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

PATENT FORM 10-1595

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

Tab settings ⇌ ⇌ ⇌ ▼

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

1. Name of conveying party(ies):

Gulf Coast Gaming Corp.

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

3. Nature of conveyance:

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

Execution Date: 1/24/2000

2. Name and address of receiving party(ies)

Name: Lakes Entertainment, Inc.

Internal Address: \_\_\_\_\_

Street Address: 130 Cheshire Lane

City: Minnetonka State: MN Zip: 55305

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

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

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

A. Patent Application No.(s) 09/130259

B. Patent No.(s) 5,865,437

09/246651

5,964,463

Additional numbers attached? ☐ Yes ☒ No

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

Name: John W. Provo

Internal Address: Maslon Edelman Borman

& Brand, LLP

Suite 3300, Wells Fargo Center

Street Address: 90 S. 7th Street

City: Minneapolis State: MN Zip: 55402

6. Total number of applications and patents involved: 4

7. Total fee (37 CFR 3.41).....\$ 120.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

N/A

DO NOT USE THIS SPACE

9. Signature.

John W. Provo

Name of Person Signing

[Signature]  
Signature

12/10/02

Date

Total number of pages including cover sheet, attachments, and documents: 36

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

01/31/2003 ECDOPER 00000085 09130259

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160.00 DP

PATENT  
REEL: 013699 FRAME: 0594

## OPTION AGREEMENT

This Option Agreement made as of this 24<sup>th</sup> day of January, 2000 by and among Gulf Coast Gaming Corporation, an Alabama corporation ("GCGC"), and Four the Money, Inc. ("FTM"), an Alabama corporation, and Lakes Gaming, Inc., a Minnesota corporation ("Lakes").

### WITNESSETH

WHEREAS, GCGC has agreed to give Lakes an option (the "Option") beginning January 24, 2000 and ending on January 24, 2002 to purchase GCGC's entire right, title and interest in and to the patents and other intellectual property described on Exhibit A hereto (the "Exclusive Technologies"), and the intellectual property described on Exhibit B hereto (the "Shared Technologies" and together with the Exclusive Technologies, the "Optioned Technologies").

WHEREAS, Lakes desires to purchase the Option.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Terms and Conditions of Option. The aggregate purchase price for the Optioned Technologies is \$450,000.00. All option payments under Sections 1.1, 1.2, 1.3 and 1.4 will reduce the \$450,000.00 total purchase price for the Optioned Technologies.
  - 1.1 Initial Option Term. GCGC hereby grants Lakes an option beginning on January 24, 2000 and ending on January 24, 2001 ( the "Initial Option Term") to purchase the Optioned Technologies. The parties acknowledge that simultaneously with the exercise of this Agreement Lakes has paid GCGC the sum of \$50,000.00 in consideration of the Initial Option Term.
  - 1.2 First Extended Term. Lakes may extend the Initial Option Term for an additional six (6) months by paying GCGC an additional sum of \$50,000.00 on or prior to January 24, 2001. Upon payment of such amount the term of the Option shall be extended to June 24, 2001 (the "First Extended Term").
  - 1.3 Second Extended Term. Lakes may further extend the First Extended Term for an additional six (6) months by paying GCGC an additional sum of \$50,000.00 on or prior to June 24, 2001. Upon payment of said amount the term of the Option shall be extended to January 24, 2002 the ("Second Extended Term").

1.4 Exercise of Option. In order to exercise the Option, Lakes must deliver to GCGC, on or prior to January 24, 2002, written notice of exercise of the Option (the "Option Exercise Notice"). Within seven (7) days after receipt by GCGC of the Option Exercise Notice, (i) Lakes will pay GCGC the difference between \$450,000 and all amounts previously paid to GCGC hereunder for the Initial Option Term and any Extended Term (the "Final Payment"), and (ii) GCGC will execute the Bill of Sale and Assignment substantially in the form attached hereto as Exhibit C (the "Bill of Sale") with such changes to any representations and warranties set forth therein as are necessary and the assignment documents or other documents required to record the transaction with the United States Patent and Trademark Office and the Noncompetition Agreement substantially in the form of Exhibit D hereto (the "Noncompetition Agreement"). Lakes and GCGC shall mutually agree on a time and place for simultaneous tender of the Final Payment, the Bill of Sale and the Noncompetition Agreement.

1.5 No other Option Extensions. No other option extensions shall be possible hereunder unless the parties agree thereto in writing.

1.6 TTH/HRM. Park Place Entertainment Casinos, Inc. ("Park Place") has an option to purchase from GCGC two technologies described on Exhibit A-1 hereto and referred to as "High Roller of the Month ("HRM") and Target Three Hundred ("TTH") within thirty (30) days after their approval by the Mississippi Gaming Commission (the "PPE Option Period"). If Park Place does not exercise its option to purchase TTH and HRM during the PPE Option Period, then Lakes shall have the right and option to purchase HRM and TTH within thirty (30) days after it has been notified that Park Place has declined to exercise its option to purchase HRM and TTH. In the event Lakes elects to exercise the option granted in this Section 1.6 to purchase HRM and TTH, Lakes will notify GCGC and will pay Walter McKean, CPA, President of GCGC, within ten days after such notification the sum of \$165,000 (the "HRM/TTH Payment") in full payment for HRM and TTH and GCGC will execute the Bill of Sale and Assignment substantially in the form attached hereto as Exhibit E and the Noncompetition Agreement substantially in the form attached hereto as Exhibit F.

2. Use of Optioned Technologies. So long as Lakes has made the payments in a timely manner as required under Section 1 hereunder, Lakes may implement, test, use, license to others and/or apply to register any patents, copyrights, trademarks and/or other intellectual property rights in the Optioned Technologies. Lakes may, in its sole discretion, use the trade names previously used and/or any other name of its choice incorporating the features of the Optioned Technologies and may elect which patents, trademarks and copyrights to pursue according to its own discretion and at

its own cost. Any applications applied for by Lakes with respect to the Optioned Technologies will be assigned to GCGC on an "as is" basis, and without representation or warranty of any kind if Lakes fails to exercise the Option granted hereunder.

3. Representations and Warranties of GCGC. GCGC represents and warrants to the best of its knowledge to Lakes on the date hereof as follows:

- 3.1 Title to Exclusive Technologies. GCGC has good and marketable title to the Exclusive Technologies, free and clear of any mortgages, liens, security interests, pledges or rights of any other parties except as set forth on Schedule 3.1 hereto. The Card Game Patent and the GCGC Patent (both defined on Exhibit A) have been duly filed and issued. The Second Card Game Patent Application (as defined on Exhibit A) has been duly filed.
- 3.2 Title to Shared Technologies. GCGC has good and marketable title to the Shared Technologies free and clear of any mortgages, liens, security interests, pledges or rights of any other parties except the rights of FTM with respect to the Shared Technologies and except as set forth on Schedule 3.1. The Third Dice Game Patent Application (as defined on Exhibit B) has been duly filed.
- 3.3 No Title to Excluded Technologies. GCGC has no right, title or interest to the intellectual property described on Exhibit G (the "Excluded Technologies")
- 3.4 GCGC. GCGC is a corporation duly organized and existing and in good standing under the laws of the State of Alabama. GCGC has full power and authority to convey the Option and all corporate and other proceedings necessary to be taken by GCGC in connection with the transactions provided for by this Agreement and necessary to make the same effective have been duly and validly taken, and this Agreement has been duly and validly executed and delivered by GCGC and constitutes a valid and binding obligation of GCGC enforceable against GCGC in accordance with its terms.
- 3.5 Use of Optioned Technologies. GCGC has the right and authority to use the Optioned Technologies in the manner presently conducted, and to the knowledge of GCGC, GCGC has not received notice that such use conflicts with, infringes upon or violates any rights of any other person, firm or corporation.
- 3.6 Litigation. There are no claims, actions, suits, proceedings or investigations (whether or not purportedly on behalf of GCGC) pending or threatened against or affecting GCGC or the Optioned Technologies, at law or in equity

or before or by any federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign, nor has any such action, suit, proceeding or investigation been pending during the 12-month period preceding the date hereof; and GCGC is not operating under or subject to, or in default with respect to, any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign.

- 3.7 Compliance with Laws. GCGC has complied with, and the Optioned Technologies comply with, all applicable laws, regulations and orders applicable. The present uses by GCGC of the Optioned Technologies do not violate any such laws, regulations and orders.
- 3.8 Intellectual Property. The Optioned Technologies constitute all intellectual property owned by GCGC which is, individually or in the aggregate necessary for use and operation of the games embodied in the Optioned Technologies.
- 3.9 No Conflict. The execution of this Agreement and the consummation of the transactions contemplated hereby do not and will not (a) constitute a breach or default under any agreement or instrument to which GCGC is a party except that Park Place currently has an option to purchase HRM and TTH, a feature of HRM, both of which may be embodied in the Exclusive Technologies, (b) violate any order, writ, injunction or decree of any court, administrative agency or governmental body, or (c) conflict with or result in the breach of the terms, conditions or provision of the Articles of Incorporation or Bylaws of GCGC. GCGC has no knowledge of any infringement of other patents or copyrights by its Optioned Technologies. Notwithstanding the foregoing, GCGC has made no review of the patents and claims involving the Caribbean Stud Casino Game and makes no representations and warranties with respect thereto.
- 3.10 Brokers. No finder, broker, agent or other intermediary has acted for or on behalf of GCGC in connection with the negotiation or consummation of this Agreement or the transactions contemplated thereby.
- 3.11 Definition of Knowledge. Whenever used herein, the term "knowledge" with respect to any subject matter shall mean the actual knowledge of Naif M. Moore, Jr. and any of the officers and directors of GCGC including the following: Walter McKean, John Green and William Hodge.

4. Representations and Warranties of FTM. FTM represents and warrants to the best of its knowledge to Lakes on the date hereof as follows:
- 4.1 Authority. All corporate and other proceedings necessary to be taken by FTM in connection with the transactions provided for by this Agreement and necessary to make the same effective have been duly and validly taken, and this Agreement has been duly and validly executed and delivered by FTM and constitutes a valid and binding obligation of FTM enforceable against FTM in accordance with its terms.
- 4.2 Title. FTM has no right, title or interest in the Exclusive Technologies.
5. Covenants of GCGC. GCGC covenants and agrees with Lakes that GCGC has not and will not during the Initial Option Period or any Extended Option Period enter into any written license, contract to sell, or assignment, or have any other understanding with any party other than Lakes with respect to the Optioned Technologies.
6. "As Is". Lakes acknowledges that except as expressly set forth in this agreement, in the event it exercises the Option, it is buying the rights "as is" from its review of the Optioned Technologies, and GCGC makes no warranties express or implied other than as expressly set forth in this Agreement and the Bill of Sale.
7. Failure to Exercise Option by Lakes. GCGC further understands and agrees that Lakes has the right to decline to exercise the Option. In such event:
- (a) Lakes shall have no further rights to implement, test, license to other and/ or use the Exclusive Technologies, including rights to video (slots) wheels, etc., relating thereto, and the Card Game Patent, the GCGC Patent, and the Second Card Game Patent Application and other Patent applications relating thereto and any extensions or continuations thereof, including copyrights and trademarks relating thereto.
- (b) In the event Lakes has not exercised an option to purchase the non-exclusive right of FTM to the Shared Technologies, Lakes shall have no further rights with respect to the Shared Technologies.
- (c) GCGC shall retain its right, title and interest in the Optioned Technologies.
8. Indemnification. GCGC agrees to indemnify and hold Lakes harmless against any and all claims, liabilities and obligations, including any expense incurred in defending such matters arising out of or relating to allegations which, if true, would

constitute a breach by GCGC of any of the representations set forth in this Agreement.

9. Procedure for Indemnification with Respect to Third-Party Claims. In the event Lakes becomes involved in any legal, governmental or administrative proceedings which may result in Lakes making indemnification claims hereunder, Lakes shall notify GCGC in writing within ten (10) business days of Lakes's receiving notice of such proceeding and in full detail of the filing, and the nature of such proceeding. If requested by Lakes, GCGC shall defend any such proceeding if the proceeding would give rise to an indemnification obligation hereunder. If GCGC is required to defend any proceeding, it shall have full control over the conduct of such proceeding, although Lakes shall have the right to retain legal counsel at its own expense and shall have the right to approve any settlement of any dispute giving rise to such proceeding.
10. Survival of Representations and Warranties. All representations and warranties herein made shall survive during the term of the Option and in the event the Option is not exercised for a period of One (1) year thereafter. In the event the Option is exercised by Lakes hereunder the Bill of Sale shall govern GCGC's indemnification obligations after execution of such Bill of Sale.
11. Further Assurances. GCGC covenants and agrees to cooperate with Lakes whereby Lakes may enjoy to the fullest extent the right, title and interest to be conveyed in the event Lakes exercises the Option. GCGC's cooperation shall include:
  - (a) Prompt execution of all papers that are deemed necessary or desirable by Lakes to perfect the right, title and interest herein conveyed, including execution by GCGC of any documents necessary to pursue the Optioned Technologies.
  - (b) Prompt execution of all petitions, oaths, specifications, declarations or other papers that are deemed necessary or desirable by Lakes for prosecuting the applications specifically identified herein, for filing and prosecuting substitute, divisional, continual, or additional applications in the United States and/or foreign countries covering the Optioned Technologies and/or any improvements developed by Lakes thereto, for filing and prosecuting applications for re-issuance of letters patent included herein, or for interference proceedings involving the Optioned Technologies and/or any improvements developed by Lakes thereto.
  - (c) Prompt assistance and cooperation in the prosecution of legal proceedings involving the Optioned Technologies and/or any improvements developed by Lakes thereto, the applications and patents granted hereon,

including opposition, cancellation proceedings, priority contest, public use proceedings and court action; provided, however, that the expense that may be incurred by GCGC in lending such assistance and cooperation will be paid by Lakes. Provided further, that GCGC shall inform Lakes and receive approval for all of these expenses prior to incurring the same if any expenses are incurred prior to the exercise of the option.

12. Notices. All notices and communications to be given under this Agreement shall be in writing and given by (i) overnight courier service guaranteeing next business day delivery, or (ii) telecopier or facsimile transmission; provided, however, that if such communication is given by telecopier or facsimile transmission, an original counterpart of such communication shall be concurrently sent in the manner specified in clause (i) above.
13. Notice Addresses. All such communications shall be sent, until otherwise specified, in a written notice given in the manner specified in this section to the following addresses:

FOUR THE MONEY, INC.  
1910 28<sup>th</sup> Avenue South  
Birmingham, AL 35209-2604

GULF COAST GAMING CORPORATION  
c/o Walter McKean  
McKean & Associates  
3224 Executive Park Circle  
Mobile, AL 36606

LAKES GAMING, INC.  
130 Cheshire Lane  
Minnetonka, MN 55305

with a copy to:

Maslon Edelman Borman & Brand  
3300 Norwest Center  
Minneapolis, MN 55402  
Attention: Terri Krivosha

14. MISCELLANEOUS

- 14.1 The terms, covenants and provisions of this agreement shall inure to the benefit of Lakes, its successors and assigns, and shall be binding on GCGC,



FTM, and their successors and assigns. Lakes may assign this Agreement to any other person or entity in its sole discretion. GCGC may not assign this Agreement to any other person or entity without the prior written consent of Lakes.

- 14.2 This Agreement contains the entire understanding of the parties regarding its subject matter, and supersedes all prior negotiations, understandings and agreements of the parties with respect thereto.
- 14.3 The express terms of this Agreement shall control and supersede any course of performance and/or customary practice inconsistent with such terms. Any agreement between the parties hereafter made shall not change or modify this Agreement unless in writing and signed by the party against whom enforcement of such change or modification is sought.
- 14.4 The provisions of this Agreement are independent of and separable from each other, and no provisions shall be affected or rendered invalid or unenforceable by the invalidity or inability to enforce any other provisions.
- 14.5 No failure or delay by any party to this Agreement to exercise any right, remedy, power or privilege under this Agreement shall be a waiver thereof; nor shall any single or partial exercise of the same or of any other right, remedy, power or privilege with respect to any occurrence be construed as a waiver of any such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.
- 14.6 No provision of this Agreement shall be interpreted for or against any party to this Agreement because that party or that party's legal representative or counsel drafted such provisions.
- 14.7 Any disputes concerning this Agreement shall be resolved by agreement of the parties or by binding arbitration according to the rules of the American Arbitration Association. In any dispute, the parties agree to hold any hearings relative thereto in Atlanta, Georgia.
- 14.8 In any litigation or arbitration arising out of this Agreement, the prevailing party to this Agreement shall be entitled to recover all costs incurred, including reasonable attorney's fees. However, GCGC shall not be responsible for costs or any attorney's fees arising out of any claim of or any litigation or arbitration by a third party which does not arise out of misrepresentations, a breach of warranty, or a failure to disclose on the part of GCGC.

14.9 This agreement shall be governed by the laws of the State of Minnesota.

14.10 This agreement may be executed in one or more counterparts, each of which shall be deemed an original

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

GULF COAST GAMING CORPORATION

By: E. W. McK  
It's President

FOUR THE MONEY, INC.

By: \_\_\_\_\_  
It's President

LAKES GAMING, INC.

By: \_\_\_\_\_  
It's Vice President and  
Chief Financial Officer

[Signature page for Gulf Coast Option Agreement]



IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

GULF COAST GAMING CORPORATION

By: \_\_\_\_\_  
It's President

FOUR THE MONEY, INC.

By: \_\_\_\_\_  
It's President

LAKES GAMING, INC.

By:  \_\_\_\_\_  
It's Vice President and  
Chief Financial Officer

[Signature page for Gulf Coast Option Agreement]

## EXHIBIT A

### EXCLUSIVE TECHNOLOGIES

#### A. PATENTS AND PATENT APPLICATIONS

1. Patent #5,865,437 (the "Card Game Patent")
2. Patent Application #5,964,463 (the "GCGC Patent")
3. Patent Application #09/130259\* (the "Second Card Game Patent Application")  
\*Except to the extent that it includes in whole or in part some of the features listed on Exhibit B as shared Technologies.

#### B. OTHER EXCLUSIVE TECHNOLOGIES

1. Rainbow Poker (A four card poker game that requires on card of each suit (spades - heart - club - diamond) be dealt or drawn in order to be a winner.) (patented in the Card Game Patent)
2. You Win I Win You Win (A jackpot to be added to chinese poker.) (covered, but not patented in the Second Card Game Application)
3. High-Low Craps (A dice game that treats all numbers rolled as added points. Each roller is allowed four rolls of the dice and that total number of points rolled in those four rolls determine if the players win or lose.) (patented in the GCGC Patent)

## EXHIBIT A-1

**TARGET 300 and HIGH ROLLER OF THE MONTH** are covered in the GCGC Patent and the FTM Patent which deals with tallying the number of points during play on a conventional dice table using conventional dice rules.

TTH, is based on accumulating a predetermined number of points accumulated with the play of conventional craps using conventional dice rules. It is further described in two parts: Part 1-An immediate payoff called "Target 300" which is paid to any person if the roller accumulates the desired number of points; Part 2-A monthly payoff called "High Roller of the Month", which is a monthly jackpot that only the shooter can qualify for by accumulating one of the four highest number of points of any group of rollers during the month.

An application has been filed which is currently pending (Serial No.: 09/246,651), which also covers aspects of the TTH/HRM Technology which has not been examined.

## EXHIBIT B

### A. PATENT APPLICATION

1. Patent Application #09/130,259 (the "Third Dice Game Patent Application")

### B. OTHER SHARED TECHNOLOGIES

1. Display of four dice rolls by any means (wheels, video, slot wheels, dice, etc.).
2. The Shute, a dice randomizer.
3. Layout of Odds which allows a player to place his own wagers.
4. Peat and Repeat (the repeat of any number prior to a 7).
5. All Small (roll numbers 2-3-4-5-6 prior to a 7).
6. All Tall (roll numbers 8-9-10-11-12 prior to a 7).
7. Pick-a-Point-Catch It-Make It



**BILL OF SALE AND ASSIGNMENT AGREEMENT**

**THIS BILL OF SALE AND ASSIGNMENT AGREEMENT** made and entered into this \_\_\_\_th day of \_\_\_\_\_, \_\_\_\_\_ by and between Gulf Coast Gaming Corporation, an Alabama corporation (the "Seller"), and Lakes Gaming, Inc., a Minnesota corporation ("Buyer").

**RECITALS**

A. Seller and Buyer, among others, entered into an Option Agreement dated January 24, 2000 (the "Option Agreement") pursuant to which Buyer was given an option (the "Option") to purchase all of Seller's right, title and interest to the patents and other intellectual property described on Exhibit A hereto (the "Exclusive Technologies"), and the intellectual property described on Exhibit B hereto (the "Shared Technologies," and together with the Exclusive Technologies, the "Optioned Technologies").

B. The Buyer has given Seller notice of its intention to exercise the Option.

C. In exchange for the Final Payment (as defined in the Option Agreement) from Buyer, Seller desires to sell all rights, title and interest of Seller in the Optioned Technologies pursuant to this Bill of Sale and Assignment Agreement.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual promises and covenants and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assets. Seller does hereby sell, transfer, convey, assign, and deliver unto Buyer, its successors and assigns, all of Seller's right, title and interest, to the Optioned Technologies as of the date hereof (collectively, the "Assets").

2. Consideration. In consideration of Seller's transfer of its rights and interests in the Assets pursuant hereto, the Buyer shall pay to Seller the sum of \$450,000 which amount except for the Final Payment has been previously paid to Seller under the Option Agreement (the "Consideration").

3. Representations and Warranties of GCGC. GCGC represents and warrants to the best of its knowledge to Lakes on the date hereof as follows:

- 3.1 Title to Exclusive Technologies. GCGC has good and marketable title to the Exclusive Technologies, free and clear of any mortgages, liens, security interests, pledges or rights of any other parties. The Card Game Patent and the GCGC Patent (both as defined on Exhibit A) have been duly filed and issued. The Second Card Game Patent Application (as defined on Exhibit A) has been duly filed. [REVISE IF PATENT HAS BEEN ISSUED.]
- 3.2 Title to Shared Technologies. GCGC has good and marketable title to the Shared Technologies free and clear of any mortgages, liens, security interests, pledges or rights of any other parties except the rights of Four the Money, Inc., an Alabama corporation ("FTM") with respect to the Shared Technologies. The Third Dice Game Patent Application (as defined on Exhibit B) has been duly filed.
- 3.3 No Title to Excluded Technologies. GCGC has no right, title or interest to the intellectual property described on Exhibit C (the "Excluded Technologies")
- 3.4 GCGC. GCGC is a corporation duly organized and existing and in good standing under the laws of the State of Alabama. GCGC has full power and authority to convey the Option and all corporate and other proceedings necessary to be taken by GCGC in connection with the transactions provided for by this Agreement and necessary to make the same effective have been duly and validly taken, and this Agreement has been duly and validly executed and delivered by GCGC and constitutes a valid and binding obligation of GCGC enforceable against GCGC in accordance with its terms.
- 3.5 Use of Optioned Technologies. GCGC has the right and authority to use the Optioned Technologies in the manner presently conducted, and to the knowledge of GCGC, GCGC has not received notice that such use conflicts with, infringes upon or violates any rights of any other person, firm or corporation.
- 3.6 Litigation. There are no claims, actions, suits, proceedings or investigations (whether or not purportedly on behalf of GCGC) pending or threatened against or affecting GCGC or the Optioned Technologies, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign, nor has any such action, suit, proceeding or investigation been pending during the 12-month period preceding the date hereof; and GCGC is not operating under or subject to, or in default with respect to, any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign.

- 3.7 Compliance with Laws. GCGC has complied with, and the Optioned Technologies comply with, all applicable laws, regulations and orders applicable. The present uses by GCGC of the Optioned Technologies do not violate any such laws, regulations and orders.
- 3.8 Intellectual Property. The Optioned Technologies constitute all intellectual property owned by GCGC which is, individually or in the aggregate necessary for use and operation of the games embodied in the Optioned Technologies.
- 3.9 No Conflict. The execution of this Agreement and the consummation of the transactions contemplated hereby do not and will not (a) constitute a breach or default under any agreement or instrument to which GCGC is a party , (b) violate any order, writ, injunction or decree of any court, administrative agency or governmental body, or (c) conflict with or result in the breach of the terms, conditions or provision of the Articles of Incorporation or Bylaws of GCGC. GCGC has no knowledge of any infringement of other patents or copyrights by its Optioned Technologies. Notwithstanding the foregoing, GCGC has made no review of the patents and claims involving the Caribbean Stud Casino Game and makes no representations and warranties with respect thereto.
- 3.10 Brokers. No finder, broker, agent or other intermediary has acted for or on behalf of GCGC in connection with the negotiation or consummation of this Agreement or the transactions contemplated thereby.
- 3.11 Definition of Knowledge. Whenever used herein, the term "knowledge" with respect to any subject matter shall mean the actual knowledge of Naif M. Moore, Jr. and any of the officers and directors of GCGC including the following: Walter McKean, John Green and William Hodge.

4. Indemnification. Seller agrees to indemnify and hold Buyer harmless against any and all claims, liabilities and obligations, including any expenses incurred in defending such matters which may arise out of Seller's breach of any of the representations set forth in Section 3.

Buyer agrees to indemnify and hold Seller harmless against any and all claims, liabilities and obligations, including any expenses incurred in defending such matters, which may arise after the Closing Date and are related to Buyer's purchase of the Assets.

5. Procedure for Indemnification. In the event a party becomes involved in any legal, governmental or administrative proceedings which may result in such party making indemnification claims hereunder, such party (the "Indemnified Party") shall notify the party against whom indemnification is sought (the "Indemnifying Party") in writing within ten (10) business days of the

Indemnified Party receiving notice of such proceeding and in full detail of the filing, and the nature of such proceeding. If requested by the Indemnified Party, the Indemnifying Party shall defend any such proceeding if the proceeding could give rise to an indemnification obligation hereunder. If the Indemnifying Party is required to defend any proceeding, they shall have full control over the conduct of such proceeding, although the Indemnified Party shall have the right to retain legal counsel at their own expense and shall have the right to approve any settlement of any dispute giving rise to such proceeding.

6. Dispute Resolution. Any dispute between Seller and Buyer under this Agreement or any other agreement to be executed in connection herewith shall be resolved by arbitration by arbitrators selected under the rules of the American Arbitration Association (located in Minneapolis, Minnesota) and the arbitration shall be conducted in that same location under the rules of said Association. The determination of the arbitrators shall be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrators shall give written notice to the parties stating his determination, and shall furnish to each party a signed copy of such determination.

7. Fees. In any litigation or arbitration arising out of this Agreement, the prevailing party to this Agreement shall be entitled to recover all costs incurred, including reasonable attorney's fees. However, Seller shall not be responsible for costs or any attorney's fees arising out of any claim of or any litigation or arbitration by a third party which does not arise out of misrepresentations, a breach of warranty, or a failure to disclose on the part of GCGC.

8. Survival of Representations and Warranties. All representations and warranties herein made shall survive for eighteen months (18) months from the date hereof.

9. Future Assurances. Each party, its successors and assigns, hereby covenants and agrees to and with the other party, its successors and assigns, to do, execute, acknowledge and deliver, or to cause to be done, executed, acknowledged and delivered, to the other party, its successors and assigns, all such further acts, assignments, transfers, and assurances that may be reasonably requested, conveying, delivering, assuring and confirming, to the other party, its successors or assigns, or for aiding and assisting in collecting or reducing to possession, any or all of the Assets, or otherwise to assist in the performance under this Agreement.

10. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be an original and all of which taken together shall constitute but one and the same instrument.

11. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted and construed in accordance with the laws of the State of Minnesota.

12. Superseding Effect. This Agreement, from and after the date hereof, supersedes and has merged into it all prior oral and written agreements on the same subjects by or between the parties hereto.

13. Buyer as Sole Owner. Upon execution of this Agreement, Buyer shall be the sole owner of the Assets, and Seller shall have no further claim or interest in the Assets, and Buyer may transfer its rights and interests in the Assets, and assign its rights and obligations under this Agreement, at any time without the consent of the Seller, including without limitation, to any investor, partner or joint venturer of Buyer.

14. Amendment. This Agreement may only be modified or amended pursuant to a written amendment executed by all parties hereto.

**IN WITNESS WHEREOF**, the parties have caused this Bill of Sale and Assignment Agreement to be executed as of the date and year first above written.

SELLER:

GULF COAST GAMING CORPORATION

By: \_\_\_\_\_

Its: \_\_\_\_\_

BUYER:

LAKES GAMING, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT D

### FORM OF NONCOMPETITION AGREEMENT

NONCOMPETITION AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_th day of \_\_\_\_\_, \_\_\_\_\_, (the "Effective Date"), by and between Lakes Gaming, Inc., a Minnesota corporation ("Lakes") and Gulf Coast Gaming Corporation, an Alabama corporation (the "Company").

#### WITNESSETH:

**WHEREAS**, simultaneously with the execution of this Agreement, Lakes has acquired certain patents and other intellectual property (the "Optioned Technology") from the Company, pursuant to that certain Bill of Sale and Assignment Agreement (the "Bill of Sale"), dated as of \_\_\_\_\_, \_\_\_\_\_, from the Company to Lakes (such acquisition is hereinafter referred to as the "Acquisition");

**WHEREAS**, this Agreement includes certain restrictive covenants by which the Company agrees to refrain for a certain time from competition with Lakes, from disclosure of confidential information it possesses concerning the Company and the assets acquired pursuant to the Acquisition, and from any interference with relationships between Lakes and other employees and persons and organizations doing business with Lakes; and

**WHEREAS**, such restrictive covenants are important considerations in Lakes's decision to enter into agreements giving effect to the Acquisition and Lakes is unwilling to enter into the Bill of Sale unless the Company executes and delivers this Agreement to Lakes.

**NOW, THEREFORE**, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and Lakes agree as follows:

#### AGREEMENT:

##### Section 1. Definitions.

1.1 As used in this Agreement, the following terms shall have the following meanings:

(a) "Person" means any individual, firm, partnership, association, corporation, limited liability entity, trust, venture or other business organization, entity or enterprise.

(b) "Assets" shall have the meaning set forth in the Bill of Sale.

(c) "Restricted Business" shall mean a business using the Optioned Technologies or other technology similar in any way to the Optioned Technologies.

(d) "Restricted Period" means the period commencing on the date hereof and ending on the fifth (5th) anniversary of the date hereof; provided that, if the Company violates the covenant not to compete, the Restricted Period shall be extended for an added period equal to the duration of the period of such violation.

(e) "Restricted Territory" shall mean North America.

(f) The term "engage or be interested, directly or indirectly" as used herein, shall include, without limitation, giving advice or technical or financial assistance by loan, guarantees, stock transactions or in any other manner to any Person doing or about to engage in the Restricted Business within the Restricted Territory.

1.2 During the Restricted Period, neither the Company nor any of its shareholders will, without Lakes's prior written consent, (which may be withheld with or without reason), directly or indirectly, for itself or together or on behalf of any other Person, engage or be interested in, directly or indirectly, the Restricted Business, as partner, investor, shareholder, principal, agent, officer, director, employee, technical advisor, lender, trustee, beneficiary or otherwise, anywhere within the Restricted Territory.

1.3 From and after the Closing Date, the Company shall not disclose any confidential information to any Person, (except the Company), which confidential information relates to the Assets.

1.4 The Company hereby agrees that for a period of five (5) years from and after the date hereof, without Lakes's prior written consent (which may be withheld with or without reason), it shall not directly or indirectly or acting alone or together with or on behalf of or through any other person, affiliate or entity: (i) hire as employee, consultant or other independent contractor; (ii) enter into any other business relationship (including, without limitation, as partners, joint venturers, guarantors, business associates, investors, financiers, owners of a corporation or other business organization, entity or enterprise) with; or (iii) request, induce, advise or encourage a termination of employment by, any then-current employee of Lakes.

1.5 Because the breach or anticipated breach of the restrictive covenants set forth in this Agreement could result in immediate and irreparable harm and injury to Lakes, for which it will not have an adequate remedy at law, the Company agrees that Lakes shall be entitled to relief in equity to enjoin temporarily and/or permanently such breach or anticipated breach and to seek any and all other legal and equitable remedies to which Lakes may be entitled. In the event that the foregoing restrictive covenants are considered by a court of competent jurisdiction or arbitrator to be excessive in its duration or scope, it shall be considered modified and valid for such duration and for such business and area as such court or arbitrator may determine reasonable under the circumstances. If

either party hereto is made or shall become a party to any litigation commenced by or against the other party involving the enforcement of any of the rights or remedies of such party under this Agreement, or arising on account of default of the other party in its performance of any of the other party's obligations under this Agreement, then the prevailing party shall pay the costs and reasonable attorney's fees of the non-prevailing party.

## Section 2. Miscellaneous.

2.1 Amendment. This Agreement may amended only in writing signed by both parties.

2.2 Entire Agreement. This Agreement, the Bill of Sale and the Option Agreement dated \_\_\_\_\_ between the parties hereto and the other parties signatory thereto set forth the parties' final and entire agreement with respect to their respective subject matters and supersede any and all prior understandings and agreements.

2.3 Binding Agreement. The provisions of this Agreement shall be binding upon Lakes and the Company and their respective successors and assigns.

2.4 Notices. Any notice required to be given under this Agreement shall be in writing and shall be delivered either in person or by certified or registered mail, return receipt requested. Any notice by mail shall be addressed as follows:

If to the Company, to:                      FOUR THE MONEY, INC.  
1910 28<sup>th</sup> Avenue South  
Birmingham, AL 35209-2604

If to Lakes, to:                                LAKES GAMING, INC.  
130 Cheshire Lane  
Minnetonka, MN 55305

or to such other addresses as either party may designate in writing to the other party from time to time.

2.5 Waiver of Breach. Any waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

2.6 Severability. If any one or more of the provisions (or portions thereof) of this Agreement shall for any reason be held by a final determination of a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions (or portions of the provisions) of this Agreement, and the invalid,



illegal or unenforceable provisions shall be deemed replaced by a provision that is valid, legal and enforceable and that comes closest to expressing the intention of the parties hereto.

2.7 Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Minnesota, without giving effect to conflict of law principles.

2.8 Arbitration. Except as otherwise provided in Section I.f hereof, any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement shall be settled by binding arbitration according to the rules of the American Arbitration Association. In any dispute, the parties agree to hold any hearings relative thereto in Atlanta, Georgia. In any litigation or arbitration arising out of this Agreement, the prevailing party to this Agreement shall be entitled to recover all costs incurred, including reasonable attorney's fees. However, the Company shall not be responsible for costs or any attorney's fees arising out of any claim of or any litigation or arbitration by a third party which does not arise out of misrepresentation, a breach of warranty or a failure to disclose on the part of the Company.

2.9 Survival of Provisions. Notwithstanding any other provision of this Agreement, the parties' respective rights and obligations under Section 1 and Section 2.8 will survive any termination or expiration of this Agreement.

2.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same agreement.

**IN WITNESS WHEREOF,** a duly authorized officer of each of Lakes and the Company has executed this Agreement on the day and year first above written.

GULF COAST GAMING CORPORATION

By: \_\_\_\_\_  
Its: \_\_\_\_\_

LAKES GAMING, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT E

### BILL OF SALE AND ASSIGNMENT AGREEMENT FOR HRM/TTH

**THIS BILL OF SALE AND ASSIGNMENT AGREEMENT** made and entered into this \_\_\_\_th day of \_\_\_\_\_, \_\_\_\_\_ by and between Gulf Coast Gaming Corporation, an Alabama corporation (the "Seller"), and Lakes Gaming Company, a Minnesota corporation ("Buyer").

#### RECITALS

1. Seller and Buyer, among others, entered into an Option Agreement dated January 24, 2000 (the "Option Agreement") pursuant to which Buyer was given an option (the "Option") to purchase all of Seller's right, title and interest to the patents and other intellectual property described on Exhibit A-1 hereto (the "Optioned Technologies").

2. The Buyer has given Seller notice of its intention to exercise the Option.

3. In exchange for the HRM/TTH Payment (as defined in Section 1.6 of the Option Agreement) from Buyer, Seller desires to sell all rights, title and interest of Seller in the Optioned Technologies pursuant to this Bill of Sale and Assignment Agreement.

#### AGREEMENT

**NOW THEREFORE**, in consideration of the mutual promises and covenants and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assets. Seller does hereby sell, transfer, convey, assign, and deliver unto Buyer, its successors and assigns, all of Seller's right, title and interest, to the Optioned Technologies as of the date hereof (collectively, the "Assets").

2. Consideration. In consideration of Seller's transfer of its rights and interests in the Assets pursuant hereto, the Buyer shall pay to Walter McKean President of Seller the sum of \$165,000 (the "Consideration").

3. Representations and Warranties of GCGC. GCGC represents and warrants to the best of its knowledge to Lakes on the date hereof as follows:

3.1 Title to Exclusive Technologies. GCGC has good and marketable title to the Optioned Technologies, free and clear of any mortgages, liens, security interests, pledges or rights of any other parties.

- 3.2 GCGC. GCGC is a corporation duly organized and existing and in good standing under the laws of the State of Alabama. GCGC has full power and authority to convey the Option and all corporate and other proceedings necessary to be taken by GCGC in connection with the transactions provided for by this Agreement and necessary to make the same effective have been duly and validly taken, and this Agreement has been duly and validly executed and delivered by GCGC and constitutes a valid and binding obligation of GCGC enforceable against GCGC in accordance with its terms.
- 3.3 Use of Optioned Technologies. GCGC has the right and authority to use the Optioned Technologies in the manner presently conducted, and to the knowledge of GCGC, GCGC has not received notice that such use conflicts with, infringes upon or violates any rights of any other person, firm or corporation.
- 3.4 Litigation. There are no claims, actions, suits, proceedings or investigations (whether or not purportedly on behalf of GCGC) pending or threatened against or affecting GCGC or the Optioned Technologies, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign, nor has any such action, suit, proceeding or investigation been pending during the 12-month period preceding the date hereof; and GCGC is not operating under or subject to, or in default with respect to, any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign.
- 3.5 Compliance with Laws. GCGC has complied with, and the Optioned Technologies comply with, all applicable laws, regulations and orders applicable. The present uses by GCGC of the Optioned Technologies do not violate any such laws, regulations and orders.
- 3.6 Intellectual Property. The Optioned Technologies constitute all intellectual property owned by GCGC which is, individually or in the aggregate necessary for use and operation of the games embodied in the Optioned Technologies.
- 3.7 No Conflict. The execution of this Agreement and the consummation of the transactions contemplated hereby do not and will not (a) constitute a breach or default under any agreement or instrument to which GCGC is a party, (b) violate any order, writ, injunction or decree of any court, administrative agency or governmental body, or (c) conflict with or result in the breach of the terms, conditions or provision of the Articles of Incorporation or Bylaws of GCGC. Notwithstanding the foregoing, GCGC

makes no representation with respect to infringement of other patents or copyrights by the Optioned Technologies.

- 3.8 Brokers. No finder, broker, agent or other intermediary has acted for or on behalf of GCGC in connection with the negotiation or consummation of this Agreement or the transactions contemplated thereby.

4. Indemnification. Seller agrees to indemnify and hold Buyer harmless against any and all claims, liabilities and obligations, including any expenses incurred in defending such matters which may arise out of Seller's breach of any of the representations set forth in Section 3.

Buyer agrees to indemnify and hold Seller harmless against any and all claims, liabilities and obligations, including any expenses incurred in defending such matters, which may arise after the Closing Date and are related to Buyer's purchase of the Assets.

5. Procedure for Indemnification. In the event a party becomes involved in any legal, governmental or administrative proceedings which may result in such party making indemnification claims hereunder, such party (the "Indemnified Party") shall notify the party against whom indemnification is sought (the "Indemnifying Party") in writing within ten (10) business days of the Indemnified Party receiving notice of such proceeding and in full detail of the filing, and the nature of such proceeding. If requested by the Indemnified Party, the Indemnifying Party shall defend any such proceeding if the proceeding could give rise to an indemnification obligation hereunder. If the Indemnifying Party is required to defend any proceeding, they shall have full control over the conduct of such proceeding, although the Indemnified Party shall have the right to retain legal counsel at their own expense and shall have the right to approve any settlement of any dispute giving rise to such proceeding.

6. Dispute Resolution. Any dispute between Seller and Buyer under this Agreement or any other agreement to be executed in connection herewith shall be resolved by arbitration by arbitrators selected under the rules of the American Arbitration Association (located in Minneapolis, Minnesota) and the arbitration shall be conducted in that same location under the rules of said Association. The determination of the arbitrators shall be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrators shall give written notice to the parties stating his determination, and shall furnish to each party a signed copy of such determination.

7. Fees. In any litigation or arbitration arising out of this Agreement, the prevailing party to this Agreement shall be entitled to recover all costs incurred, including reasonable attorney's fees. However, Seller shall not be responsible for costs or any attorney's fees arising out of any claim of or any litigation or arbitration by a third party which does not arise out of misrepresentation, a breach of warranty, or a failure to disclose on the part of Seller.

8. Survival of Representations and Warranties. All representations and warranties herein made shall survive for eighteen (18) months from the date hereof.

9. Future Assurances. Each party, its successors, and assigns hereby covenants and agrees to and with the other party, its successors and assigns, to do, execute, acknowledge and deliver, or to cause to be done, executed, acknowledged and delivered, to the other party, its successors and assigns, all such further acts, assignments, transfers, and assurances that may be reasonably requested, conveying, delivering, assuring and confirming, to the other party, its successors or assigns, or for aiding and assisting in collecting or reducing to possession, any or all of the Assets, or otherwise to assist in the performance under this Agreement.

10. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be an original and all of which taken together shall constitute but one and the same instrument.

11. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted and construed in accordance with the laws of the State of Minnesota. All actions or proceedings with respect to this Agreement shall be conducted in the Courts of the State of Minnesota (State or Federal) and, by execution and delivery of this Agreement, Seller irrevocably and unconditionally submits to the jurisdiction (both subject matter and personal) of such courts, and irrevocably and unconditionally waives (i) any objection Seller may have or hereafter have to the laying of venue in such a court, and (ii) any claim that any action proceeding in such court has been brought in an inconvenient forum. Service of process may be effected upon Seller through such service outside of the State of Minnesota due to its waiver of objection to such service.

12. Superseding Effect. This Agreement, from and after the date hereof, supersedes and has merged into it all prior oral and written agreements on the same subjects by or between the parties hereto.

13. Buyer as Sole Owner. Upon execution of this Agreement, Buyer shall be the sole owner of the Assets, and Seller shall have no further claim or interest in the Assets, and Buyer may transfer its rights and interests in the Assets, and assign its rights and obligations under this Agreement, at any time without the consent of the Seller, including without limitation, to any investor, partner or joint venturer of Buyer.

14. Amendment. This Agreement may only be modified or amended pursuant to a written amendment executed by all parties hereto.

**IN WITNESS WHEREOF**, the parties have caused this Bill of Sale and Assignment Agreement to be executed as of the date and year first above written.

**SELLER:**

**GULF COAST GAMING CORPORATION**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**BUYER:**

**LAKES GAMING, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT F  
FORM OF  
NONCOMPETITION AGREEMENT  
FOR HRM/TTH**

NONCOMPETITION AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_th day of \_\_\_\_\_, \_\_\_\_\_, (the "Effective Date"), by and between Lakes Gaming, Inc., a Minnesota corporation ("Lakes") and Gulf Coast Gaming Corporation, an Alabama corporation (the "Company").

**WITNESSETH:**

**WHEREAS**, simultaneously with the execution of this Agreement, Lakes has acquired certain intellectual property (the "Optioned Technology") from the Company, pursuant to that certain Bill of Sale and Assignment Agreement (the "Bill of Sale"), dated as of \_\_\_\_\_, \_\_\_\_\_, from the Company to Lakes (such acquisition is hereinafter referred to as the "Acquisition");

**WHEREAS**, this Agreement includes certain restrictive covenants by which the Company agrees to refrain for a certain time from competition with Lakes, from disclosure of confidential information it possesses concerning the Company and the assets acquired pursuant to the Acquisition, and from any interference with relationships between Lakes and other employees and persons and organizations doing business with Lakes; and

**WHEREAS**, such restrictive covenants are important considerations in Lakes's decision to enter into agreements giving effect to the Acquisition and Lakes is unwilling to enter into the Bill of Sale unless the Company executes and delivers this Agreement to Lakes.

**NOW, THEREFORE**, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and Lakes agree as follows:

**A G R E E M E N T:**

**Section 1. Definitions.**

1.1 As used in this Agreement, the following terms shall have the following meanings:

- (a) "Person" means any individual, firm, partnership, association, corporation, limited liability entity, trust, venture or other business organization, entity or enterprise.
- (b) "Assets" shall have the meaning set forth in the Bill of Sale.

(c) "Restricted Business" shall mean a business using the Optioned Technology or other technology similar in any way to the Optioned Technology.

(d) "Restricted Period" means the period commencing on the date hereof and ending on the fifth (5th) anniversary of the date hereof; provided that, if the Company violates the covenant not to compete, the Restricted Period shall be extended for an added period equal to the duration of the period of such violation.

(e) "Restricted Territory" shall mean North America.

(f) The term "engage or be interested, directly or indirectly" as used herein, shall include, without limitation, giving advice or technical or financial assistance by loan, guarantees, stock transactions or in any other manner to any Person doing or about to engage in the Restricted Business within the Restricted Territory.

1.2 During the Restricted Period, neither the Company nor any of its shareholders will, without Lakes's prior written consent, (which may be withheld with or without reason), directly or indirectly, for itself or together or on behalf of any other Person, engage or be interested in, directly or indirectly, the Restricted Business, as partner, investor, shareholder, principal, agent, officer, director, employee, technical advisor, lender, trustee, beneficiary or otherwise, anywhere within the Restricted Territory.

1.3 From and after the Closing Date, the Company shall not disclose any confidential information to any Person, (except the Company), which confidential information relates to the Restricted Business or the Assets.

1.4 The Company hereby agrees that for a period of five (5) years from and after the date hereof, without Lakes's prior written consent (which may be withheld with or without reason), it shall not directly or indirectly or acting alone or together with or on behalf of or through any other person, affiliate or entity: (i) hire as employee, consultant or other independent contractor; (ii) enter into any other business relationship (including, without limitation, as partners, joint venturers, guarantors, business associates, investors, financiers, owners of a corporation or other business organization, entity or enterprise) with; or (iii) request, induce, advise or encourage a termination of employment by, any then-current employee of Lakes.

1.5 Because the breach or anticipated breach of the restrictive covenants set forth in this Agreement could result in immediate and irreparable harm and injury to Lakes, for which it will not have an adequate remedy at law, the Company agrees that Lakes shall be entitled to relief in equity to enjoin temporarily and/or permanently such breach or anticipated breach and to seek any and all other legal and equitable remedies to which Lakes may be entitled. In the event that the foregoing restrictive covenants are considered by a court of competent jurisdiction or arbitrator to be excessive in its duration or scope, it shall be considered modified and valid for such duration and for such business and area as such court or arbitrator may determine reasonable under the circumstances. If



either party hereto is made or shall become a party to any litigation commenced by or against the other party involving the enforcement of any of the rights or remedies of such party under this Agreement, or arising on account of default of the other party in its performance of any of the other party's obligations under this Agreement, then the prevailing party shall pay the costs and reasonable attorney's fees of the non-prevailing party.

## **Section 2. Miscellaneous.**

2.1 Amendment. This Agreement may amended only in writing signed by both parties.

2.2 Entire Agreement. This Agreement, the Bill of Sale and the Option Agreement dated \_\_\_\_\_ between the parties hereto and the other parties signatory thereto set forth the parties' final and entire agreement with respect to their respective subject matters and supersede any and all prior understandings and agreements.

2.3 Binding Agreement. The provisions of this Agreement shall be binding upon Lakes and the Company and their respective successors and assigns.

2.4 Notices. Any notice required to be given under this Agreement shall be in writing and shall be delivered either in person or by certified or registered mail, return receipt requested. Any notice by mail shall be addressed as follows:

If to the Company, to:	GULF COAST GAMING CORPORATION 11 South Florida Street Mobile, AL 36606-1934
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If to Lakes, to:	LAKES GAMING, INC. 130 Cheshire Lane Minnetonka, MN 55305
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or to such other addresses as either party may designate in writing to the other party from time to time.

2.5 Waiver of Breach. Any waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

2.6 Severability. If any one or more of the provisions (or portions thereof) of this Agreement shall for any reason be held by a final determination of a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions (or portions of the provisions) of this Agreement, and the invalid,

illegal or unenforceable provisions shall be deemed replaced by a provision that is valid, legal and enforceable and that comes closest to expressing the intention of the parties hereto.

2.7 Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Minnesota, without giving effect to conflict of law principles.

2.8 Arbitration. Except as otherwise provided in Section 1.5 hereof, any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement shall be settled by binding arbitration according to the rules of the American Arbitration Association. In any dispute, the parties agree to hold any hearings relative thereto in Atlanta, Georgia. In any litigation or arbitration arising out of this Agreement, the prevailing party to this Agreement shall be entitled to recover all costs incurred, including reasonable attorney's fees. However, the Company shall not be responsible for costs or any attorney's fees arising out of any claim of or any litigation or arbitration by a third party which does not arise out of misrepresentation, a breach of warranty or a failure to disclose on the part of the Company.

2.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same agreement.

**IN WITNESS WHEREOF**, a duly authorized officer of each of Lakes and the Company has executed this Agreement on the day and year first above written.

GULF COAST GAMING CORPORATION

By: \_\_\_\_\_  
Its: \_\_\_\_\_

LAKES GAMING, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT G**  
**EXCLUDED TECHNOLOGIES**

**A. PATENTS**

1. Patent # 5,829,748 (the "FTM Patent")

**B. OTHER EXCLUDED TECHNOLOGIES**

1. The Four The Money Game (Four Rolls-No Seven-You Win).
2. Different Doubles (a single bet with a progressive payoff on 2,4,5 or all 6 doubles appearing prior to a 7).
3. Double Doubles (selected hardway(s) must be rolled twice prior to a 7).
4. Forty O'Lordy (40 rolls prior to a 7).
5. Forty O'Lordy Progressive (10 or 20 or 30 or 40 rolls prior to a 7).
6. Twice Is Nice (the repeat of any random hardway prior to a 7).
7. All Or Nothing At All (all numbers, 2-3-4-5-6-7-8-9-10-11-12 must be rolled prior to a 7).
8. All Odd (roll numbers 3-5-9-11 prior to a 7).
9. All Even (roll numbers 2-4-6-8-10-12 prior to a 7).
10. Even Roll (an even money one roll bet based on an even number being rolled: 2-4-6-8-10-12, prior to a 7). This is an alternative to taking true odds on the FTM table.
11. Odd Roll (an even money one roll bet based on an odd number being rolled: 3-5-9-11, prior to a 7). This is an alternative to taking true odds on the FTM table.
12. Sweet Sixteen (a progressive payoff based on the number of random hardways rolled prior to a 7).
13. All Video (slots), and items related thereto, rights involving the game or features itemized above.

### Schedule 3.1

GCGC is the obligor on a promissory note to Naif M. Moore, Jr., in the original principal amount of \$1,000,000 which has been discounted to \$150,000 under Agreement dated January 12, 2000 between Mr. Moore and GCGC. Mr. Moore also has an unrecorded security interest in certain of the Exclusive Technologies.