

11-06-1998



100870896

U.S. Department of Commerce  
Patent and Trademark Office  
**PATENT**

VAI-1, VAI-1-CON,  
VAI-7, VAI-11

**RECORDATION FORM COVER SHEET**  
**PATENTS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

**Submission Type**

☒ New  
☐ Resubmission (Non-Recordation)  
Document ID#   
☐ Correction of PTO Error  
Reel #  Frame #   
☐ Corrective Document  
Reel #  Frame #

**Conveyance Type**

☒ Assignment ☐ Security Agreement  
☐ License ☐ Change of Name  
☐ Merger ☐ Other   
**U.S. Government**  
(For Use ONLY by U.S. Government Agencies)  
☐ Departmental File ☐ Secret File

**Conveying Party(ies)**

☐ Mark if additional names of conveying parties attached  
Execution Date  
Month Day Year  
10 23 98

Name (line 1) Vegas Amusement, Incorporated

Name (line 2)

**Second Party**

Name (line 1)

Name (line 2)

Execution Date  
Month Day Year

**Receiving Party**

☐ Mark if additional names of receiving parties attached

Name (line 1) Mandino Trading Limited

Name (line 2)

Address (line 1) 14 New Street, St. Peter Port

Address (line 2)

Address (line 3) Guernsey

Channel Islands

GY1 4LE

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**PATENT**  
**REEL: 9556 FRAME: 0178**

**Correspondent Name and Address**

Area Code and Telephone Number 864-271-1592

Name Lloyd G. Farr, Esquire DORITY & MANNING, P.A.

Address (line 1) P. O. Box 1449

Address (line 2) Greenville, SC 29602-1449

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

# 6

**Application Number(s) or Patent Number(s)**

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

**Patent Application Number(s)**

08/862,444 08/903,086 08/885,276

**Patent Number(s)**

5,688,174

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

**Patent Cooperation Treaty (PCT)**

Enter PCT application number  
only if a U.S. Application Number  
has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

**Number of Properties**

Enter the total number of properties involved.

# 4

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$ 160.00

Method of Payment:  
Deposit Account

Enclosed ☒

Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

# 04-1403

Authorization to charge additional fees:

Yes

☒

No

☐

**Statement and Signature**

*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.*

Lloyd G. Farr

Name of Person Signing

[Signature]

Signature

10/23/98

Date

VAI-1, VAI-1-CON  
VAI-7, VAI-11

# AGREEMENT OF SALE

between

## MANDINO TRADING LIMITED

of 14 New Street, St Peter Port, Guernsey GY1 4LE, Channel Islands  
hereinafter referred to as "MANDINO"

and

## VEGAS AMUSEMENT, INCORPORATED

of 2819 Old Buck Creek Road, Longs, SC29568,  
United States of America  
hereinafter referred to as "VEGAS"

### THE PARTIES AGREE AS FOLLOWS:

1. VEGAS is the owner of intellectual property identified in Schedule 1 hereto and Trademarks, Trademarks pending and Domain Names identified in Schedule 2 hereto ("the INTELLECTUAL PROPERTY").
2. MANDINO wishes to purchase the INTELLECTUAL PROPERTY from VEGAS subject to the terms and conditions contained herein.
3. MANDINO wishes to exploit the INTELLECTUAL PROPERTY inter alia by granting licences thereunder to third parties and by dealing in equipment which may be based on the use of the INTELLECTUAL PROPERTY.

### SALE

4. VEGAS hereby sells to MANDINO and MANDINO hereby purchases from VEGAS the INTELLECTUAL PROPERTY.
5. MANDINO shall be entitled at its expense to record itself as the owner of the INTELLECTUAL PROPERTY, where applicable, at any relevant authority throughout the world. VEGAS undertakes to sign all documentation which may be necessary to give effect to the provisions of this clause.
6. MANDINO undertakes, to the extent that may be applicable, to do all things which may be necessary in order to maintain the INTELLECTUAL PROPERTY in force including, as the case may be, the prosecution of patent applications, the payment of renewal fees and all allied activities. If MANDINO fails or neglects for whatever reason, without reasonable cause, to maintain any of the INTELLECTUAL PROPERTY in force then VEGAS shall be entitled to take whatever steps are

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necessary to maintain such INTELLECTUAL PROPERTY in force and to recover the cost incurred in connection therewith from MANDINO.

7. MANDINO shall not be entitled to abandon any of the INTELLECTUAL PROPERTY without the prior written consent of VEGAS which consent will not unreasonably be withheld.

8. MANDINO shall not be entitled to sell or otherwise transfer any of the INTELLECTUAL PROPERTY to a third party without the prior written consent of VEGAS. The provisions of this clause shall not however be construed as constraining MANDINO from granting a licence under any of the INTELLECTUAL PROPERTY to a third party.

#### PURCHASE PRICE

The purchase price payable by MANDINO to VEGAS for the INTELLECTUAL PROPERTY is: a) the sum of US\$ 700 000,00 (Seven Hundred Thousand.)

b) should the game Bonus Blackjack and related patents pending be coupled to the existing US Jones patents and be leased together to casino's as a live table game, the following will be payable by MANDINO to VEGAS:

No. of Tables Leased	Payment Due
100	US\$ 50 500,00
250	US\$125 500,00
500	US\$225 000,00
1000	US\$375 000,00

c) should the VOS technology be implemented into the manufacturing and selling of video gaming machines, the following will be payable by MANDINO to VEGAS:

No. of Games using VOS.	Payment Due.
1000	US\$ 75 000,00
5000	US\$ 150 000,00
10 000	US\$ 225 000,00
20 000	US\$ 375 000,00

10. The purchase price shall be payable by MANDINO to VEGAS in instalments with each instalment falling due for payment each year two months after the end of MANDINO's financial year which, it is recorded, is the end of 28 February each year.

11. Each instalment payable in terms of clause 10 shall be equal to forty percent (40%) of MANDINO's NET PROFITS for the financial year in question. As used herein "NET PROFITS" shall mean the audited net profit of MANDINO, as certified by MANDINO's auditors at the time, based on MANDINO's financial records and taking into account generally accepted accounting practices which are applied by MANDINO's auditors.

12. VEGAS shall not be entitled to claim payment of any portion of the purchase price other than from MANDINO's NET PROFITS as provided for in clause 11.

13. Any value added tax or payment of a similar fiscal nature which may be payable in respect of the purchase price shall be payable by MANDINO.

14. Until such time as the purchase price has been fully paid by MANDINO the INTELLECTUAL PROPERTY is hereby ceded to VEGAS as security for MANDINO's indebtedness to VEGAS in respect of the purchase price. Such cession shall immediately cease, and be of no further force and effect, once MANDINO has paid the purchase price to VEGAS.

#### EXCLUSIVE DEVELOPMENT FOR THE VOS SYSTEM.

15. MANDINO hereby grants an exclusive agreement to CRIMSON MULTIMEDIA, INC. for the



development of multi player CARD GAME SOFTWARE for the VOS system. CRIMSON warrants that it is capable of developing, supporting, upgrading, maintaining and enhancing the software for the VOS system and of ensuring that the SOFTWARE is capable of satisfactory operation at all times.

#### EXCLUSIVE RIGHTS FOR SOUTH CAROLINA

16. Vegas shall be granted the exclusive rights to the INTELLECTUAL PROPERTY for the State of South Carolina, USA.

#### ACCOUNTING RECORDS

17. Mandino shall keep full, true, and accurate books of accounts and records in accordance with generally accepted accounting practice containing all particulars that may be necessary for the purpose of showing the amount of considerations payable to Vegas in terms of this Agreement.


Mandino shall permit Vegas on reasonable prior notice, and at anytime during business hours to examine all of the aforementioned books of account and records (but limited to books of accounts and records relating to the contents and intellectual property contained in this agreement) to determine whether all appropriate accounting of considerations hereunder and payment thereof have been made.

#### LAW

18. The provisions of this Agreement shall be governed by English Law.

#### DISPUTES

19. Any dispute which may arise between the parties relating to the operation or interpretation of, or in any other way to, this Agreement shall, at the request of either party, be finally resolved by an arbitrator appointed for the purpose by the auditors of MANDINO at the time. The arbitrator shall resolve the dispute in an informal manner taking into account all relevant circumstances and shall be entitled to call for evidence from the parties and to cross-examine the parties and their officers and employees. The arbitrator's decision shall be final and binding on the parties and may be made an order of court.



DATED at

this

day of

1998



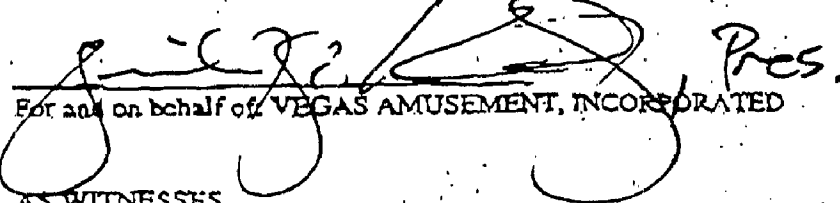
For and on behalf of: MANDINO TRADING LIMITED

AS WITNESSES:

\_\_\_\_\_

\_\_\_\_\_

DATED at Longs, SC this 23<sup>rd</sup> day of October, 1998

  
For and on behalf of: VEGAS AMUSEMENT, INCORPORATED

AS WITNESSES

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# SCHEDULE 1.

## Patents

### File Number

### Status

### Title

- |   |  |
|---|--|
| 1. VAI-1 (U.S.)<br>Patent, Issued 11/18/97<br>08/540328<br>U.S. # 5,688,174 | Multiplayer Interactive Video Game             |
| 2. VAI-1-Cont. (U.S.)<br>Filed and Pending<br>08/862444                     | Multiplayer Interactive Video Gaming Device    |
| 3. VAI-1-NAM(Namibia)<br>Patent, Issued 1/23/97                             | Multiplayer Interactive Video Gaming Device    |
| 4. VAI-2 (U.S.)<br>On Hold: Not yet Prepared                                | Multiplayer Interactive Horse Race Game        |
| 5. VAI-7 (U.S.)<br>Filed and Pending<br>08/885,276<br>June 30,1997          | Multiplayer Interactive Video Gaming Device    |
| 6. VAI-7-SA (RSA)<br>Filed and Pending<br>97/7451<br>August 19, 1997        | Multiplayer Interactive Video Gaming Device    |
| 7. VAI-11 (U.S.)<br>Filed and Pending<br>08/903086<br>July 30,1997          | Multiplayer Interactive Video Card Game Device |
| 8. VAI-11-SA (RSA)<br>Filed and Pending<br>978929<br>October 6,1997         | Multiplayer Interactive Video Card Game Device |
| 9. VAI-14-P (U.S.)<br>FILED AND PENDING                                     | Card Game Using Card Designs                   |
| * 10. VAI-14-SA (RSA)<br>NOT YET FILED                                      | Card Game Using Card Designs                   |
| 11. VAI-15-P (U.S.)<br>FILED AND PENDING                                    | Gaming Machine Reporting and Control System    |
| * 12. VAI-15-SA (RSA)<br>NOT YET FILED                                      | Gaming Machine Reporting and Control System    |

\* AWAIT INSTRUCTIONS FROM MR. JAMES KENNEDY

# Trademarks

<u>File Number</u>	<u>Trademark</u>	<u>Status</u>
1. VAI-8-TM (U.S.); 75/373687	Bonus Blackjack™	Filed October 13, 1997; Amendment to allege use April 23, 1998
2. VAI-8-SA (RSA); 9614676	Bonus Blackjack™	Filed October 15, 1996; Pending
3. VAI-9-TM (U.S.); 75/204714	VOSTM (Vegas Operating System)	Filed 1996; Notice of Allowance January 27, 1998;
4. VAI-9-SA (RSA); 9614678	VOSTM (Vegas Operating System)	Filed October 15, 1996; Pending