Parties to make financial accommodations to the Borrower as provided for in the Loan Agreement and the other Credit Documents, (a) each Grantor (other than the Borrower) has agreed to guaranty the Guaranteed Obligations, and (b) each Grantor has agreed to grant to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in and to the Collateral in order to secure the prompt and complete payment, observance and performance of, among other things, the Secured Obligations; and

**WHEREAS**, each Grantor (other than the Borrower) is an Affiliate of the Borrower and, as such, will benefit by virtue of the financial accommodations extended to the Borrower by the Secured Parties.

**NOW, THEREFORE**, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I  
DEFINITIONS AND INTERPRETATION****Section 1.01 Definitions.**

(a) Unless otherwise defined herein or in the Loan Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(b) The following terms shall have the following meanings:

"**Administrative Agent**" has the meaning set forth in the Preamble hereof.

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"**Agreement**" has the meaning set forth in the Preamble hereof.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"**Borrower**" has the meaning set forth in the Preamble hereof.

"**Claims**" means any and all property and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other claims arising by operation of law against, all or any portion of the Collateral.

"**Collateral**" has the meaning set forth in **Section 3.01**.

"**Collateral Support**" means all property assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a Lien or security interest in such property.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Contested Liens**" means, collectively, any Liens incurred in respect of any Claims to the extent that the amounts owing in respect thereof are not yet delinquent or are being contested in good faith and with proper reserves established with respect thereto in accordance with GAAP; provided, however, that such Liens shall in all respects be subject and subordinate in priority to the Lien and security interest created by this Agreement, except if and to the extent that the law or regulation creating, permitting or authorizing such Lien provides that such Lien must be superior to the Lien and security interest created and evidenced hereby.

"**Contracts**" means, collectively, with respect to each Grantor, the Material Contracts, the Intellectual Property Licenses, all sale, service, performance, equipment or property lease contracts, agreements and grants and all other contracts, agreements or grants (in each case, whether written or oral, or third party or intercompany), between such Grantor and any third party, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"**Control**" has the meaning set forth in the Loan Agreement.

"**Control Agreement**" has the meaning set forth in the Loan Agreement.

"**Copyright Licenses**" means, collectively, with respect to each Grantor, all Intellectual Property Licenses with respect to Copyrights.

"**Copyrights**" means, collectively, with respect to each Grantor, all copyrights (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) including those listed in Schedule 6 hereof, all tangible embodiments of the foregoing and all copyright registrations and applications made by such Grantor, in each case, whether now owned or hereafter created or acquired by or assigned to such Grantor, together with any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such Grantor's use of such copyrights, (ii) reissues, renewals, continuations and extensions thereof and amendments thereto, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with

respect thereto, including damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

"**Debtor Relief Laws**" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Deposit Accounts**" means, collectively, with respect to each Grantor, (i) all "deposit accounts" as such term is defined in the UCC and in any event shall include all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"**Distributions**" means, collectively, with respect to each Grantor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Stock, from time to time received, receivable or otherwise distributed to such Grantor in respect of or in exchange for any or all of the Pledged Stock or Pledged Indebtedness.

"**Excluded Equity**" means, any voting stock of any direct Subsidiary of any Grantor that is a controlled foreign corporation (as defined in Section 957 of the Internal Revenue Code (a "**CFC**")) in excess of 66% of the total combined voting power of all classes of stock of such CFC that are entitled to vote (within the meaning of Section 1.956-2(c)(2) of the Treasury Regulations), except to the extent that a pledge hereunder of such excess voting stock could not reasonably be expected to result in an adverse tax consequence to such Grantor.

"**Excluded Property**" means, collectively:

- (a) all Excluded Equity;
- (b) any lease, license or other agreement or Contract or any property subject to a purchase money security interest, Lien securing a Capitalized Lease Obligation or other arrangement, in each case permitted to be incurred under the Loan Agreement, to the extent that a grant of a security interest or Lien therein would require a consent not obtained or violate or invalidate such lease, license or agreement or Contract or purchase money arrangement, Capitalized Lease Obligation or other arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or other Grantor);
- (c) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law; provided, that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use pursuant to 15 U.S.C. § 060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral;
- (d) motor vehicles and other assets subject to certificates of title (other than to the extent a Lien thereon can be perfected by the filing of a financing statement under the UCC);

(e) any asset or property to the extent that the grant of a security interest is prohibited by applicable law, rule or regulation or requires a consent not obtained of any Governmental Authority pursuant to such applicable law, rule or regulation;

provided that (i) the foregoing exclusions of clauses (b) and (e) shall in no way be construed (A) to apply to the extent that any described prohibition or restriction is ineffective under Section 9-406, 9-407, 9-408, or 9-409 of the UCC or other applicable law, or (B) to apply to the extent that any consent or waiver has been obtained that would permit the Administrative Agent's security interest or lien to attach notwithstanding the prohibition or restriction on the pledge of the applicable asset and (ii) the foregoing exclusions of clauses (a) through (e) shall in no way be construed to limit, impair, or otherwise affect any of the Administrative Agent's, any other Secured Party's continuing security interests in and liens upon any rights or interests of any Grantor in or to (A) monies due or to become due under or in connection with the applicable asset (including any Accounts), or (B) any Proceeds, products, substitutions or replacements of any of the applicable assets (unless such Proceeds, products, substitutions or replacements would constitute Excluded Property) .

**"Excluded Swap Obligation"** means, with respect to any Grantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Grantor of, or the grant by such Grantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Grantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guaranty of such Grantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

**"First Priority"** means, with respect to any Lien purported to be created in any Collateral pursuant to this Agreement, such Lien is the most senior lien to which such Collateral is subject (subject only to Liens permitted under the Loan Agreement).

**"Gaming Authorities"** has the meaning set forth in the Loan Agreement.

**"Gaming Laws"** has the meaning set forth in the Loan Agreement.

**"Gaming License"** has the meaning set forth in the Loan Agreement.

**"Grantor"** has the meaning set forth in the Preamble hereof.

**"Guarantied Obligations"** means all of the Obligations now or hereafter existing, whether for principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), fees (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), or otherwise, and any and all expenses (including reasonable counsel fees and expenses) incurred by the Administrative Agent, any other Secured Party (or any of them) in enforcing any rights under the any of the Credit Documents. Without limiting the generality of the foregoing, "Guarantied Obligations" shall include all amounts that constitute part of the Guarantied Obligations and would be owed by the Borrower to the Administrative Agent or any other Secured Party but for the fact that they are unenforceable or not allowable, including due to the existence of a

bankruptcy, reorganization, other Insolvency Proceeding or similar proceeding involving the Borrower or any Guarantor; provided that, anything to the contrary contained in the foregoing notwithstanding, the Guaranteed Obligations shall not include any Excluded Swap Obligation.

"**Guaranty**" means the Guaranty set forth in Article II hereof.

"**Intellectual Property Collateral**" means, collectively, with respect to each Grantor, the Patents, Trademarks, Copyrights, Trade Secrets, Intellectual Property Licenses and all other industrial, intangible and intellectual property of any type, including mask works and industrial designs owned or licensed by such Grantor.

"**Intellectual Property Licenses**" means, collectively, with respect to each Grantor, all license and distribution agreements with, and covenants not to sue, any other party with respect to any Patent, Trademark, Copyright or Trade Secret or any other patent, trademark, copyright or trade secret, whether such Grantor is a licensor or licensee, distributor or distributee under any such license or distribution agreement, including such agreements listed in Schedule 6 hereof, together with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements or violations thereof and (iv) other rights to use, exploit or practice any or all of the Patents, Trademarks, Copyrights or Trade Secrets or any other patent, trademark, copyright or trade secret.

"**Intellectual Property Security Agreement**" means an agreement substantially in the form of Exhibit B hereto or such other form reasonably satisfactory to the Administrative Agent.

"**Insolvency Proceeding**" means:

- (a) any voluntary or involuntary case or proceeding under any Debtor Relief Law with respect to any Grantor;
- (b) any other voluntary or involuntary insolvency or bankruptcy case or proceeding, or any receivership, liquidation or other similar case or proceeding with respect to any Grantor or with respect to a material portion of its assets;
- (c) any liquidation, dissolution, reorganization, or winding up of any Grantor whether voluntary or involuntary, whether or not under a court's jurisdiction or supervision and whether or not involving insolvency or bankruptcy; or
- (d) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of any Grantor.

"**Joinder Agreement**" means an agreement substantially in the form of Exhibit A hereto.

"**Lenders**" has the meaning set forth in the first Recital hereof.

"**Loan Agreement**" has the meaning set forth in the first Recital hereof.

"**Motor Vehicles**" means all motor vehicles covered by a certificate of title law of any state.

**"Organizational Documents"** means the certificate of incorporation and by-laws or any comparable organizational documents of any corporate entity (including limited liability companies and partnerships).

**"Patent Licenses"** means, collectively, with respect to each Grantor, all Intellectual Property Licenses with respect to Patents.

**"Patents"** means, collectively, with respect to each Grantor, all patents issued or assigned to, and all patent applications and registrations made by, such Grantor including those listed in Schedule 6 hereof (whether issued, established or registered or recorded in the United States or any other country or any political subdivision thereof) and all tangible embodiments of the foregoing, together with any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such Grantor's use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

**"Pledged Indebtedness"** means, with respect to each Grantor, all Indebtedness in excess of \$100,000 (including intercompany notes) from time to time owed to such Grantor by any obligor, including the Indebtedness described in Schedule 2 hereof and issued by the obligors named therein, and all interest, cash, instruments and other property, assets or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness and all certificates, instruments or agreements evidencing such Indebtedness, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

**"Pledged Stock"** means, collectively, with respect to each Grantor, (i) all issued and outstanding Capital Stock of each Subsidiary that are owned by such Grantor and all options, warrants, rights, agreements and additional Capital Stock of whatever class of any such Subsidiary acquired by such Grantor in any manner, together with all claims, rights, privileges, authority and powers of such Grantor relating to such Capital Stock in each such Subsidiary or under any Organizational Document of each such Subsidiary, and the certificates, instruments and agreements representing such Capital Stock and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such Capital Stock, including the Capital Stock listed in Schedule 2 hereof, (ii) all additional Capital Stock of any Subsidiary from time to time acquired by or issued to such Grantor and all options, warrants, rights, agreements and additional Capital Stock of whatever class of any such Subsidiary from time to time acquired by such Grantor in any manner, together with all claims, rights, privileges, authority and powers of such Grantor relating to such Capital Stock or under any Organizational Document of any such Subsidiary, and the certificates, instruments and agreements representing such Capital Stock and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such Capital Stock, from time to time acquired by such Grantor in any manner, and (iii) all Capital Stock of any successor Subsidiary owned by such Grantor (unless such Grantor is the surviving entity) formed by or resulting from any consolidation or merger in which any Person listed in Schedule 2 hereof is not the surviving entity; provided, however, that Pledged Stock shall not include any Excluded Equity.

**"Qualified Counterparty"** means, in respect of any Swap Obligation, each Credit Party that has total assets exceeding \$10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated



thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Receivables**" means all (i) Accounts, (ii) Chattel Paper, (iii) Payment Intangibles, (iv) Instruments, (v) General Intangibles, and (vi) to the extent not otherwise covered above, all other rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, regardless of how classified under the UCC together with all of Grantors' rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Records relating thereto.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its Affiliates.

"**Secured Obligations**" means each and all of the following: (a) the Obligations and all other present and future obligations (contingent or otherwise) of each of the Grantors arising from, or owing under or pursuant to this Agreement (including the Guaranty), the Loan Agreement, or any of the other Credit Documents, (b) all other Obligations of the Borrower and all other Guaranteed Obligations of each Guarantor, and (c) and all amounts owing, due, or secured under the terms of the Loan Agreement or any other Credit Document, whether now existing or arising hereafter, including all principal, premium, interest, fees, attorneys fees, costs, charges, expenses, reimbursement obligations, any indemnities or guarantees, and all other amounts payable under or secured by any Credit Document (including, in the case of each of clauses (a), (b), and (c), all amounts accruing on or after the commencement of any Insolvency Proceeding relating to any Grantor, or that would have accrued or become due under the terms of the Credit Documents but for the effect of the Insolvency Proceeding and irrespective of whether a claim for all or any portion of such amounts is allowable or allowed in such Insolvency Proceeding); provided that Secured Obligations shall not include any Excluded Swap Obligations.

"**Securities Accounts**" means, collectively, with respect to each Grantor, all "securities accounts" as such term is defined in the UCC and in any event shall include all accounts and sub-accounts relating to any of the foregoing accounts.

"**Securities Collateral**" means, collectively, the Pledged Stock, the Pledged Indebtedness and the Distributions.

"**Swap Obligation**" means, with respect to any Grantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"**Trade Secrets**" means, collectively, with respect to each Grantor, all know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, technical, marketing, financial and business data and databases, pricing and cost information, business and marketing plans, customer and supplier lists and information, all other confidential and proprietary information and all tangible embodiments of the foregoing, together with any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such trade secrets, (ii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto including damages and payments for past, present or future misappropriations thereof, (iii) rights corresponding thereto throughout the world and (iv) rights to sue for past, present or future misappropriations thereof.

"**Trademark Licenses**" means, collectively, with respect to each Grantor, all Intellectual Property Licenses with respect to Trademarks.

"**Trademarks**" means, collectively, with respect to each Grantor, all trademarks (including service marks), slogans, logos, symbols, certification marks, collective marks, trade dress, uniform resource locators (URL's), domain names, corporate names and trade names, whether statutory or common law, whether registered or unregistered and whether established or registered in the United States or any other country or any political subdivision thereof, including those listed in Schedule 6 hereof, that are owned by or assigned to such Grantor, all registrations and applications for the foregoing and all tangible embodiments of the foregoing, together with, in each case, the goodwill symbolized thereby and any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such Grantor's use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof and amendments thereto, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of California; provided, however, that if by reason of mandatory provisions of law, any or all of the perfection or priority of the Administrative Agent's and the Secured Parties' security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

**Section 1.02 Interpretation.** The rules of interpretation specified in the Loan Agreement (including Section 1.02 thereof) shall be applicable to this Agreement. All references in this Agreement to Sections are references to Sections of this Agreement unless otherwise specified.

**Section 1.03 Resolution of Drafting Ambiguities.** Each Grantor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of this Agreement, that it and its counsel reviewed and participated in the preparation and negotiation of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (i.e., the Administrative Agent) shall not be employed in the interpretation of this Agreement.

**Section 1.04 Schedules.** The Administrative Agent and each Grantor and each Secured Party agree that the Schedules hereof and all descriptions of Collateral contained in the Schedules and all amendments and supplements thereto are and shall at all times remain a part of this Agreement.

## **ARTICLE II GUARANTY**

**Section 2.01 Guaranteed Obligations.** In recognition of the direct and indirect benefits to be received by the Guarantors from the proceeds of the Term Loans, each Guarantor hereby jointly and severally unconditionally guarantees to the Administrative Agent and the Secured Parties, and their respective successors, endorsees, transferees and assigns, the prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of the Guaranteed Obligations. Each Guarantor agrees that the Guaranty in this Article II is a guarantee of payment and performance and not of collection, and that its obligations under this Article II shall be primary, absolute and unconditional, irrespective of, and unaffected by:

- (a) the validity, regularity, enforceability or any future amendment of, or change in this Agreement, any other Credit Document or any other agreement, document or instrument to which any Credit Party and/or any Guarantor is or may become a party;
- (b) the absence of any action to enforce this Agreement or any other Credit Document or the waiver or consent by the Administrative Agent, Lenders or any other Secured Party with respect to any of the provisions thereof;
- (c) the existence, value or condition of, or failure to perfect its Lien against, any Collateral for the Guaranteed Obligations or any action, or the absence of any action, by the Administrative Agent in respect thereof (including, without limitation, the release of any such security);
- (d) the insolvency of the Borrower or any other Credit Party; or
- (e) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor;

it being agreed by each Guarantor that its obligations under this Article II shall not be discharged until the release of such Guarantor from its obligations under this Article II in accordance with Section 10.05, on which date such Grantor shall be released in accordance with Section 10.05. Each Guarantor shall be regarded, and shall be in the same position, as the principal debtor with respect to the Guaranteed Obligations. Each Guarantor agrees that any notice or directive given at any time to the Administrative Agent which is inconsistent with the waivers in the second preceding sentence shall be null and void and may be ignored by the Administrative Agent and the Secured Parties and, in addition, may not be pleaded or introduced as evidence in any litigation relating to this Article II for the reason that such pleading or introduction would be at variance with the written terms of this Article II, unless Administrative Agent and the Required Lenders have specifically agreed otherwise in writing. It is agreed among each Guarantor, the Administrative Agent and Secured Parties that the foregoing waivers are of the essence of the transaction contemplated by the Credit Documents and that, but for the Guaranty in this Article II and such waivers, the Administrative Agent and Lenders would decline to enter into the Loan Agreement and Secured Parties would decline to enter into the applicable documents governing the Guaranteed Obligations.

**Section 2.02 Demand by the Administrative Agent or Lenders.** In addition to the terms of the Guaranty set forth in Section 2.01 hereof, and in no manner imposing any limitation on such terms, it is expressly understood and agreed that, if, at any time, the outstanding principal amount of the Guaranteed Obligations (including all accrued interest thereon) is declared to be immediately due and payable, then Guarantors shall, without demand, pay to the holders of the Guaranteed Obligations the entire outstanding Guaranteed Obligations due and owing to such holders. Payment by Guarantors shall be made to the Administrative Agent in Dollars in immediately available funds to an account designated by the Administrative Agent or at any other address that may be specified in writing from time to time by the Administrative Agent, and shall be credited and applied to the Guaranteed Obligations.

**Section 2.03 Enforcement of Guaranty.** In no event shall the Administrative Agent have any obligation (although it is entitled, at its option in its sole discretion) to proceed against Borrower or any other Credit Party or any Collateral pledged to secure the Guaranteed Obligations before seeking satisfaction from any or all of the Guarantors, and the Administrative Agent may proceed, prior or subsequent to the enforcement of the Administrative Agent's rights hereunder, to exercise any right or remedy which it may have against any Collateral, as a result of any Lien it may have as security for all or any portion of the Guaranteed Obligations.

**Section 2.04**

**Waiver.**

(a) In addition to the waivers contained in Section 2.01 hereof, each Guarantor hereby waives to the fullest extent permitted by law, and each Guarantor hereby agrees that it shall not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshaling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by Guarantors (or any of them) of their obligations under, or the enforcement by the Administrative Agent, Lenders or other Secured Parties of, this Agreement.

(b) Guarantors hereby waive diligence and presentment (whether for non-payment or protest or of acceptance, maturity, extension of time, change in nature or form of the Guaranteed Obligations, acceptance of further security, release of further security, composition or agreement arrived at as to the amount of, or the terms of, the Guaranteed Obligations, notice of adverse change in the Borrower's or any other Guarantor's financial condition or any other fact which might increase the risk to Guarantors) with respect to any of the Guaranteed Obligations or all other demands whatsoever and waive the benefit of all provisions of law which are or might be in conflict with the terms of this Agreement.

**Section 2.05**

**Modification of Guaranteed Obligations, Etc.**

Each Guarantor hereby acknowledges and agrees that the Administrative Agent and Secured Parties may at any time or from time to time, with or without the consent of, or notice to, Guarantors or any of them (but, for the avoidance of doubt, only as permitted by, and with the consents required under (including the consent of any Credit Parties, if applicable), the Loan Agreement and other applicable documents):

(a) change or extend the manner, place or terms of payment of, or renew or alter all or any portion of, the Guaranteed Obligations;

(b) take any action under or in respect of the Credit Documents in the exercise of any remedy, power or privilege contained therein or available to it at law, equity or otherwise, or waive or refrain from exercising any such remedies, powers or privileges;

(c) extend or waive the time for any Credit Party's performance of, or compliance with, any term, covenant or agreement on its part to be performed or observed under the Credit Documents, or waive such performance or compliance or consent to a failure of, or departure from, such performance or compliance;

(d) subject to the Credit Documents, take and hold Collateral for the payment of the Guaranteed Obligations guaranteed hereby or (ii) upon the occurrence and during the continuance of an Event of Default or otherwise in accordance with the Credit Documents, sell, exchange, release, dispose of, or otherwise deal with, any property pledged, mortgaged or conveyed, or in which the Administrative Agent or any Secured Party has been granted a Lien, to secure any of the Guaranteed Obligations;

(e) release any Person who may be liable in any manner for the payment of any amounts owed by any Guarantor or any Credit Party to the Administrative Agent or any Secured Party;

(f) modify or terminate the terms of any intercreditor or subordination agreement pursuant to which claims of other creditors of any Guarantor or any Credit Party are subordinated to the claims of the Administrative Agent and Secured Parties; and/or

(g) subject to the Loan Agreement, apply any sums by whomever paid or however realized to any amounts owing by any Guarantor or any Credit Party to the Administrative Agent or any Secured Party in such manner as the Administrative Agent or any Lender shall determine in its discretion;

and none of the Administrative Agent or any Secured Party shall incur any liability to any Guarantor as a result thereof, and no such action shall impair or release the Guaranteed Obligations of any Guarantor under this Section 2.05 (unless, subject to Section 2.06 below, such action results in the payment in full and satisfaction of the Guaranteed Obligations).

**Section 2.06 Reinstatement.** This Guaranty shall remain in full force and effect and continue to be effective should any petition be filed by or against any Borrower or any Guarantor for liquidation or reorganization, should any Borrower or any Guarantor 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 such Borrower's or such Guarantor's assets. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Guaranteed Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by the Administrative Agent or any Secured Party, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made and such Guaranteed Obligations shall be deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

**Section 2.07 Exercise of Subrogation Rights, Etc.** Notwithstanding anything to the contrary in this Article II, or in any other Credit Document, each Guarantor hereby agrees not to exercise its rights of subrogation, to reimbursement, to exoneration, to contribution, to indemnification, to set off or to any other rights that could accrue to a surety against a principal, to a guarantor against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, to a holder or transferee against a maker, or to the holder of any claim against any Person, and which such Guarantor may have or hereafter acquire against any Credit Party in connection with or as a result of such Guarantor's execution, delivery and/or performance of the Guaranty in this Article II, or any other documents to which such Guarantor is a party or otherwise until the release of such Guarantor from its obligations under this Article II in accordance with Section 10.05.

**Section 2.08 Election of Remedies.** If the Administrative Agent may, under applicable law, proceed to realize benefits under any of the Credit Documents giving the Administrative Agent and Secured Parties a Lien upon any Collateral of any Credit Party, either by judicial foreclosure or by non judicial sale or enforcement, the Administrative Agent may, at its sole option, determine which of such remedies or rights it may pursue without affecting any of such rights and remedies under this Article II. If, in the exercise of any of its rights and remedies, the Administrative Agent shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Credit Party, whether because of any applicable laws pertaining to "election of remedies" or the like, each Guarantor hereby consents to such action by the Administrative Agent and waives, to the fullest extent permitted by law, any claim based upon such action, even if such action by the Administrative Agent shall result in a full or partial loss of any rights of subrogation which such Guarantor might otherwise have had but for such action by the Administrative Agent. Any election of remedies which results in the denial or impairment of the right of the Administrative Agent to seek a deficiency judgment against any Credit Party shall not impair each Guarantor's obligation to pay the full amount of the Guaranteed Obligations. In the event the Administrative Agent shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or the Credit Documents, the Administrative Agent may bid all or less than the amount of the Guaranteed Obligations and the amount of such bid need not be paid by the Administrative Agent but shall be credited against the Guaranteed Obligations. Any difference between such bid amount and the remaining

balance of the Guaranteed Obligations shall be deemed to be the amount of the Guaranteed Obligations guaranteed under this Agreement.

**Section 2.09**                      **Limitation on Guaranty of Guarantors.** Notwithstanding any provision herein contained to the contrary, the liability of each Guarantor hereunder shall be limited to an amount not to exceed as of any date of determination the amount which could be claimed by the Administrative Agent and the Lenders from such Guarantor under the this Guaranty without rendering such claim voidable or avoidable under Section 548 of the Bankruptcy Code or any comparable provision of any other applicable law.

**ARTICLE III**  
**GRANT OF SECURITY INTEREST**

**Section 3.01**                      **Grant of Security Interest.** As collateral security for the payment and performance in full of all the Secured Obligations (whether now existing or hereafter arising), each Grantor hereby pledges and grants to the Administrative Agent for the ratable benefit of the Secured Parties, a Lien on and continuing security interest in and to all of the right, title and interest of such Grantor in, to and under the following property, wherever located, and whether now owned or hereafter arising or acquired (collectively, the "**Collateral**"):

- (a)            all Accounts;
- (b)            all Equipment, Goods, Inventory and Fixtures;
- (c)            all Documents, Instruments and Chattel Paper;
- (d)            all Letters of Credit and Letter-of-Credit Rights;
- (e)            all Securities Collateral;
- (f)            all Investment Property;
- (g)            all Intellectual Property Collateral;
- (h)            all Commercial Tort Claims, including the Commercial Tort Claims described on Schedule 8 hereof as supplemented by any written notification given by a Grantor to the Administrative Agent pursuant to Section 4.04(f);
- (i)            all General Intangibles;
- (j)            all Money, all Deposit Accounts, and all Securities Accounts;
- (k)            all Supporting Obligations;
- (l)            all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records relating to the Collateral and any General Intangibles at any time evidencing or relating to any of the foregoing;
- (m)            all Motor Vehicles; and
- (n)            to the extent not covered by clauses (a) through (m) of this sentence, all other assets, personal property and rights of such Grantor, whether tangible or intangible, all Proceeds and products of

each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Grantor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) through (n) above, the security interest created by this Agreement shall not extend to, and the term "Collateral" shall not include, any Excluded Property, provided, that if any Excluded Property would have otherwise constituted Collateral, when such property shall cease to be Excluded Property, such property shall be deemed at all times from and after the date hereof to constitute Collateral.

The Grantors shall from time to time at the request of the Administrative Agent give written notice to the Administrative Agent identifying in reasonable detail the Excluded Property (and stating in such notice that such Excluded Property constitutes "Excluded Property") and shall provide to the Administrative Agent such other information regarding the Excluded Property as the Administrative Agent may reasonably request.

From and after the Closing Date, no Grantor shall permit to become effective in any lease, license, Contract or other agreement, a provision that would prohibit or require the consent of any Person to the grant of a Lien on such lease, license, Contract or other agreement in favor of the Administrative Agent unless such Grantor believes, in its reasonable judgment, that such prohibition is usual and customary in transactions of such type.

### **Section 3.02 Filings.**

(a) Each Grantor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any relevant jurisdiction any financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including (i) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor, (ii) any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder, without the signature of such Grantor where permitted by law, including the filing of a financing statement describing the Collateral as "all assets now owned or hereafter acquired by the Grantor or in which the Grantor otherwise has rights" and (iii) in the case of a financing statement filed as a fixture filing or covering Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Collateral relates. Each Grantor agrees to provide all information described in the immediately preceding sentence to the Administrative Agent promptly upon request by the Administrative Agent.

(b) Each Grantor hereby further authorizes the Administrative Agent to file with the United States Patent and Trademark Office and the United States Copyright Office (and any successor office and any similar office in any United States state or other country) this Agreement, the Intellectual Property Security Agreement, and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder, without the signature of such Grantor where permitted by law, and naming such Grantor as debtor, and the Administrative Agent as secured party.

(c) Each Grantor hereby ratifies its authorization for the Administrative Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto relating to the Collateral if filed prior to the date hereof.

**ARTICLE IV**  
**PERFECTION AND FURTHER ASSURANCES**

**Section 4.01**                    **Perfection of Certificated Securities Collateral.** Subject to compliance with Gaming Laws, each Grantor represents and warrants that all certificates, agreements or instruments representing or evidencing the Securities Collateral in existence on the date hereof have been delivered to the Administrative Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that (assuming continuing possession by the Administrative Agent of any such Securities Collateral) the Administrative Agent has a perfected First Priority security interest therein. Subject to compliance with Gaming Laws, each Grantor hereby agrees that all certificates, agreements or instruments representing or evidencing the Securities Collateral acquired by such Grantor after the date hereof, shall immediately upon receipt thereof by such Grantor be held by or on behalf of and delivered to the Administrative Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent.

Subject to compliance with Gaming Laws, the Administrative Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Administrative Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder; provided, that after any such Event of Default has been waived in accordance with the provisions of the Loan Agreement and to the extent the Administrative Agent has exercised its rights under this sentence, the Administrative Agent shall, promptly after the request of the applicable Grantor(s), cause such Securities Collateral to be transferred to, or request that such Securities Collateral is registered in the name of, the applicable Grantor(s) to the extent it or its nominees holds an interest in such Securities Collateral at such time. In addition, at any time upon the occurrence and during the continuance of an Event of Default, subject to compliance with Gaming Laws, the Administrative Agent shall have the right to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

**Section 4.02**                    **Perfection of Uncertificated Securities Collateral.** Subject to compliance with Gaming Laws, each Grantor hereby agrees that if any of the Pledged Stock is at any time not evidenced by certificates of ownership, then each applicable Grantor shall, to the extent permitted by Applicable Laws and upon the request of the Administrative Agent upon the occurrence and during the continuance of an Event of Default, either (a) register the Administrative Agent as the registered owner of such securities or (b) agree in an authenticated record with such Grantor and the Administrative Agent that such issuer will comply with instructions with respect to such securities originated by the Administrative Agent without further consent of such Grantor, such authenticated record to be substantially in the form of Exhibit C, and, in either case, upon request by the Administrative Agent, provide to the Administrative Agent an opinion of counsel, in form and substance reasonably satisfactory to the Administrative Agent, confirming such pledge and perfection thereof. Subject to compliance with Gaming Laws, if requested by the Administrative Agent, the applicable Grantor shall, upon the occurrence and during the continuance of an Event of Default, request the issuer of any such uncertificated Pledged Stock to cause such Pledged Stock to become certificated and in the event such Pledged Stock becomes certificated, to deliver such Pledged Stock to the Administrative Agent in accordance with the provisions of Section 4.01. Subject to compliance with Gaming Laws, each Grantor hereby agrees, with respect to Pledged Stock that are partnership interests or limited liability company interests, that after the occurrence and during the continuance of any Event of Default, upon request by the Administrative Agent, such Grantor will (A) cause the Organizational Documents of each issuer that is a Subsidiary or Controlled Affiliate of the Borrower to be amended to provide that such Pledged Stock shall be treated as "securities" for purposes



of the UCC and (B) cause such Pledged Stock to become certificated and delivered to the Administrative Agent in accordance with the provisions of Section 4.01.

**Section 4.03 Maintenance of Perfected Security Interest.** Each Grantor represents and warrants that, except as expressly provided herein and in the other Credit Documents, on the date hereof all financing statements, agreements, instruments and other documents necessary to perfect the security interest granted by it to the Administrative Agent in respect of the Collateral have been delivered to the Administrative Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each governmental, municipal or other office specified in Schedule 3 hereof. Each Grantor agrees that at its sole cost and expense, such Grantor will maintain the security interest created by this Agreement in the Collateral as a perfected First Priority security interest (except for deposit accounts and other accounts which would require account control agreements for perfection).

**Section 4.04 Other Actions for Perfection.** In order to further insure the attachment, perfection and priority of, and the ability of the Administrative Agent to enforce, the Administrative Agent's security interest in the Collateral, each Grantor represents and warrants (as to itself) as follows and agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Collateral:

(a) **Investment Property.**

(i) As of the date hereof, no Grantor (1) has any Securities Accounts or Commodity Accounts other than those listed in Schedule 7 hereof and the Administrative Agent has a security interest in such Securities Accounts and Commodity Accounts, (2) holds, owns or has any interest in any certificated securities or uncertificated securities other than those constituting Pledged Stock and those maintained in Securities Accounts or Commodity Accounts listed in Schedule 7 hereof. The provisions of this Section 4.04(a) shall not apply to any Financial Assets credited to a Securities Account for which the Administrative Agent is the Securities Intermediary. No Grantor shall grant control over any Investment Property to any Person other than the Administrative Agent.

(ii) If any Grantor shall at any time hold or acquire any certificated securities constituting Investment Property, such Grantor shall promptly endorse, assign and deliver the same to the Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank, all in form and substance satisfactory to the Administrative Agent.

(iii) If any securities now or hereafter acquired by any Grantor constituting Investment Property are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, upon the occurrence and during the continuance of an Event of Default and upon the request of the Administrative Agent such Grantor shall pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (a) cause the issuer to agree to comply with instructions from the Administrative Agent as to such securities, without further consent of any Grantor or such nominee or (b) arrange for the Administrative Agent to become the registered owner of such securities.

(b) **Electronic Chattel Paper and Transferable Records.** As of the date hereof, no amount under or in connection with any of the Collateral is evidenced by any Electronic Chattel Paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than such Electronic Chattel Paper and transferable records listed on Schedule 4 hereof.

Each Grantor will maintain all (i) Electronic Chattel Paper so that the Administrative Agent has control of the Electronic Chattel Paper in the manner specified in Section 9-105 of the UCC and (ii) all transferable records so that the Administrative Agent has control of the transferable records in the manner specified in Section 16 of the Uniform Electronic Transactions Act, as in effect in the jurisdiction governing such transferable record.

The Administrative Agent agrees with such Grantor that the Administrative Agent will arrange, pursuant to procedures reasonably satisfactory to the Administrative Agent and so long as such procedures will not result in the Administrative Agent's loss of control, for the Grantor to make alterations to the Electronic Chattel Paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such Electronic Chattel Paper or transferable record.

(c) **Letter-of-Credit Rights.** If any Grantor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Grantor, such Grantor shall promptly notify the Administrative Agent thereof and such Grantor shall maintain all letter-of-credit rights assigned to the Administrative Agent so that the Administrative Agent has control of the letter-of-credit rights in the manner specified in Section 9-107 of the UCC.

(d) **Commercial Tort Claims.** On the date hereof, no Grantor holds any Commercial Tort Claim which might reasonably result in awarded damages (less any and all legal and other expenses incurred or reasonably expected to be incurred by such Grantor) in excess of \$250,000 that is not listed on Schedule 8. Each Grantor will give notice to the Administrative Agent of any Commercial Tort Claim which might reasonably result in awarded damages (less any and all legal and other expenses incurred or reasonably expected to be incurred by such Grantor) in excess of \$250,000 that is commenced in the future and will promptly execute or otherwise authenticate a supplement to this Agreement, and otherwise take all necessary action, to subject such Commercial Tort Claim to the First Priority security interest created under this Agreement.

**Section 4.05 Joinder of Additional Grantors.** The Grantors shall cause each Subsidiary or Controlled Affiliate of the Borrower which, from time to time, after the date hereof shall be required to pledge any assets to the Administrative Agent for the ratable benefit of the Secured Parties pursuant to the provisions of the Loan Agreement, to execute and deliver to the Administrative Agent a Joinder Agreement within 30 days of the date on which it was acquired or created and, upon such execution and delivery, such Subsidiary or Controlled Affiliate shall constitute a "Grantor" for all purposes hereunder with the same force and effect as if originally named as a Grantor herein. Upon the execution and delivery by any Subsidiary or Controlled Affiliate of a Joinder Agreement, the supplemental schedules attached to such Joinder Agreement shall be incorporated into and become part of and supplement the Schedules to this Agreement and each reference to such Schedules shall mean and be a reference to such Schedules as supplemented pursuant to each Joinder Agreement and from time to time. The execution and delivery of such Joinder Agreement shall not require the consent of any Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

**Section 4.06 Further Assurances.**

(a) **Further Assurances.** Each Grantor shall take such further actions, and execute and/or deliver to the Administrative Agent such additional financing statements, amendments, assignments, agreements, supplements, powers and instruments, as the Administrative Agent may in its reasonable

judgment deem necessary or appropriate in order to perfect, preserve and protect the security interest in the Collateral as provided herein and the rights and interests granted to the Administrative Agent hereunder, and enable the Administrative Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Collateral, including the filing of any financing statements, continuation statements and other documents under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby, the filing of the Intellectual Property Security Agreement and supplemental Intellectual Property Security Agreements with the United States Patent and Trademark Office and the United States Copyright Office and the execution and delivery of Control Agreements with respect to Securities Accounts, Commodities Accounts and Deposit Accounts (other than Excluded Accounts), all in form reasonably satisfactory to the Administrative Agent and in such offices wherever required by law to perfect, continue and maintain a valid, enforceable, First Priority security interest in the Collateral as provided herein and to preserve the other rights and interests granted to the Administrative Agent hereunder, as against third parties, with respect to the Collateral. Without limiting the generality of the foregoing, but subject to applicable law, each Grantor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Administrative Agent from time to time upon reasonable request by the Administrative Agent such lists, schedules, descriptions and designations of the Collateral, statements, copies of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Administrative Agent shall reasonably request. If an Event of Default has occurred and is continuing, the Administrative Agent may institute and maintain, in its own name or in the name of any Grantor, such suits and proceedings as the Administrative Agent may deem necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Collateral. All of the foregoing shall be at the sole cost and expense of the Grantors.

## **ARTICLE V REPRESENTATIONS, WARRANTIES AND COVENANTS**

Each Grantor represents, warrants and covenants as follows:

**Section 5.01                      Loan Agreement Representations .** Each Grantor makes the representations and warranties set forth in Article VII of the Loan Agreement as they relate to the Grantors or to the Credit Documents to which any Grantor is a party, each of which is hereby incorporated herein by reference, and the Administrative Agent and the Secured Parties shall be entitled to rely on each of them as if they were fully set forth herein, provided, that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 5.01, be deemed to be a reference to the Grantors' knowledge.

**Section 5.02                      Perfected First Priority Security Interest .** This Agreement is effective to create in favor of the Administrative Agent for the ratable benefit of the Secured Parties/Lender, a legal, valid and enforceable security interest in the Collateral and the proceeds thereof. In the case of the certificated Pledged Stock, subject to compliance with Gaming Laws, when stock certificates representing such Pledged Stock are delivered to the Administrative Agent and in the case of the other Collateral, when financing statements and other filings specified on Schedule 3 hereof in appropriate form are filed in the offices specified on Schedule 3 hereof and other actions described in Schedule 3 hereof are taken, this Agreement shall constitute, and will at all times constitute, a fully perfected First Priority Lien on, and security interest in, all rights, title and interest of the Grantors in such Collateral and the proceeds thereof, as security for the Secured Obligations except as provided for herein and in the Credit Documents.

**Section 5.03**                      **No Transfer of Collateral.** No Grantor shall sell, offer to sell, dispose of, convey, assign or otherwise transfer, or grant any option with respect to, restrict, or grant, create, permit or suffer to exist any Lien on, any of the Collateral pledged by it hereunder or any interest therein except as permitted by the Loan Agreement.

**Section 5.04**                      **Claims Against Collateral.** Each Grantor shall, at its own cost and expense, defend title to the Collateral and the First Priority security interest and Lien granted to the Administrative Agent with respect thereto against all claims and demands of all Persons at any time claiming any interest therein adverse to the Administrative Agent or any other Secured Party other than Liens permitted under the Loan Agreement. Except as expressly permitted by the Loan Agreement or any other Credit Document, there is no agreement to which any Grantor is a party, order, judgment or decree, and no Grantor shall enter into any agreement or take any other action, that could reasonably be expected to restrict the transferability of any of the Collateral or otherwise impair or conflict in any material respect with such Grantors' obligations or the rights of the Administrative Agent hereunder.

**Section 5.05**                      **Other Financing Statements.** No financing statement or other instrument similar in effect covering all or any part of the Collateral or listing such Grantor as debtor is on file in any recording office, except such as have been filed in favor of the Administrative Agent pursuant to this Agreement or as otherwise permitted under the Loan Agreement.

No Grantor shall execute, authorize or permit to be filed in any recording office any financing statement or other instrument similar in effect covering all or any part of the Collateral or listing such Grantor as debtor with respect to all or any part of the Collateral, except financing statements and other instruments filed in respect of Liens permitted under the Loan Agreement.

**Section 5.06**                      **Changes in Name, Jurisdiction of Organization, Etc.** On the date hereof, such Grantor's type of organization, jurisdiction of organization, legal name, Federal Taxpayer Identification Number and chief executive office or principal place of business are indicated next to its name in Schedule 5 hereof. Schedule 5 also lists all of such Grantor's jurisdictions and types or organization, legal names and locations of chief executive office or principal place of business at any time during the four months preceding the date hereof, if different from those referred to in the preceding sentence.

Such Grantor shall not, except upon not less than 10 days' prior written notice (in the form of an officer's certificate), or such lesser notice period agreed to by the Administrative Agent, to the Administrative Agent and the Administrative Agent, and delivery to the Administrative Agent of all additional financing statements, information and other documents reasonably requested by the Administrative Agent or the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein:

- (a) change its legal name, identity, type of organization or corporate structure;
- (b) change the location of its chief executive office or its principal place of business;
- (c) change its Federal Taxpayer Identification Number; or
- (d) change its jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, organizing, dissolving, liquidating, reincorporating or incorporating in any other jurisdiction).

Such Grantor shall, prior to any change described in the preceding sentence, take all actions reasonably requested by the Administrative Agent to maintain the perfection and priority of the security

interest of the Administrative Agent for the ratable benefit of the Secured Parties in the Collateral intended to be granted hereunder.

Each Grantor agrees to promptly provide the Administrative Agent with certified Organizational Documents reflecting any of the changes described in this Section 5.06. Each Grantor also agrees to promptly notify the Administrative Agent of any change in the location of any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral is located (including the establishment of any such new office or facility).

**Section 5.07**                      **Location of Inventory and Equipment.** On the date hereof, the Inventory and the Equipment (other than mobile goods and goods in transit) of such Grantor are kept at locations listed in Schedule 5 hereof. Schedule 5 also lists the locations of such Grantor's Inventory and the Equipment (other than mobile goods and goods in transit) for the four months preceding the date hereof, if different from those referred in the preceding sentence.

Such Grantor shall not move any Equipment or Inventory, other than an immaterial portion thereof, to any location, other any location that is listed in Schedule 5 hereof except upon not less than 5 days' prior written notice, or such lesser notice period agreed to by the Administrative Agent, to the Administrative Agent and the Administrative Agent, of its intention so to do, clearly describing such new location and providing such other information and documents to the Administrative Agent reasonably requested by the Administrative Agent or the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein (which, for the avoidance of doubt, shall not include landlord waivers, bailee waivers, or similar documents).

Such Grantor shall, prior to any change described in the preceding sentence, take all actions reasonably requested by the Administrative Agent to maintain the perfection and priority of the security interest of the Administrative Agent for the ratable benefit of the Secured Parties in the Collateral, if applicable (which, for the avoidance of doubt, shall not include landlord waivers, bailee waivers, or similar documents); provided, that, in no event shall any Equipment or Inventory of any Grantor be moved to any location outside of the continental United States.

**Section 5.08**                      **Pledged Stock and Pledged Indebtedness.** Schedule 2 sets forth a complete and accurate list of all Pledged Stock and Pledged Indebtedness held by such Grantor as of the date hereof. The Pledged Stock pledged by such Grantor hereunder constitutes all of the issued and outstanding Capital Stock of each Subsidiary and Controlled Affiliate owned or controlled by such Grantor. Such Capital Stock represents all of the outstanding Capital Stock of each such issuer which is a Subsidiary or Controlled Affiliate except as noted in such Schedule. All of the Pledged Stock existing on the date hereof have been, and to the extent any Pledged Stock are hereafter issued, such Pledged Stock will be, upon such issuance, duly authorized, validly issued, fully paid and non-assessable. There is no amount or other obligation owing by any Grantor to any issuer of the Pledged Stock in exchange for or in connection with the issuance of the Pledged Stock or any Grantor's status as a partner or a member of any issuer of the Pledged Stock. No Grantor is in default or violation of any material provisions of any agreement to which such Grantor is a party relating to the Pledged Stock.

All of the Pledged Indebtedness described on Schedule 2 has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof, enforceable in accordance with their respective terms (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law)) and is not in default.

No Securities Collateral pledged by such Grantor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Grantor by any Person with respect thereto, and there are no certificates, instruments, documents or other writings (other than the Organizational Documents and certificates representing such Pledged Stock or Pledged Indebtedness, if any, that have been delivered to the Administrative Agent) which evidence any Pledged Stock or Pledged Indebtedness of such Grantor.

Each Grantor shall, upon obtaining any Pledged Stock or Pledged Indebtedness of any Person, accept the same in trust for the benefit of the Administrative Agent and promptly (but in any event within five (5) Business Days after receipt thereof) deliver to the Administrative Agent an updated Schedule 2, and the certificates and other documents, if any, required under Section 4.01 and Section 4.02 hereof in respect of the additional Pledged Stock or Pledged Indebtedness which are to be pledged pursuant to this Agreement, and confirming the Lien hereby created on such additional Pledged Stock or Pledged Indebtedness.

**Section 5.09 Approvals.** In the event that the Administrative Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority, any Gaming Authority, or any other Person therefor, then, upon the request of the Administrative Agent, such Grantor agrees to use its commercially reasonable efforts to assist the Administrative Agent in obtaining as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

**Section 5.10 Collateral Information.** All information set forth herein, including the schedules annexed hereto, and all information contained in any documents, schedules and lists heretofore delivered to the Administrative Agent, in connection with this Agreement, in each case, relating to the Collateral, is accurate and complete in all material respects. The Collateral described on the schedules hereof constitutes all of the property of such type of Collateral owned or held by the Grantors.

**Section 5.11 Insurance.** In the event that the proceeds of any insurance claim are paid to any Grantor after the Administrative Agent has exercised its right to foreclose on all or any part of the Collateral during the existence of an Event of Default, such Net Casualty Proceeds shall be held in trust for the benefit of the Administrative Agent and immediately after receipt thereof shall be paid to the Administrative Agent for application in accordance with the Loan Agreement.

**Section 5.12 Compliance With Laws.** Each Grantor shall pay promptly when due all Claims upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement. All Claims imposed upon or assessed against the Collateral have been paid and discharged except to the extent such Claims constitute a Lien not yet due and payable which is a Contested Lien or a Lien permitted by the Loan Agreement. In the event any Grantor shall fail to make such payment contemplated in the immediately preceding sentence, the Administrative Agent may (following notice to the Grantor, to the extent practicable) do so for the account of such Grantor and the Grantors shall promptly reimburse and indemnify the Administrative Agent for all costs and expenses incurred by the Administrative Agent under this Section 5.12 in accordance with Section 10.08. Each Grantor shall comply with all Applicable Law applicable to the Collateral the failure to comply with which could, individually or in the aggregate, have a Material Adverse Effect.

**Section 5.13 Intellectual Property.** (a) Schedule 6 lists all patents and pending applications, registered trademarks and pending applications, registered domain names, registered copyrights and pending applications and material Intellectual Property Licenses owned by such Grantor; (b) except as described on Schedule 6, all Intellectual Property Collateral is valid, subsisting, unexpired and

enforceable and has not been abandoned; (c) except as described on Schedule 6, such Grantor is the exclusive owner of all right, title and interest in and to, or has the right to use, all such Intellectual Property Collateral; (d) consummation and performance of this Agreement will not result in the invalidity, unenforceability or impairment of any such Intellectual Property Collateral, or in default or termination of any material Intellectual Property License; (e) except as described on Schedule 6, there are no outstanding holdings, decisions, consents, settlements, decrees, orders, injunctions, rulings or judgments that would limit, cancel or question the validity or enforceability of any such Intellectual Property Collateral or such Grantor's rights therein or use thereof; (f) to such Grantor's knowledge, except as described on Schedule 6, the operation of such Grantor's business and such Grantor's use of Intellectual Property Collateral in connection therewith, does not infringe or misappropriate the intellectual property rights of any other Person; (g) except as described in Schedule 6, no action or proceeding is pending or, to such Grantor's knowledge, threatened (i) seeking to limit, cancel or question the validity of any material Intellectual Property Collateral or such Grantor's ownership interest or rights therein, (ii) which, if adversely determined, could have a Material Adverse Effect on the value of any such Intellectual Property Collateral or (iii) alleging that any such Intellectual Property Collateral, or such Grantor's use thereof in the operation of its business, infringes or misappropriates the intellectual property rights of any Person and (h) to such Grantor's knowledge, there has been no Material Adverse Effect on such Grantor's rights in its material Trade Secrets as a result of any unauthorized use, disclosure or appropriation by or to any Person, including such Grantor's current and former employees, contractors and agents.

**Section 5.14**                      **Inspection of Collateral.** Each Grantor shall keep the Collateral in good order and repair (ordinary wear and tear being permissible) and will not use the same in violation of law or any policy of insurance thereon. Each Grantor shall permit the Administrative Agent, or its designee, to inspect the Collateral at any reasonable time, wherever located.

## ARTICLE VI SECURITIES COLLATERAL

**Section 6.01**                      Existing Voting Rights and Distributions.

(a)                      So long as no Event of Default shall have occurred and be continuing:

(i)                      Subject to compliance with Gaming Laws, each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Loan Agreement or any other Credit Document; provided, however, that no Grantor shall in any event exercise such rights in any manner which could reasonably be expected to have a Material Adverse Effect.

(ii)                      Subject to compliance with Gaming Laws, each Grantor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, if and to the extent made in accordance with the provisions of the Loan Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be immediately delivered to the Administrative Agent to hold as Collateral and shall, if received by any Grantor, be received in trust for the benefit of the Administrative Agent, be segregated from the other property or funds of such Grantor and be promptly (but in any event within five (5) Business Days after receipt thereof) delivered to the Administrative Agent as Collateral in the same form as so received (with any necessary endorsement).

(b)                      Subject to compliance with Gaming Laws, the Administrative Agent shall be deemed without further action to have granted to each Grantor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Grantor and at the sole cost and expense of such Grantor, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request in order to permit such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 6.01(a)(i) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 6.01(a)(ii) hereof.

(c) Upon the occurrence and during the continuance of any Event of Default:

(i) All rights of each Grantor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.01(a)(i) hereof shall immediately cease, and all such rights shall thereupon become vested in the Administrative Agent, which shall have the sole right to exercise such voting and other consensual rights.

(ii) All rights of each Grantor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 6.01(a)(ii) hereof shall immediately cease and all such rights shall thereupon become vested in the Administrative Agent, which shall have the sole right to receive and hold such Distributions as Collateral.

(d) Each Grantor shall, at its sole cost and expense, from time to time execute and deliver to the Administrative Agent appropriate instruments as the Administrative Agent may request in order to permit the Administrative Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 6.01(c)(i) hereof and to receive all Distributions which it may be entitled to receive under Section 6.01(c)(ii) hereof.

(e) All Distributions which are received by any Grantor contrary to the provisions of Section 6.01(a)(ii) or Section 6.01(c) hereof shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of such Grantor and shall promptly (but in any event within five (5) Business Days after receipt thereof by such Grantor) be paid over to the Administrative Agent as Collateral in the same form as so received (with any necessary endorsement).

**Section 6.02                      Certain Agreements of Grantors.**

(a) In the case of each Grantor which is an issuer of Securities Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(b) In the case of each Grantor which is a partner, shareholder or member, as the case may be, in a partnership, limited liability company or other entity, such Grantor hereby (i) consents to the extent required by the applicable Organizational Document to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Stock in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Stock to the Administrative Agent or its nominee and to the substitution of the Administrative Agent or its nominee as a substituted partner, shareholder or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner, limited partner, shareholder or member, as the case may be and (ii) irrevocably waives any and all provisions of the applicable Organizational Documents that conflict with the terms of this Agreement or prohibit, restrict, condition or otherwise affect the grant hereunder of any Lien on any of the Collateral or any enforcement action which may be taken in respect of any such Lien.



**ARTICLE VII**  
**INTELLECTUAL PROPERTY COLLATERAL**

**Section 7.01 Intellectual Property License.** For the purpose of enabling the Administrative Agent, during the continuance of an Event of Default, to exercise rights and remedies under Article IX hereof at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Administrative Agent, to the extent of such Grantor's rights and effective only during the continuance of an Event of Default, an irrevocable, non-exclusive license, subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of such Trademarks, to use and sublicense any of the Intellectual Property Collateral then owned by or licensed to such Grantor. Such license shall include access to all devices, products and media in which any of the Intellectual Property Collateral is embodied, embedded, recorded or stored and to all computer programs used for the compilation or printout hereof.

**Section 7.02 Dealing With Intellectual Property.** On a continuing basis, each Grantor shall, at its sole cost and expense,

(a) promptly following its becoming aware thereof, notify the Administrative Agent of any final adverse determination in any proceeding or the institution of any proceeding in any federal, state or local court or administrative body or in the United States Patent and Trademark Office or the United States Copyright Office regarding such Grantor's claim of ownership in or right to use any of the material Intellectual Property Collateral, or such Grantor's right to keep and maintain such material Intellectual Property Collateral in full force and effect,

(b) maintain and protect the material Intellectual Property Collateral as presently used and operated and as contemplated by the Loan Agreement,

(c) not permit to lapse or become abandoned any material Intellectual Property Collateral as presently used and operated and as contemplated by the Loan Agreement, and not settle or compromise any pending or future litigation or administrative proceeding with respect to such Intellectual Property Collateral, in each case except as shall be consistent with commercially reasonable business judgment,

(d) upon such Grantor obtaining knowledge thereof, promptly notify the Administrative Agent in writing of any event which may be reasonably expected to materially and adversely affect the value or utility of any of the material Intellectual Property Collateral or the rights and remedies of the Administrative Agent in relation thereto including a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof,

(e) not license the Intellectual Property Collateral, or amend or permit the amendment of any of the licenses in a manner that materially and adversely affects the right to receive payments thereunder, or in any manner that could materially impair the value of the Intellectual Property Collateral or the Lien on and security interest in the Intellectual Property Collateral created therein hereby, without the consent of the Administrative Agent (which shall not be unreasonably delayed or withheld),

(f) diligently keep adequate records respecting its material Intellectual Property Collateral, and

(g) furnish to the Administrative Agent from time to time upon the Administrative Agent's reasonable request therefor reasonably detailed statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as the Administrative Agent may from time to time reasonably request.

**Section 7.03 Additional Intellectual Property.** If any Grantor shall at any time after the date hereof (a) obtain any rights to any additional Intellectual Property Collateral or (b) become entitled to the benefit of any additional Intellectual Property Collateral or any registration, renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property Collateral, or any improvement on any Intellectual Property Collateral, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (a) or (b) of this Section 7.03 with respect to such Grantor shall automatically constitute Intellectual Property Collateral as if such would have constituted Intellectual Property Collateral at the time of execution hereof and be subject to the Lien and security interest created by this Agreement without further action by any party. Each Grantor shall promptly within 45 days of the end of each fiscal quarter (i) provide to the Administrative Agent written notice of any of the foregoing and (ii) confirm the attachment of the Lien and security interest created by this Agreement to any rights described in clauses (a) and (b) of the immediately preceding sentence of this Section 7.03 by execution of an instrument in form reasonably acceptable to the Administrative Agent and the filing of any instruments or statements as shall be reasonably necessary to create, preserve, protect or perfect the Administrative Agent's security interest in such Intellectual Property Collateral, including by execution and filing of a supplemental Intellectual Property Security Agreement in accordance with Section 4.06 hereof. Further, each Grantor authorizes the Administrative Agent to modify this Agreement by amending Schedule 6 hereof to include any such Intellectual Property Collateral of such Grantor.

**Section 7.04 Intellectual Property Litigation.** Unless there shall occur and be continuing any Event of Default, each Grantor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Grantors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions to prevent the infringement, misappropriation, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property Collateral. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Grantor, the Administrative Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Grantor shall, at the reasonable request of the Administrative Agent, do any and all commercially reasonable acts and execute any and all documents reasonably requested by the Administrative Agent in aid of such enforcement and the Grantors shall promptly reimburse and indemnify the Administrative Agent for all reasonable costs and expenses incurred by the Administrative Agent in the exercise of its rights under this Section 7.04 in accordance with Section 10.08. In the event that the Administrative Agent shall elect not to bring suit to enforce the Intellectual Property Collateral as permitted by this Section 7.04 and an Event of Default has occurred and is continuing, each Grantor agrees, at the reasonable request of the Administrative Agent, to take all commercially reasonable actions necessary, whether by suit, proceeding or other action, to prevent the infringement, misappropriation, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any Person so infringing necessary to prevent such infringement.

## ARTICLE VIII GAMING LAWS AND GAMING LICENSES

### **Section 8.01 Additional Provisions Relating to Gaming Laws and Gaming Licenses**

(a) Each Grantor agrees that, upon the occurrence of and during the continuance of an Event of Default and at the Administrative Agent's request, it will, and will cause each of its Subsidiaries to, promptly cooperate with the Administrative Agent with respect to the filing of its applications for approval and shall use commercially reasonable efforts to take all other and further actions required by the Administrative Agent to assist the Administrative Agent in obtaining such approvals or consents of the Gaming Authorities, and any other Governmental Authorities with jurisdiction as are necessary for the Administrative Agent, to operate the businesses of the Borrower and its Subsidiaries or to acquire an interest in any Person holding any such Gaming License pursuant to the Gaming Laws. To enforce the provisions of this Section 8.01, the Administrative Agent is empowered to request the appointment of a receiver from any court of competent jurisdiction. Such receiver shall be instructed to seek from the applicable Gaming Authorities and any other Governmental Authorities with jurisdiction authorization pursuant to the Gaming Laws to continue operation of the businesses of each Grantor and its Subsidiaries under all necessary Gaming Licenses for the purpose of seeking a bona fide purchaser of the businesses of each Grantor and its Subsidiaries. Each Grantor hereby agrees to consent to, and to cause each of its Subsidiaries to consent to such an authorization pursuant to the Gaming Laws to continue the operation of the businesses of such Grantor and its Subsidiaries upon the request of the receiver so appointed and, if any Grantor or any such Subsidiary shall refuse to so consent, its consent may be required by the court. Upon the occurrence and continuance of an Event of Default, each Grantor shall further use, and shall cause its Subsidiaries to use, commercially reasonable efforts to assist in obtaining approval of the applicable Gaming Authorities and any other Governmental Authorities with jurisdiction, if required, for any action or transactions contemplated by this Agreement or the Credit Documents, including, preparation, execution, and filing with the applicable Gaming Authorities and any other Governmental Authorities with jurisdiction of any application or applications for authorization pursuant to the Gaming Laws for the receiver to continue the operation of the businesses of any Grantor and its Subsidiaries under any Gaming License or transfer of control necessary or appropriate under the applicable Gaming Laws for approval of the transfer or assignment of any portion of the Collateral. Each Grantor acknowledges that the authorization pursuant to the Gaming Laws for the receiver to continue the operation of the businesses of any Grantor and its Subsidiaries under the Gaming Licenses or for a transfer of control is integral to the Administrative Agent's realization of the value of the Collateral, that there is no adequate remedy at law for failure by each Grantor to comply with the provisions of this Section 8.01 and that such failure would not be adequately compensable in damages, and therefore agrees that the agreements contained in this Section 8.01 may be specifically enforced.

(b) All rights, remedies, and powers provided in this Agreement and the other Credit Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provision of the Gaming Laws and all provisions of this Agreement and the other Credit Documents are intended to be subject to all applicable mandatory provisions of the Gaming Laws and to be limited solely to the extent necessary to not render the provisions of this Agreement or the other Credit Documents invalid or unenforceable, in whole or in part. The Administrative Agent will timely apply for and receive all required approvals of the applicable Gaming Authorities for the sale or other disposition of gaming equipment regulated by the Gaming Laws (including any such sale or disposition of gaming equipment consisting of slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, and all other "gaming devices" (as such term or words of like import referring thereto are defined in the Gaming Laws), and "associated equipment" (as such term or words of like import referring thereto are defined in the Gaming Laws).

**Section 8.02**                      **Compliance with Gaming Laws.** Notwithstanding anything to the contrary contained herein or in any other Credit Documents, the Administrative Agent expressly acknowledges and agrees that the exercise of its rights and remedies under this Agreement is subject to the mandatory provisions of the Gaming Laws. Specifically, the Administrative Agent acknowledges and agrees that:

(a) The pledge of the Securities Collateral by Grantors, and any restrictions on the transfer of and agreements not to encumber the Securities Collateral contained in this Agreement or in any other Credit Document, are not effective without the prior approval of the applicable Gaming Authorities. The certificates or instruments representing or evidencing the Securities Collateral may not be delivered to the Administrative Agent until such approval has been obtained. The approval of the pledge of the Securities Collateral may require amendment of this Agreement to include additional references to regulatory requirements under the Gaming Laws.

(b) In the event that the Administrative Agent exercises one or more of the remedies set forth in this Agreement with respect to any Securities Collateral, including without limitation, foreclosure or transfer of any interest in the Securities Collateral (except back to Grantors), the exercise of voting and consensual rights, and any other resort to or enforcement of the security interest in the Securities Collateral, such action shall require the separate and prior approval of the applicable Gaming Authorities and the licensing of the Administrative Agent, unless such licensing requirement is waived by the applicable Gaming Authorities.

(c) The Administrative Agent and any custodial agent of the Administrative Agent in the jurisdictions of the applicable Gaming Authorities shall be required to comply with the conditions, if any, imposed by the applicable Gaming Authorities in connection with its approval of the pledge granted hereunder by Grantors.

(d) Neither the Administrative Agent nor any agent of the Administrative Agent shall surrender possession of any Securities Collateral to any Person other than Grantors without the prior approval of the applicable Gaming Authorities.

(e) The approval by the applicable Gaming Authorities of this Agreement, or any amendment hereto, is not, and shall not be construed as, the approval, either express or implied, of the Administrative Agent to take any actions provided for in this Agreement for which approval by the applicable Gaming Authorities is required, without first obtaining such prior and separate approval, to the extent required by the Gaming Laws.

## **ARTICLE IX REMEDIES**

**Section 9.01 Remedies.** If any Event of Default shall have occurred and be continuing:

(a) The Administrative Agent may exercise, without any other notice to or demand upon any Grantor, in addition to the other rights and remedies provided for herein or in any other Credit Document or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) and also may:

(i) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Administrative Agent immediately, assemble the Collateral or any part thereof, as directed by the Administrative Agent and make it available to the Administrative Agent at a place and time to be designated by the Administrative Agent;

(ii) without notice except as specified below, sell, resell, assign and deliver or grant a license to use or otherwise dispose of the Collateral or any part thereof, in one or more parcels at public or private sale, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable;

(iii) occupy any premises owned or leased by any of the Grantors where the Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation;

(iv) exercise any and all rights and remedies of any of the Grantors under or in connection with the Collateral, or otherwise in respect of the Collateral, including without limitation, (A) any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Contracts, the Receivables, the Material Contracts, the Specified Hedging Agreements, and the other Collateral, (B) exercise all other rights and remedies with respect to the Receivables, the Material Contracts, the Specified Hedging Agreements and the other Collateral, including without limitation, those set forth in Section 9-607 of the UCC and (C) exercise any and all voting, consensual and other rights with respect to any Collateral; and

(v) with respect to any Grantor's Deposit Accounts in which the Administrative Agent's Liens are perfected by control under Section 9-104 of the UCC, instruct the bank maintaining such Deposit Account for the applicable Grantor to pay the balance of such Deposit Account to or for the benefit of the Administrative, and with respect to any Grantor's Securities Accounts in which the Administrative Agent's Liens are perfected by control under Section 9-106 of the UCC, instruct the securities intermediary maintaining such Securities Account for the applicable Grantor to (A) transfer any cash in such Securities Account to or for the benefit of the Administrative Agent, or (B) liquidate any financial assets in such Securities Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of Agent.

Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. At any sale of the Collateral, if permitted by applicable law, the Administrative Agent may be the purchaser, licensee, assignee or recipient of the Collateral or any part thereof and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price of the Collateral or any part thereof payable at such sale. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent arising out of the exercise by it of any rights hereunder. Each Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. The Administrative Agent shall not be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall it be under any obligation to take any action with regard thereto. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefore, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Administrative Agent shall not be obligated to clean-up or otherwise prepare the Collateral for sale.

(b) All payments received by any Grantor in respect of the Collateral shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over the Administrative Agent in the same form as so received (with any necessary endorsement).

(c) The Administrative Agent may, without notice to any Grantor except as required by law and at any time or from time to time, charge, set off and otherwise apply all or part of the Secured Obligations against any funds deposited with it or held by it.

(d) Upon the written demand of the Administrative Agent, each Grantor shall execute and deliver to the Administrative Agent an assignment or assignments of any or all of the Intellectual Property Collateral and such other documents and take such other actions as are necessary or appropriate to carry out the intent and purposes hereof. Within five (5) Business Days of written notice thereafter from the Administrative Agent, each Grantor shall make available to the Administrative Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of the Event of Default as the Administrative Agent may reasonably designate to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Grantor under the Intellectual Property Collateral, and such persons shall be available to perform their prior functions on the Administrative Agent's behalf.

(e) If the Administrative Agent shall determine to exercise its right to sell all or any of the Securities Collateral of any Grantor pursuant to this Section 9.01, each Grantor agrees that, upon request of the Administrative Agent, such Grantor will, at its own expense:

(i) provide the Administrative Agent with such information and projections as may be necessary or, in the opinion of the Administrative Agent, advisable to enable the Administrative Agent to effect the sale of such Securities Collateral; and

(ii) do or cause to be done all such other acts and things as may be necessary to make such sale of such Securities Collateral or any part thereof valid and binding and in compliance with Applicable Law.

(f) The Administrative Agent is authorized, in connection with any sale of the Securities Collateral pursuant to this Section 9.01, to deliver or otherwise disclose to any prospective purchaser of the Securities Collateral: (i) any registration statement or prospectus, and all supplements and amendments thereto, prepared pursuant to Section 9.01(e); (ii) any information and projections provided to it pursuant to Section 9.01(e), and (iii) any other information in its possession relating to such Securities Collateral.

(g) Each Grantor acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Administrative Agent and the Secured Parties by reason of the failure of such Grantor to perform any of the covenants contained in Section 9.01(e); and consequently, agrees that, if such Grantor shall fail to perform any of such covenants, it will pay, as liquidated damages and not as a penalty, an amount equal to the value of the Securities Collateral on the date the Administrative Agent demands compliance with Section 9.01(e) above.

(h) Each Grantor acknowledges that the Secured Obligations arise out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing, the Administrative Agent shall have the right to seek an immediate writ of possession. The Administrative Agent shall have the right to seek the appointment of a receiver for the properties and assets of each Grantor, and each Grantor hereby consents to such rights.

**Section 9.02**                      **No Waiver and Cumulative Remedies.** The Administrative Agent shall not by any act (except by a written instrument pursuant to Section 10.06), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure on the part of the Administrative Agent to exercise, no course of dealing with respect to, and no delay on the part of the Administrative Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; nor shall the Administrative Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

**Section 9.03**                      **Application of Proceeds** . Upon the exercise by the Administrative Agent of its remedies hereunder, any proceeds received by the Administrative Agent in respect of any realization upon any Collateral shall be applied, together with any other sums then held by the Administrative Agent pursuant to this Agreement, in accordance with the Loan Agreement. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Administrative Agent to collect such deficiency.

**ARTICLE X**  
**MISCELLANEOUS**

**Section 10.01**                      **Concerning Administrative Agent.**

(a)            **Appointment.** The Administrative Agent has been appointed as Administrative Agent in the Loan Agreement and shall act in accordance with the terms of the Loan Agreement. The Administrative Agent may exercise or refrain from exercising any rights (including making demands and giving notices) and take or refrain from taking any action (including the release or substitution of the Collateral), in accordance with this Agreement and the Loan Agreement. The Administrative Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Administrative Agent may resign and a successor Administrative Agent may be appointed in the manner provided in the Loan Agreement. On the acceptance of appointment as the successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent under this Agreement, and the retiring Administrative Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Administrative Agent.

(b)            **Duty of care.** The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with its own property consisting of similar instruments or interests. Neither the Administrative Agent nor any of the Secured Parties shall have responsibility for (i) ascertaining or taking action whatsoever with regard to any Collateral (including matters relating to the Pledged Stock, whether or not the Administrative Agent or any other Secured Party has or is deemed to have knowledge of such matters) or (ii) taking any necessary steps to preserve rights against any Person with respect to any Collateral.

(c)            **Reliance.** The Administrative Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all matters pertaining to this Agreement and its duties hereunder.

(d)            **Conflict.** If any item of Collateral also constitutes collateral granted to the Administrative Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other document in respect of such collateral, the provisions of this Agreement shall control unless the other deed of trust, mortgage, security agreement, pledge or instrument expressly states otherwise.

**Section 10.02** **Performance By Administrative Agent.** If any Grantor shall fail to perform any covenants contained in this Agreement (including covenants to pay insurance, taxes and claims arising by operation of law in respect of the Collateral and to pay or perform any Grantor obligations under any Collateral) or if any representation or warranty on the part of any Grantor contained herein shall be breached, the Administrative Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may make payments for such purpose; provided, however, that the Administrative Agent shall in no event be bound to inquire into the validity of any tax, Lien, imposition or other obligation which such Grantor fails to pay or perform as and when required hereby and which such Grantor does not contest in accordance with the provisions of the Loan Agreement. Any and all amounts so paid by the Administrative Agent shall be reimbursed by the Grantors in accordance with the provisions of Section 10.08. Neither the provisions of this Section 10.02 nor any action taken by the Administrative Agent pursuant to the provisions of this Section 10.02 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of representation or warranty from constituting an Event of Default.

**Section 10.03** **Power of Attorney.** Each Grantor hereby appoints the Administrative Agent its attorney-in-fact, with full power and authority in the place and stead of such Grantor and in the name of such Grantor, or otherwise, from time to time during the existence of an Event of Default in the Administrative Agent's discretion to take any action and to execute any instrument consistent with the terms of the Loan Agreement and the other Credit Documents which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof (but the Administrative Agent shall not be obligated to and shall have no liability to such Grantor or any third party for failure to so do or take action). Except where prior notice is expressly required by the terms of this Agreement, the Administrative Agent shall use commercially reasonable efforts to provide notice to the Grantor prior to taking any action taken in the preceding sentence, provided, that failure to deliver such notice shall not limit the Administrative Agent's right to take such action or the validity of any such action. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

**Section 10.04** **Continuing Security Interest and Assignment.** This Agreement shall create a continuing security interest in the Collateral and shall (a) be binding upon the Grantors, their respective successors and assigns and (b) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent and the other Secured Parties and each of their respective permitted successors, transferees and assigns and their respective officers, directors, employees, affiliates, agents, advisors and controlling Persons; provided, that no Grantor shall assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent and any attempted assignment or transfer without such consent shall be null and void. Without limiting the generality of the foregoing clause (b), any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the Loan Agreement and, in the case of a Secured Party that is a party to a Specified Hedging Agreement, such Specified Hedging Agreement.

**Section 10.05** **Termination and Release.**

(a) At such time as the Loans and the other Secured Obligations shall have been paid in full (other than contingent indemnification obligations in which no claim has been made or is reasonably foreseeable) and the Commitments have been terminated, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or any further action by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.



(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Loan Agreement, then the Lien created pursuant to this Agreement in such Collateral shall be released, and the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases and other documents reasonably necessary or advisable for the release of the Liens created hereby on such Collateral; provided, that the Borrower shall provide to the Administrative Agent evidence of such transaction's compliance with the Loan Agreement and the other Credit Documents as the Administrative Agent shall reasonably request. At the request and sole expense of the Borrower, a Grantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Grantor are sold, transferred or otherwise disposed of in a transaction permitted by the Loan Agreement; provided, that the Borrower shall have delivered to the Administrative Agent, at least ten (10) Business Days (or such shorter period reasonably acceptable to the Administrative Agent) prior to the date of the proposed release, a written request for release identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Loan Agreement and the other Credit Documents.

**Section 10.06** **Modification in Writing.** None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by any Grantor therefrom shall be effective, except by a written instrument signed by the Administrative Agent in accordance with the terms of the Loan Agreement. Any amendment, modification or supplement of any provision hereof, any waiver of any provision hereof and any consent to any departure by any Grantor from the terms of any provision hereof in each case shall be effective only in the specific instance and for the specific purpose for which made or given. This Agreement shall be construed as a separate agreement with respect to each Grantor and may be amended, modified, supplemented, terminated or waived with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder.

**Section 10.07** **Notices.** Unless otherwise provided herein, any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Loan Agreement, and, as to any Grantor, addressed to it at the address of the Grantor set forth in Schedule 1 hereof and as to the Administrative Agent, addressed to it at the address set forth in the Loan Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party.

**Section 10.08** [Reserved.]

**Section 10.09** **Governing Law, Consent to Jurisdiction and Waiver of Jury Trial.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to any choice or conflict of law provision or rule of any jurisdiction that would cause the application of laws of any jurisdiction other than those of the State of California. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the courts of the State of California or in the United States of America for the Central District of California, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The parties irrevocably and unconditionally (i) waive any objection to the laying of venue of any suit, action or any proceeding in such courts and (ii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party hereto. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth in Schedule 12.02 of the Loan Agreement shall be effective service of process for any suit, action or other proceeding brought in any such court. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

**Section 10.10 Severability of Provisions.** Any provision hereof which is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity, legality or enforceability of such provision in any other jurisdiction.

**Section 10.11 Counterparts; Integration; Effectiveness.** This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. This Agreement and the other Credit Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. This Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof signed by each of the other parties hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (*i.e.* "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

**Section 10.12 No Release.** Nothing set forth in this Agreement or any other Credit Document, nor the exercise by the Administrative Agent of any of the rights or remedies hereunder, shall relieve any Grantor from the performance of any term, covenant, condition or agreement on such Grantor's part to be performed or observed in respect of any of the Collateral or from any liability to any Person in respect of any of the Collateral or shall impose any obligation on the Administrative Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Grantor's part to be so performed or observed or shall impose any liability on the Administrative Agent or any other Secured Party for any act or omission on the part of such Grantor relating thereto or for any breach of any representation or warranty on the part of such Grantor contained in this Agreement, the Loan Agreement or the other Credit Documents, or in respect of the Collateral or made in connection herewith or therewith. Anything herein to the contrary notwithstanding, neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any contracts, agreements and other documents included in the Collateral by reason of this Agreement, nor shall the Administrative Agent or any other Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral. The obligations of each Grantor contained in this **Section 10.12** shall survive the termination hereof and the discharge of such Grantor's other obligations under this Agreement, the Loan Agreement and the other Credit Documents.

**Section 10.13 Obligations Absolute.** Each Grantor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. All obligations of each Grantor hereunder shall be absolute and unconditional irrespective of:

- (a) any illegality or lack of validity or enforceability of any Secured Obligation or any Credit Document or any related agreement or instrument;
- (b) any change in the time, place or manner of payment of, or in any other term of, the Secured Obligations or any other obligation of any Credit Party under any Credit Document, or any rescission, waiver, amendment or other modification of any Credit Document or any other agreement, including any increase in the Secured Obligations resulting from any extension of additional credit or otherwise;
- (c) any taking, exchange, substitution, release, impairment or non-perfection of any Collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for the Secured Obligations;
- (d) any manner of sale, disposition or application of proceeds of any Collateral or any other collateral or other assets to all or part of the Secured Obligations;
- (e) any default, failure or delay, willful or otherwise, in the performance of the Secured Obligations;
- (f) any change, restructuring or termination of the corporate structure, ownership or existence of any Credit Party or any of its Subsidiaries or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or its assets or any resulting release or discharge of any Secured Obligations;
- (g) any failure of any Secured Party to disclose to any Credit Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Credit Party now or hereafter known to such Secured Party; each Grantor waiving any duty of the Secured Parties to disclose such information;
- (h) the failure of any other Person to execute or deliver this Agreement, any Joinder Agreement or any other agreement or the release or reduction of liability of any Grantor or other grantor or surety with respect to the Secured Obligations;
- (i) the failure of any Secured Party to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Credit Document or otherwise;
- (j) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Borrower against any Secured Party; or
- (k) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Loans or any existence of or reliance on any representation by any Secured Party that might vary the risk of any Grantor or otherwise operate as a defense available to, or a legal or equitable discharge of, any Credit Party or any other guarantor or surety.

**Section 10.14** **Keepwell.** Each Qualified Counterparty hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified Counterparty shall only be liable under this Section 10.14 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.14, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified Counterparty under this Section 10.14 shall remain in full force and effect until the termination of this Agreement pursuant to Section 10.05. Each Qualified Counterparty intends that this Section 10.14 constitute, and this Section 10.14 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

**GALAXY GAMING, INC.**, a Nevada corporation,  
as a Grantor

By: /s/ Robert Saucier  
Name: Robert Saucier  
Title: CEO

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AGREED TO AND ACCEPTED:

**BREAKAWAY CAPITAL MANAGEMENT, LLC**, a Delaware  
limited liability company,  
as the Administrative Agent

By: /s/ Michael Connolly  
Name: Michael Connolly  
Title: Authorized Signatory

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## **Galaxy Gaming Announces the Completion of a \$10.5 Million Term Loan Which Refinances Existing Long-Term Debt**

LAS VEGAS, August 29, 2016 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTC: GLXZ), announced today that it has successfully completed the closing of a new \$10.5 million Term Loan that matures in August 2021.

The new \$10.5m Term Loan refinances the existing long-term debt outstanding which originated due to the 2011 asset purchase of Prime Table Games. The Term Loan was placed with Breakaway Capital Management, LLC an institutional lender and will include a six-month interest only period, then amortizing at 10% per year until maturity. The refinancing transaction will reduce the Company's debt service payments and yield approximately \$2.9 million of additional cash flow in the first twelve months alone. The Company will utilize the additional cash flow for working capital purposes including, but not limited to, investment in research & development initiatives and expansion of its worldwide salesforce. The Company was advised by Union Gaming Securities and Cascadia Capital.

In commenting on the transaction, Gary A. Vecchiarelli, the Company's Chief Financial Officer said "I am pleased to announce this refinancing which will enhance our cash flow and allow us to reinvest in our business. This recapitalization of the balance sheet will open up many opportunities for us to bring innovations to the market and accelerate our expansion strategy." Mr. Vecchiarelli continued, "since the 2011 acquisition, we have aggressively paid down over 50% of the original balance, which is a testament to how profitable our business model is."

Robert B. Saucier, the Company's Chief Executive Officer commented, "This is a historic moment for Galaxy Gaming. Five years ago, our Company acquired certain strategic assets from Prime Table Games for \$23 million. That important acquisition served as a catalyst for our growth, allowing us to quadruple our recurring revenues. Using rocket ship analogies, the Prime Table Game acquisition was a critical first-stage launch sending us upward at an accelerated rate. This current contribution by Breakaway Capital is expected to act as an important second-stage catalyst, propelling us to achieve even higher altitudes at an increased velocity. As we continue our journey toward the stars, we are truly excited about our fiscal ability to support our new growth initiatives."

Mr. Saucier concluded, "Speaking for all of our team members, I want to sincerely thank the principals at both Prime Table Games and Breakaway Capital for their support and continuing confidence in us."

Mike Connolly, Founder and General Partner of Breakaway Capital commented "Galaxy Gaming's recurring business model and unique position in the marketplace are what attracted us to the opportunity. We are happy to partner with Galaxy and help take their operations and strategy to the next level."

More details regarding the refinancing transaction can be found in the Company's Form 8-K filing with the U.S. Securities and Exchange Commission. The Form 8-k can be found on the Company's website at: <http://ir.galaxygaming.com/all-sec-filings>.

The Company will host an investor teleconference and webcast to discuss the refinancing transaction and the Company's financial results for the quarter and six months ended June 30, 2016. Details for the call, which is scheduled to include a web presentation, are as follows:

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## **Conference Call**

**When:** Tuesday, August 30<sup>th</sup> at 1:00pm Pacific Time (4:00pm Eastern)

**US/Canada:** (877) 627-6582

**International:** (719) 325-4886

**Passcode:** 9838092

**Web Presentation:** <http://ir.galaxygaming.com/>

## **About Galaxy Gaming**

Headquartered in Las Vegas, Galaxy Gaming ([www.galaxygaming.com](http://www.galaxygaming.com)) develops, manufactures and distributes innovative proprietary table games, state-of-the-art electronic wagering platforms and enhanced bonusing systems to land-based, riverboat, cruise ships and online casinos worldwide. Through its iGaming partner, Games Marketing, Ltd., Galaxy Gaming licenses its proprietary table games to the online gaming industry. The Company is also expanding its global presence through its partnership with WPT Enterprises, Inc., owner of the World Poker Tour. Galaxy Gaming is also the exclusive provider of SpectrumVision, a proprietary technology used to detect invisible markings on playing cards. Galaxy's games can be played online at [FeelTheRush.com](http://FeelTheRush.com). Connect with Galaxy on Facebook, YouTube and Twitter.

*This press release may contain "forward looking" statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and is subject to the safe harbors created thereby. Forward looking statements are subject to change and involve risks and uncertainties that could significantly affect future results, including those risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. Although the Company believes any expectations expressed in any forward looking statements are reasonable, future results may differ materially from those expressed in any forward looking statements. The Company undertakes no obligation to update the information in this press release except as required by law and represents that the information speaks only as of today's date.*

## **Contact:**

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(702) 939-3254

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