PATENT ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	09/07/2005

CONVEYING PARTY DATA

Name	Execution Date
The Edugaming Corporation	09/07/2005

RECEIVING PARTY DATA

Name:	4FUN4ALL Acquisition Co., Inc.
Street Address:	3770 Howard Hughes Parkway Suite 301
City:	Las Vegas
State/Country:	NEVADA
Postal Code:	89109

PROPERTY NUMBERS Total: 3

Property Type	Number
Patent Number:	7115032
Application Number:	11955205
Application Number:	12006084

OP $120.00 7115032

CORRESPONDENCE DATA

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NAME OF SUBMITTER:	Steven J. Caliguri

Total Attachments: 31
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AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

among:

4FUN4ALL, INC.,
a Delaware corporation;

4FUN4ALL ACQUISITION CO., INC.,
a Delaware corporation;

and

THE EDUGAMING CORPORATION,
a Washington corporation.

Dated as of September 7, 2005

EXHIBITS

Exhibit A	-	Certain Definitions
Exhibit B	-	Right of First Refusal and Co-Sale Agreement
Exhibit C	-	Voting Agreement
Exhibit D	-	Certificate of Merger
Exhibit E	-	Articles of Merger
Exhibit F	-	Articles of Incorporation of the Company
Exhibit G	-	Bylaws of the Company
Exhibit H	-	Certificate of Incorporation of Parent
Exhibit I	-	Bylaws of Parent
Exhibit J	-	MCH Note
Exhibit K	-	Third Party-Lender Credit Agreement
Exhibit L	-	MCH Credit Agreement

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

THIS AGREEMENT AND PLAN OF MERGER AND REORGANIZATION ("***Agreement***") is made and entered into as of September 7, 2005, by and among 4Fun4All, Inc. ("***Parent***"), a Delaware corporation, 4Fun4All Acquisition Co., Inc. ("***Merger Sub***"), a Delaware corporation and a wholly owned subsidiary of Parent, and The Edugaming Corporation (the "***Company***"), a Washington corporation. Certain other capitalized terms used in this Agreement are defined in ***Exhibit A***.

RECITALS

WHEREAS, Parent, Merger Sub and the Company intend to effect a merger of the Company with and into Merger Sub with (the "***Merger***") in accordance with this Agreement and the DGCL and the WBCA. Upon consummation of the Merger, the Company will cease to exist, and the Merger Sub will continue as a subsidiary of Parent.

WHEREAS, it is intended that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "***Code***").

WHEREAS, the Agreement has been approved by the respective boards of directors of Parent, Merger Sub and the Company.

WHEREAS, concurrently with the Closing, Parent and certain holders of Parent Common Stock and certain holders of the Exchangeable Shares will execute a Right of First Refusal and Co-Sale Agreement in the form of ***Exhibit B*** (the "***Co-Sale Agreement***") to be effective upon Closing (as defined below).

WHEREAS, concurrently with the Closing, Parent, Canadian Merger Sub and certain holders of Parent Common Stock to be issued pursuant to this Agreement, Series A Preferred Stock and the holders of the Exchangeable Shares will execute a Voting Agreement in the form of ***Exhibit C*** (the "***Voting Agreement***") to be effective upon Closing (as defined below).

AGREEMENT

The parties to this Agreement agree as follows:

1. DESCRIPTION OF TRANSACTION

1.1 Merger of Company into the Merger Sub. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (as defined in Section 1.3), the Company shall be merged with and into Merger Sub, and the separate existence of the Company shall cease. The Merger Sub will continue as the surviving corporation in the Merger (the "***Surviving Corporation***").

1.2 Effect of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the DGCL and WBCA.

1.3 Closing; Effective Time. The consummation of the transactions contemplated by this Agreement (the "***Closing***") shall take place at a date, time and place to be designated by Parent which shall not be more than 20 business days after the date on which the last of the conditions set forth in Section 6 and Section 7 (other than conditions which by their terms must be satisfied as of the Closing Date) has been satisfied and shall be simultaneous with the SBG Acquisition. The date on which the Closing actually takes place is referred to in this Agreement as the "***Closing Date.***" Contemporaneously with or as promptly as practicable after the Closing, (i) a properly executed certificate of merger conforming to the requirements of the DGCL and in the form of ***Exhibit D*** (the "***Certificate of Merger***") shall be filed with the Secretary of State of the State of Delaware and (ii) a properly executed articles of merger conforming to the requirements of the WBCA and in the form of ***Exhibit E*** (the "***Articles of Merger***") shall be filed with the Secretary of State of the State of Washington. The Merger shall become effective at the time specified in the Agreement of Merger or, if no time is specified, at the time the Agreement of Merger is filed with the Secretary of State of the State of Delaware (the "***Effective Time***").

1.4 Certificate of Incorporation and Bylaws; Directors and Officers. Unless otherwise agreed by Parent and Company prior to the Effective Time:

(a) the Certificate of Incorporation of the Merger Sub immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation;

(b) the Bylaws of the Merger Sub immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation immediately after the Effective Time; and

(c) the directors and officers of Merger Sub immediately prior to the Effective Time shall be the directors and officers of the Surviving Corporation immediately after the Effective Time.

1.5 Conversion of Shares.

(a) Subject to Sections 1.8(a), 1.9 and 1.10, at the Effective Time, by virtue of the Merger and without any further action on the part of Parent, Merger Sub, the Company or any shareholder of the Company:

(i) each share of Company Common Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive such number of validly issued, fully paid and non assessable shares of the common stock of Parent, $0.0001 par value per share ("***Parent Common Stock***"), as is equal to the Common Factor;

(ii) each share of Company Series A Preferred Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive such number of validly issued, fully paid non assessable shares of Parent Common Stock as is equal to the Preferred Factor;

(iii) Each warrant to purchase shares of Company Common Stock prior to the Effective Time shall cease to represent a right to acquire shares of Company Common Stock and shall automatically become the right to purchase the number of shares of Parent Common Stock into which the shares of Company Common Stock subject to such

warrant would have been converted into at the Effective Time by operation of Section 1.5(a)(i) (rounded down to the nearest whole number of shares of Parent Common Stock) for an exercise price equal to the result of dividing the per share exercise price of such warrant by the Common Factor (rounded to the nearest full cent); and

(iv) Each warrant to purchase shares of Company Series A Preferred Stock prior to the Effective Time shall cease to represent a right to acquire shares of Company Series A Preferred Stock and shall automatically become the right to purchase the number of shares of Parent Common Stock equal to the number of shares of Company Series A Preferred Stock subject to such warrant multiplied by the Preferred Warrant Factor (rounded down to the nearest whole number of shares of Parent Common Stock) for an exercise price equal to the result of dividing the per share exercise price of such warrant by the Preferred Warrant Factor (rounded to the nearest full cent); and

(v) Parent Owned Stock and Debt. Each share of Company Common Stock, owned by Parent and, upon assumption by the Parent, the Bridge Warrant shall automatically be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(b) For purposes of this Agreement, the "***Merger Consideration***" receivable by a holder of capital stock of the Company shall consist of (i) the shares of Parent Common Stock issuable to such holder in accordance with Section 1.5(a) upon the surrender of the certificate or certificates representing capital stock of the Company held by such holder and (ii) the right of such holder to receive cash in lieu of fractional shares of Parent Common Stock in accordance with Section 1.8(a).

(c) If any shares of Company Common Stock outstanding immediately prior to the Effective Time are unvested or are subject to a repurchase option, risk of forfeiture or other condition under any applicable restricted stock purchase agreement or other agreement with the Company, then the shares of Parent Common Stock issued in exchange for such shares of Company Common Stock will also be unvested and subject to the same repurchase option, risk of forfeiture or other condition, and the certificates representing such shares of Parent Common Stock shall accordingly be marked with appropriate legends. The Company shall take all action that may be necessary to ensure that, from and after the Effective Time, Parent is entitled to exercise any such repurchase option or other right set forth in any such restricted stock purchase agreement or other agreement.

1.6 Employee Stock Options. At the Effective Time, each then outstanding Company Option, whether vested or unvested, shall be assumed by Parent in accordance with the terms (as in effect as of the date of this Agreement) of such Company Stock Option Plan under which such Company Option was issued and the stock option agreement by which such Company Option is evidenced. All rights with respect to Company Common Stock under outstanding Company Options shall thereupon be converted into rights with respect to Parent Common Stock. Accordingly, from and after the Effective Time, (a) each Company Option assumed by Parent may be exercised solely for shares of Parent Common Stock, (b) the number of shares of Parent Common Stock subject to each such assumed Company Option shall be equal to the number of shares of Company Common Stock that were subject to such Company Option

immediately prior to the Effective Time multiplied by the Common Factor, and (c) the per share exercise price for the Parent Common Stock issuable upon exercise of each such assumed Company Option shall equal the exercise price per share of Company Common Stock subject to such Company Option divided by the Common Factor, as in effect immediately prior to the Effective Time, and all restrictions on the exercise of each such assumed Company Option shall continue in full force and effect, and the term, exercisability, vesting schedule and other provisions of such Company Option shall otherwise remain unchanged; *provided however*, that (i) each such assumed Company Option shall, in accordance with its terms, be subject to further adjustment as appropriate to reflect any stock split, reverse stock split, stock dividend, recapitalization or other similar transaction effected by Parent after the Effective Time; and (ii) the conversion of any Company Option that is an "incentive stock option," within the meaning of Section 422 of the Code, into rights with respect to Parent Common Stock pursuant to this Section 1.6 shall be made so as not to constitute a "modification" of such Company Option within the meaning of Section 424 of the Code. Parent shall assume the Company Stock Option Plan and the related stock option agreements and stock purchase right agreements, and the number and kind of shares available for issuance under the Company Stock Option Plan shall be converted into shares of Parent Common Stock in accordance with the provisions of the Company Stock Option Plan. Continuous employment with the Company or any Subsidiary of the Company shall be credited to the holder of a Company Option for purposes of determining the vesting of a converted Company Option after the Effective Time. The Company and Parent shall take all action that may be necessary (under the Company Stock Option Plan, under the Code or any provision of state, local, provincial or foreign law, and otherwise) to effectuate the provisions of this Section 1.6. The Company and Parent shall take all action that may be necessary (under the Company Stock Option Plan and otherwise) to effectuate the provisions of this Section 1.6.

1.7 Closing of the Company's Transfer Books. At the Effective Time, holders of certificates representing shares of capital stock of the Company that were outstanding immediately prior to the Effective Time shall cease to have any rights as shareholders of the Company, and the stock transfer books of the Company shall be closed with respect to all shares of such capital stock of the Company outstanding immediately prior to the Effective Time. No further transfer of any such shares of capital stock of the Company shall be made on such stock transfer books after the Effective Time. If, after the Effective Time, a valid certificate previously representing any shares of capital stock of the Company (a "***Company Stock Certificate***") is presented to the Surviving Corporation or Parent, such Company Stock Certificate shall be canceled and shall be exchanged as provided in Section 1.8.

1.8 Exchange of Certificates.

(a) As soon as practicable after the Effective Time, Parent will send to each of the registered holders of Company Stock Certificates a letter of transmittal in customary form and containing such provisions as Parent may reasonably specify and instructions for use in effecting the surrender of Company Stock Certificates in exchange for the Merger Consideration. Upon surrender of a Company Stock Certificate to Parent for exchange, together with a duly executed letter of transmittal and such other documents as may be reasonably required by Parent, Parent shall deliver to the holder of such Company Stock Certificate a certificate representing that number of shares of Parent Common Stock that such holder has the right to receive pursuant

to Section 1.5(a). In lieu of any fractional shares to which such holder would otherwise be entitled, after combining any fractional interests of such holder into as many whole shares as is possible the holder of such Company Stock Certificate shall be paid in cash an amount equal to the dollar amount (rounded to the nearest whole cent) determined by multiplying $2.55 by the fraction of a share of Parent Common Stock that would otherwise be deliverable to such holder under this section 1.8(a). Until surrendered as contemplated by this Section 1.8, each Company Stock Certificate shall be deemed, from and after the Effective Time, to represent only the right to receive the Merger Consideration in accordance with this Agreement. If any Company Stock Certificate shall have been lost, stolen or destroyed, Parent may, in its discretion and as a condition precedent to the issuance of any certificate representing Parent Common Stock or the payment of cash in lieu of fractional shares, require the owner of such lost, stolen or destroyed Company Stock Certificate to provide an appropriate affidavit and indemnity against any claim that may be made against Parent or the Surviving Corporation with respect to such Company Stock Certificate.

(b) No dividends or other distributions declared or made with respect to Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Company Stock Certificate with respect to the shares of Parent Common Stock represented thereby, and no cash payment in lieu of any fractional share shall be paid to any such holder, until such holder surrenders such Company Stock Certificate in accordance with this Section 1.8 (at which time such holder shall be entitled to receive all such dividends and distributions and such cash payment).

(c) Parent and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any holder or former holder of capital stock of the Company pursuant to this Agreement such amounts as Parent or the Surviving Corporation may be required to deduct or withhold therefrom under the Code or under any provision of state, local or foreign tax law. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

(d) Neither Parent nor the Surviving Corporation shall be liable to any holder or former holder of capital stock of the Company for any shares of Parent Common Stock (or dividends or distributions with respect thereto), or for any cash amounts, delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

1.9 Dissenters' Rights.

(a) Notwithstanding anything in this Agreement to the contrary, shares of capital stock of the Company held by a holder who, pursuant to Section 23.B.13 of the WBCA or any successor provision, has the right to dissent to the Merger and demand payment for such shares and properly dissents and demands payment for the fair value of such shares of capital stock of the Company ("***Dissenting Shares***") in accordance with the WBCA, shall not be converted into the right to receive Parent Common Stock as set forth in Section 1.5, unless such holder withdraws, fails to perfect or otherwise loses such holder's right to such payment, if any. If, after the Effective Time, such holder withdraws, fails to perfect or loses any such right to payment, such holder's Dissenting Shares shall be treated as having been converted as of the

Effective Time into the right to receive the portion of the total Merger Consideration provided for in Section 1.5. At the Effective Time, any holder of Dissenting Shares shall cease to have any rights with respect thereto, except the rights provided in Section 23.B.13 of the WBCA or any successor provision and as provided in the immediately preceding sentence. The Company shall give prompt notice to Parent of any demands received by the Company for appraisal of shares of capital stock of the Company and the opportunity to participate in all negotiations and proceedings with respect to any such demand. Except to the extent otherwise required by the WBCA, the Company shall not make any payment or settlement offer prior to the Effective Time with respect to any such demand unless Parent shall have consented in writing to such payment or settlement offer.

1.10 Tax Consequences. For federal income tax purposes, the Merger is intended to constitute a reorganization within the meaning of Section 368 of the Code. The parties to this Agreement hereby adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations.

1.11 Further Action. If, at any time after the Effective Time, any further action is determined by Parent to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation or Parent with full right, title and possession of and to all rights and property of Merger Sub and the Company, the officers and directors of the Surviving Corporation and Parent shall be fully authorized (in the name of Merger Sub, in the name of the Company and otherwise) to take such action.

2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth on a correspondingly numbered section of the Company Schedule of Exceptions, the Company, represents and warrants, as of the date hereof and as of the Closing Date, to and for the benefit of Parent, as follows:

2.1 Organization, Good Standing and Qualification. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Washington, has all requisite corporate power and authority to carry on its business as now conducted, to execute and deliver this Agreement and to carry out the provisions of this Agreement. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business, properties, financial condition or prospects.

2.2 Authorization. The Company has the absolute and unrestricted right, power and authority to enter into and to perform its obligations under this Agreement; and the execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary action on the part of the Company. This Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

2.3 Capitalization and Voting Rights. The authorized capital of the Company consists of:

(a) Preferred Stock. Twenty-five million (25,000,000) shares of Preferred Stock, no par value per share (the "***Preferred Stock***"), of which: fifteen million five hundred thousand (15,500,000) shares have been designated Series A Preferred Stock (the "***Company Series A Preferred Stock***"), fourteen million nine hundred forty-three thousand nine hundred forty-six (14,943,946) shares of which are issued and outstanding.

(b) Common Stock. One hundred million (100,000,000) shares of Company Common Stock, of which twelve million four hundred forty-one thousand six hundred sixty-seven (12,441,667) shares are issued and outstanding.

(c) The outstanding shares of Company Common Stock are all duly and validly authorized and issued, fully paid and nonassessable, and were issued in accordance with the registration or qualification provisions of the Securities Act and any relevant state securities laws or pursuant to valid exemptions therefrom.

(d) Except as set forth on the Schedule of Exceptions there are not outstanding any options, warrants, rights (including conversion or preemptive rights) or agreements for the purchase or acquisition from the Company of any shares of its capital stock. Except for Section 18 of the Investors' Rights Agreement, the Company is not a party or subject to any agreement or understanding, and, to the best of the Company's Knowledge, there is no agreement or understanding between any persons and/or entities, that affects or relates to the voting or giving of written consents with respect to any security or by a director of the Company.

2.4 Subsidiaries. Except as set forth on the Schedule of Exceptions, the Company does not presently own or control, directly or indirectly, any interest in any other corporation, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

2.5 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement, except for required shareholder approvals and the filings pursuant to Regulation D under the Securities Act and pursuant to Section 25102(f) of the California Corporate Securities Law of 1968, as amended, and the rules thereunder, which filings will be effected within the applicable periods thereof.

2.6 Litigation. Except as set forth in the Schedule of Exceptions, there is no action, suit, proceeding or investigation pending or currently threatened against the Company that questions the validity of this Agreement or the right of the Company to enter into this agreement, or to consummate the transactions contemplated hereby or that might result, either individually or in the aggregate, in any material adverse changes in the assets, properties, condition, affairs or prospects of the Company, financially or otherwise, or any change in the current equity ownership of the Company. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

2.7 Patents and Trademarks.

(a) Except as set forth in the Schedule of Exceptions, to the best of the Company's Knowledge (but without having conducted any special investigation or patent search), the Company owns or possesses sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, algorithms, database rights, inventions (whether or not patentable), information, proprietary rights and processes (collectively, "***Company Intellectual Property***") necessary for its business as now conducted, without any infringement of the rights of others. Except as set forth in of the Schedule of Exceptions, the Company has not granted or made any outstanding options, licenses or agreements of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person or entity. The Company has taken all reasonably necessary steps to protect and preserve the confidentiality of the Company's trade secrets. Neither the execution nor delivery of this Agreement, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as now conducted, will, to the best of the Company's Knowledge, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which the Company is now obligated. Set forth on the Schedule of Exceptions is a listing of all Registered Intellectual Property (as defined below) of the Company including the jurisdictions in which each such intellectual property right has been issued or registered or in which any application for such issuance and registration has been filed. For purposes of this Agreement "***Registered Intellectual Property***" shall mean all United States and foreign Company Intellectual Property for which an application or request for registration had been filed, or a certificate or registration has been issued or recorded by any state, government or other public legal authority.

2.8 Non-Contravention; Consents.

(a) The Company is not in violation or default in any material respect of any provision of its Constituent Documents, or in any material respect of any instrument, judgment, order, writ, decree or contract, to which it is a party or by which it is bound, or, to the best of its Knowledge, of any provision of any federal or state statute, rule or regulation applicable to the Company.

(b) Neither (1) the execution, delivery or performance of this Agreement, nor (2) the consummation of the Merger or any of the other transactions contemplated by this Agreement, will directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with or result in a violation of any of the provisions of the Company's Constituent Documents;

(ii) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the transactions contemplated by this Agreement or to exercise any remedy or obtain any relief under, any Legal Requirement or any order, writ, injunction, judgment or decree to which the Company

or any of its Subsidiaries, or any of the assets owned, used or controlled by the Company or any of its Subsidiaries, is subject;

(iii) contravene, conflict with or result in a violation or breach of, or result in a default under, any provision of any Company Contract, or give any Person the right to (i) declare a default or exercise any remedy under any such Company Contract, (ii) accelerate the maturity or performance of any such Company Contract, or (iii) cancel, terminate or modify any such Company Contract.

2.9 Agreements; Action.

(a) Except as set forth on the Schedule of Exceptions, there are no agreements, understandings, instruments, contracts, proposed transactions, judgments, threatened to our knowledge, or pending litigation or administrative proceedings, orders, writs or decrees to which the Company is a party or by which it is bound that may involve (i) the license of any patent, copyright, trade secret or other proprietary right to or from the Company, (ii) indemnification by the Company with respect to infringements of proprietary rights, (iii) the grant of rights to any person or entity to manufacture, produce, assemble, distribute, license, market or sell the Company's products or services or affect adversely the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products or services, or (iv) the guarantee or indemnity of any indebtedness of any other person or entity.

(b) Except as set forth on the Schedule of Exceptions, the Company has not (i) declared or paid any dividends or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) made any loans or advances to any person, other than ordinary advances for travel expenses, or (iii) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory or the disposal of obsolete items in the ordinary course of business.

(c) The Company is not a party to and is not bound by any contract, agreement or instrument, or subject to any restriction under its Constituent Documents that adversely affects its business as now conducted, its properties, financial condition or prospects.

2.10 Related-Party Transactions. Except as set forth on the Schedule of Exceptions, no employee, officer, or director of the Company or member of his or her immediate family is indebted to the Company, nor is the Company indebted (or committed to make loans or extend or guarantee credit) to any of them. Except as set forth on the Schedule of Exceptions, to the best of the Company's Knowledge, none of such persons has any direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship. No member of the immediate family of any officer or director of the Company is directly or indirectly interested in any material contract with the Company (other than such contracts that relate to any such person's ownership of capital stock of the Company). Except as set forth on the Schedule of Exceptions, there are no agreements or understandings to which the Company is a party or by which the Company is bound that may involve indemnification by Company of any officer, director, shareholder, affiliate or any of their respective affiliates.

2.11 Permits. The Company has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which could materially and adversely affect the business, properties, prospects or financial condition of the Company, and the Company believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business as planned to be conducted. The Company is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

2.12 Environmental and Safety Laws. To the best of the Company's Knowledge (but without having conducted any special investigation), the Company is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, and to the best of its knowledge, no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

2.13 Corporate Documents. The Company Constituent Documents are in the forms attached hereto as ***Exhibit F*** and ***Exhibit G***, respectively.

2.14 Title to Property and Assets. Except as set forth on the Schedule of Exceptions, the Company has good and marketable title to all of its assets that it purports to own and owns its property and assets free and clear of all mortgages, liens, loans and encumbrances, except such encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets. With respect to the property and assets it leases, the Company is in compliance with such leases and, to the best of its knowledge, holds a valid leasehold interest free of any liens, claims or encumbrances.

2.15 Tax Returns, Payments and Elections. The Company has filed all Tax returns and reports as required by law. These returns and reports are true and correct in all material respects. The Company has paid all Taxes and other assessments due. The Company has not had any material Tax deficiency proposed or assessed against it by any governmental taxing authority and has not executed any waiver of any statute of limitations on the assessment or collections of any Tax. There are no ongoing or pending Tax audits by any taxing authority against the Company. The Company has withheld or collected from each payment made to its employees the amount of all Taxes required to be withheld or collected therefrom under applicable law. The provision for Taxes of the Company as shown in the Financial Statements is adequate for Taxes due or accrued as of the date thereof. "***Tax***" or "***Taxes***" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall, profits, environmental, custom, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative or add-on minimum or other similar tax, governmental fee, governmental assessment or governmental charge of any kind whatsoever, including any interest, penalties or additions to Tax or additional amounts with respect to the foregoing. The Company has not elected pursuant to the Internal Revenue Code of 1986, as amended (the "***Code***"), to be treated as a Subchapter S corporation or a collapsible corporation pursuant to Section 1362(a) or Section 341(f) of the Code, nor has it made any other elections pursuant to the Code, (other than elections that relate solely to methods of accounting, depreciation or amortization) that would have a material effect

on the Company, its financial condition, its business as presently conducted or any of its properties, or material assets.

2.16 Labor Matters. The Company has no collective bargaining agreements with any of its employees. There is no labor union organizing activity pending or, to the Company's Knowledge, threatened with respect to the Company. Except as set forth on the Schedule of Exceptions, no current or prospective employee of the Company has been granted the right to continued employment by the Company or to any material compensation, such as severance or other such obligation, or other benefits following his or her termination of employment with the Company or any change in the Company's control. The Company does not have a present intention to terminate the employment of any officer or key employee. To the Company's Knowledge, except as set forth on the Schedule of Exceptions, each officer and key employee is devoting one hundred percent (100%) of his or her business time at the Company (which shall not include time spent as a member of a company's board of directors) to the conduct of the business of the Company. The Schedule of Exceptions contains a list of all employment contracts with the officers and key employees of the Company that the Company is a party to.

2.17 Company Information Statement. The information supplied by the Company for inclusion in the Company Information Statement (including any Company financial statements) will not, as of the date of the Company Information Statement, and in any case, as of the date such information is prepared or presented, (i) contain any statement that is inaccurate or misleading with respect to any material facts, or (ii) omit to state any material fact necessary in order to make such information not false or misleading.

3. REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub represent and warrant to the Company as of the date hereof and as of the Closing Date as follows:

3.1 Corporate Existence and Power. Each of Parent and Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all corporate power required to conduct its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified would not have a material adverse effect on Parent's business, financial condition or results of operations.

3.2 Authority; Binding Nature of Agreement. Parent and Merger Sub have the absolute and unrestricted right, power and authority to perform their obligations under this Agreement; and the execution, delivery and performance by Parent and Merger Sub of this Agreement (including the contemplated issuance of Parent Common Stock, Parent Preferred Stock and warrants in the Merger in accordance with this Agreement) have been duly authorized by all necessary action on the part of Parent and Merger Sub and their respective boards of directors. Parent's stockholders have approved this Agreement and the Merger. This Agreement and constitutes the legal, valid and binding obligation of Parent or Merger Sub, as applicable, enforceable against Parent or Merger Sub, as applicable, in accordance with its terms, subject to

(i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

3.3 Capitalization and Voting Rights. Immediately prior to the Closing, the authorized capital of Parent will consist of:

(a) Preferred Stock. Five Million One Hundred Thousand (5,100,000) shares of Parent Preferred Stock, Five Million One Hundred Thousand (5,100,000) shares of which will be issued and outstanding.

(b) Common Stock. Ten million (10,000,000) shares of Parent Common Stock, none of which will be issued and outstanding.

(c) SBG Acquisition. Except for up to Two Million Four Hundred Fifty Thousand (2,450,000) Exchangeable Shares to be issued pursuant to the SBG Acquisition, there will be no outstanding any options, warrants, rights (including conversion or preemptive rights) or agreements for the purchase or acquisition from the Company of any shares of its capital stock.

3.4 Valid Issuance. Subject to Section 1.5(c), the shares of Parent Common Stock and Parent Preferred Stock to be issued pursuant to Section 1.5(a) will, when issued in accordance with the provisions of this Agreement, be validly issued, fully paid and nonassessable.

3.5 Corporate Documents. The Parent Constituent Documents will be in the forms attached hereto as ***Exhibit H*** and ***Exhibit I***, respectively, on or prior to the Closing.

3.6 Company Information Statement. The information supplied by Parent for inclusion in the Company Information Statement (including any Parent financial statements) will not, as of the date of the Company Information Statement, and in any case, as of the date such information is prepared or presented, (i) contain any statement that is inaccurate or misleading with respect to any material facts, or (ii) omit to state any material fact necessary in order to make such information not false or misleading.

4. CERTAIN COVENANTS OF THE COMPANY

4.1 Access and Investigation. During the period from the date of this Agreement through the Effective Time (the "***Pre-Closing Period***"), the Company shall, and shall cause its Representatives to: (i) provide Parent and Parent's Representatives with reasonable access to the Company's Representatives, personnel and assets and to all existing books, records, Tax Returns, work papers and other documents and information relating to the Company; and (ii) provide Parent and Parent's Representatives with copies of such existing books, records, Tax Returns, work papers and other documents and information relating to the, and with such additional financial, operating and other data and information regarding the Company or any of its Subsidiaries, as Parent may reasonably request.

4.2 Operation of the Company's Business.

(a) During the Pre-Closing Period, the Company shall ensure that the Company conducts its business and operations (i) in the ordinary course and in accordance with past practices, and (ii) in compliance with all applicable Legal Requirements and the requirements of all Company Contracts.

(b) During the Pre-Closing Period, the Company shall not, and shall cause its Subsidiaries not to, (without the prior written consent of Parent):

(i) declare or pay any dividend or make any other distribution in respect of any shares of capital stock or repurchase, redeem or otherwise reacquire any shares of capital stock or other securities, except repurchases of unvested shares in connection with the termination of the employment or consulting relationship with any employee or consultant pursuant to stock option or purchase agreements;

(ii) sell, issue, grant or authorize the issuance or grant of (i) any capital stock or other security or (ii) any instrument convertible into or exchangeable for any capital stock or other security (except that the Company shall be permitted to issue Company Common Stock upon the valid exercise of Company Options outstanding as of the date of this Agreement and set forth in the Company Schedule of Exceptions;

(iii) amend or permit the adoption of any amendment to the Articles of Incorporation or Bylaws of the Company, or effect, become a party to or authorize any Acquisition Transaction, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction;

(iv) adopt a plan of complete or partial liquidation or dissolution or resolutions providing for or authorizing such a liquidation or a dissolution;

(v) form any Subsidiary or acquire any equity interest or other interest in any other Entity;

(vi) lend money to any Person, or incur or guarantee any indebtedness (except that the Company may make routine borrowings in the ordinary course of business and in accordance with past practices);

(vii) pay any bonus or make any profit-sharing or similar payment to, or increase the amount of the wages, salary, commissions, fringe benefits or other compensation or remuneration payable to, any of its directors or officers, other than in the ordinary course of business and in accordance with past practices.

(viii) change any of its methods of accounting or accounting practices in any respect except as required by generally accepted accounting principles;

(ix) make any material Tax election;

(x) enter into any material transaction or take any other material action outside the ordinary course of business and inconsistent with past practices; or

(xi) authorize, agree, commit or enter into any Contract to take any of the actions described in clauses "(i)" through "(x)" of this Section 4.2(b).

4.3 Notification. During the Pre-Closing Period, the Company shall promptly notify Parent in writing of:

(a) the discovery by the Company of any event, condition, fact or circumstance that occurred or existed on or prior to the date of this Agreement and that caused or constitutes an inaccuracy in or breach of any representation or warranty made by the Company in this Agreement;

(b) any event, condition, fact or circumstance that occurs, arises or exists after the date of this Agreement and that would cause or constitute an inaccuracy in or breach of any representation or warranty made by the Company in this Agreement if (A) such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance, or (B) such event, condition, fact or circumstance had occurred, arisen or existed on or prior to the date of this Agreement;

(c) any breach of any covenant or obligation of the Company; and

(d) any event, condition, fact or circumstance that is likely to make the timely satisfaction of any condition set forth in Section 6 or Section 7 impossible or unlikely.

4.4 No Negotiation.

(a) The Company acknowledges and agrees that the Company will not, and will not permit any of its Representatives and Associates to, directly or indirectly:

(i) solicit, initiate, encourage or facilitate the initiation or submission of any expression of interest, inquiry, proposal or offer from any Person (other than Parent) relating to a possible Acquisition Transaction;

(ii) participate in any discussions or negotiations or enter into any agreement with, or provide any information to, any Person (other than Parent) relating to or in connection with a possible Acquisition Transaction; or

(iii) entertain, consider or accept any proposal or offer from any Person (other than Parent) relating to a possible Acquisition Transaction.

(b) The Company shall, and shall cause each of its Associates and Representatives to, immediately discontinue any ongoing discussions or negotiations (other than any ongoing discussions with Parent) relating to a possible Acquisition Transaction, and shall promptly provide Parent with an oral and a written description of any expression of interest, inquiry, proposal or offer relating to a possible Acquisition Transaction that is received by the

Company or by any of the Company's Associates or Representatives from any Person (other than Parent) during the Pre-Closing Period.

4.5 Company Information Statement.

(a) The Company will prepare and distribute to the Company shareholders in connection with the solicitation of the consent of the Company's shareholders in favor of the Approval of this Agreement, the Certificate of Merger and the Agreement of Merger, an information statement (the "***Company Information Statement***") in compliance with all applicable Legal Requirements and the Company Constituent Documents. The Company shall use its best efforts to solicit from shareholders of the Company in compliance with applicable Legal Requirements and the Company Constituent Documents consents in favor of the approval of this Agreement, the Certificates of Merger and the Agreement of Merger and to take all other actions reasonably necessary to secure such vote as promptly as practicable prior to the Termination Date.

(b) The Board of Directors of the Company shall recommend that the Company's shareholders vote in favor of and approve this Agreement and the Agreement of Merger in the Company Information Statement (the "***Recommendation***").

5. ADDITIONAL COVENANTS OF THE PARTIES

5.1 Additional Agreements. Parent and the Company shall use commercially reasonable efforts (i) to cause the conditions set forth in Section 6, in the case of the Company, and in Section 7, in the case of Parent, to be satisfied as soon as practicable prior to the Termination Date, and (ii) to take, or cause to be taken, all actions necessary to consummate the Merger and make effective the other transactions contemplated by this Agreement as soon as practicable prior to the Termination Date. Each party shall promptly deliver to the other a copy of each filing made, each notice given and each Consent obtained by such party in connection with the Merger during the Pre-Closing Period.

5.2 Regulatory Approvals. The Company and Parent shall use commercially reasonable efforts to file, as soon as practicable after the date of this Agreement, all notices, reports and other documents required to be filed with any Governmental Body with respect to the Merger and the other transactions contemplated by this Agreement, and to submit promptly any additional information requested by any such Governmental Body.

5.3 Public Announcements. During the Pre-Closing Period, neither Parent nor the Company shall issue any press release or make any public statement regarding this Agreement or the Merger, or regarding any of the other transactions contemplated by this Agreement, without the other Party's prior written consent.

5.4 Confidentiality.

(a) Each party to this Agreement and its Associates and Representatives (i) will keep confidential the Confidential Information that it receives from another party and its Representatives and will not (except as required by applicable Legal Requirements), without the disclosing party's prior written consent, disclose any such Confidential Information; *provided,*

however, that notwithstanding clause (i) above a receiving party may reveal the Confidential Information to its Associates or Representatives (a) who need to know the Confidential Information in connection with the transactions contemplated in this Agreement and (b) who are informed of the confidential nature of the Confidential Information. Each party will use its commercially reasonable efforts to cause its Associates and Representatives to comply with the provisions of this section. The receiving party shall use the same degree of care in maintaining the confidentiality of the other party's Confidential Information as it uses with respect to its own information that is regarded as confidential and/or proprietary by the receiving party, but in any case shall at least use reasonable care.

(b) In the event that a receiving party or any of its Associates or Representatives is required by applicable Legal Requirements to disclose any of the Confidential Information received from a disclosing party, the receiving party will notify the disclosing party promptly so that the disclosing party may seek a protective order or other appropriate remedy or, in the disclosing party's sole discretion, waive compliance with the provisions of this section. The receiving party and its Representatives will cooperate fully with the disclosing party and its Representatives in any attempt by the disclosing party to obtain any such protective order or other remedy. In the event that no such protective order or other remedy is obtained, or that the disclosing party waives compliance with the provisions of this section, the receiving party will furnish only that portion of the Confidential Information which it is advised by counsel is legally required and will exercise commercially reasonable efforts to obtain reliable assurances that confidential treatment will be accorded to the Confidential Information disclosed.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF PARENT AND MERGER SUB

The obligations of Parent and Merger Sub to effect the Merger and otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or written waiver by Parent, at or prior to the Closing, of each of the following conditions:

6.1 Accuracy of Representations. Each of the representations and warranties made by the Company in this Agreement and in each of the other agreements and instruments delivered to Parent in connection with the transactions contemplated by this Agreement shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the Closing Date as if made on the Closing Date.

6.2 Performance of Covenants. All of the covenants and obligations that the Company is required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

6.3 Shareholder Approval. The principal terms of this Agreement shall have been validly approved by the Required Company Shareholder Vote.

6.4 Termination of Investors' Rights Agreement. The Investors' Rights Agreement dated as of June 14, 2004 by and among the Company and the other parties named therein shall have been terminated.

6.5 Consents. All Consents required to be obtained in connection with the Merger and the other transactions contemplated by this Agreement (including the Consents identified in

Section 6.5 of the Company Schedule of Exceptions) from any Person or Governmental Body shall have been obtained, shall be in full force and effect and all relevant statutory, regulatory or other governmental waiting periods, whether domestic, foreign or supranational shall have expired.

6.6 Agreements and Documents. Parent shall have received the following agreements and documents, each of which shall be in full force and effect:

(a) the Co-Sale Agreement executed by Mark Sutcliffe, Jeff Colthorpe, Barry Hobbs, Ed Moitoso, the recipients of 95% of Parent Common Stock and 95% of the Exchangeable Shares;

(b) the Voting Agreement executed by Mark Sutcliffe, Jeff Colthorpe, Barry Hobbs, Ed Moitoso and the recipients of 95% of Parent Common Stock;

(c) a certificate signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company representing and warranting after reasonable investigation that the conditions set forth in Section 6.1 and Section 6.2 have been duly satisfied (the "***Company Compliance Certificate***"); and

(d) a certificate, dated as of the Closing Date, signed by the Secretary of the Company (i) attaching copies of the Company Constituent Documents, Articles of Incorporation and Bylaws, and any amendments thereto, of the Company, (ii) certifying that attached thereto are true and correct copies of action by written consent or resolutions duly adopted by the Board of Directors and shareholders of the Company which authorize and approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated thereby, including the Merger and (iv) certifying that there are no proceedings for the dissolution or liquidation of the Company.

6.7 No Material Adverse Effect. There shall not have occurred any event, fact or circumstance which could result in a material adverse effect on the business, condition, assets, liabilities, operations, financial performance or prospects of the Company.

6.8 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the Merger shall have been issued by any Governmental Body, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger that makes consummation of the Merger illegal.

6.9 No Other Litigation. There shall not be pending any Legal Proceeding (a) which, could have a material adverse effect on the Company or a material adverse effect on Parent (b) challenging or seeking to restrain or prohibit the consummation of the Merger or any of the other transactions contemplated by this Agreement; (c) relating to the Merger and seeking to obtain from Parent or any of its Subsidiaries, or of the Company, any damages or other relief that may be material to Parent; (d) seeking to prohibit or limit in any material respect Parent's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the stock of the Company or any of its Subsidiaries; or (e) which, if unfavorably adjudicated, would materially and adversely affect the right of Parent or the Surviving

Corporation or any of their respective Affiliates to own the assets or operate the business of the Company or any of its Subsidiaries.

6.10 Termination of Stock Option Plans. The Stock Option Plan has been terminated.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

The obligations of the Company to effect the Merger and otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or written waiver by the Company, at or prior to the Closing, of the following conditions:

7.1 Accuracy of Representations. Each of the representations and warranties made by Parent and Merger Sub in this Agreement shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the Closing Date as if made on the Closing Date.

7.2 Performance of Covenants. All of the covenants and obligations that Parent and Merger Sub are required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

7.3 Documents. The Company shall have received a certificate signed on behalf of Parent by the Chief Financial Officer of Parent representing and warranting that the conditions set forth in Section 7.1 and Section 7.2 have been duly satisfied.

7.4 Consents. All Consents required to be obtained in connection with the Merger and the other transactions contemplated by this Agreement (including the Consents identified in Section 6.5 of the Company Schedule of Exceptions) from any Person or Governmental Body shall have been obtained, shall be in full force and effect and all relevant statutory, regulatory or other governmental waiting periods, whether domestic, foreign or supranational shall have expired.

7.5 Agreements and Documents. Parent shall have delivered the following agreements and documents, each of which shall be in full force and effect:

(a) Co-Sale Agreement executed by MCH, Mark Sutcliffe, Jeff Colthorpe, Barry Hobbs, Ed Moitoso and the recipients of 95% of Parent Common Stock and 95% of the Exchangeable Shares; and

(b) the Voting Agreement executed by MCH, Mark Sutcliffe, Jeff Colthorpe, Barry Hobbs, Ed Moitoso and the recipients of 95% of Parent Common Stock.

7.6 Parent Financing. MCH shall have completed the purchase of 5,100,000 shares of Parent's Parent Preferred Stock for $3,000,000 in cash, the MCH Note, which shall be in full force and effect, and the contribution of the Bridge Notes, the Bridge Warrant and SBG Notes to the Company.

7.7 Third-Party Lender Line of Credit. Parent and MCH shall have entered into a credit agreement in the form of ***Exhibit K*** providing Parent with up to $6,500,000 in working capital in the event that MCH fails to make one or more payments under the MCH Note and the same shall be in full force and effect.

7.8 Line of Credit. Parent and MCH shall have entered into a credit agreement in the form of ***Exhibit L*** (the "***MCH Credit Agreement***") providing Parent with a $25,000,000 working capital line of credit and the same shall be in full force and effect.

7.9 SBG Acquisition. The SBG Acquisition shall have been consummated[1].

7.10 No Material Adverse Effect. There shall not have occurred any event, fact or circumstance which could result in a material adverse effect on the business, condition, assets, liabilities, operations, financial performance or prospects of Parent.

7.11 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the Merger shall have been issued by any Governmental Body and remain in effect, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger that makes consummation of the Merger illegal.

7.12 No Other Litigation. There shall not be pending any Legal Proceeding (a) which, could have a material adverse effect on the Company or a material adverse effect on Parent (b) challenging or seeking to restrain or prohibit the consummation of the Merger or any of the other transactions contemplated by this Agreement; (c) relating to the Merger and seeking to obtain from Parent or any of its Subsidiaries, or of the Company, any damages or other relief that may be material to Parent; (d) seeking to prohibit or limit in any material respect Parent's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the stock of the Company or any of its Subsidiaries; or (e) which, if unfavorably adjudicated, would materially and adversely affect the right of Parent or the Surviving Corporation or any of their respective Affiliates to own the assets or operate the business of the Company or any of its Subsidiaries.

8. TERMINATION

8.1 Termination Events. This Agreement may be terminated prior to the Closing:

(a) by mutual written consent of Parent and the Company;

(b) by either Parent or the Company, if any Order by any Governmental Body of competent jurisdiction preventing or prohibiting consummation of the Merger shall have become final and nonappealable; *provided, however,* that the party seeking to terminate this Agreement pursuant to this Section 8.1(b) must have used all reasonable efforts to remove any such Order;

(c) by either Parent or the Company if this Agreement and the Agreement of Merger, shall not have been adopted and approved by the Required Company Shareholder Vote.

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[1] Parties to discuss mechanics for timing the closing.

(d) by Parent if any of the Company's representations and warranties contained in this Agreement shall have been materially inaccurate as of the date of this Agreement or shall have become materially inaccurate as of any subsequent date (as if made on such subsequent date), or if any of the Company's covenants contained in this Agreement shall have been breached in any material respect; *provided, however,* that Parent may not terminate this Agreement under this Section 8.1(d) on account of a breach of a covenant by the Company if such breach is curable by the Company unless the Company fails to cure such breach within 15 days after receiving written notice from Parent of such breach;

(e) by the Company if any of Parent's representations and warranties contained in this Agreement shall have been materially inaccurate as of the date of this Agreement or shall have become materially inaccurate as of any subsequent date (as if made on such subsequent date), or if any of Parent's covenants contained in this Agreement shall have been breached in any material respect; *provided, however,* that the Company may not terminate this Agreement under this Section 8.1(e) on account of an inaccuracy in Parent's representations and warranties or on account of a breach of a covenant by Parent if such inaccuracy or breach is curable unless Parent fails to cure such inaccuracy or breach within 15 days after receiving written notice from the Company of such inaccuracy or breach; or

(f) by Parent or the Company if the Closing has not taken place on or before October 31, 2005 (the "***Termination Date***") (other than as a result of any failure on the part of the terminating party to comply with or perform any of its covenant or obligation set forth in this Agreement).

8.2 Termination Procedures. If either party wishes to terminate this Agreement pursuant to Section 8.1, it shall deliver to the other party a written notice stating that it is terminating this Agreement and setting forth a brief description of the basis on which it is terminating this Agreement.

8.3 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement shall terminate; *provided, however,* that: (a) neither the Company nor Parent shall be relieved of any obligation or liability arising from any inaccuracy or prior breach by such party of any representation, warranty, covenant or other provision of this Agreement; (b) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Section 9; and (c) no party hereto shall be liable to the other for any consequential or punitive damages.

8.4 No Survival of Representations. The representations and warranties made by the Company, Parent and Merger Sub in this Agreement, the Company Compliance Certificate, the Parent Compliance Certificate or in any other document, certificate, schedule or instrument delivered or executed in connection herewith shall terminate on the Closing.

9. MISCELLANEOUS PROVISIONS

9.1 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other

actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

9.2 Fees and Expenses. Each party to this Agreement shall bear and pay all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by such party in connection with the transactions contemplated by this Agreement, unless the Merger is effected, in which case Parent will bear all fees, costs and expenses (including legal fees and accounting fees) associated with the transactions contemplated by this Agreement.

9.3 Attorneys' Fees. If any action or proceeding relating to this Agreement or the enforcement of any provision of this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

9.4 Notices. Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by facsimile) to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties hereto):

if to Parent:

4Fun4All, Inc.
3770 Howard Hughes Parkway, Suite 301
Las Vegas, NV 89109
Attn: Joseph J. Lampariello
Fax: (714) 935-3114

with copy to (which copy shall not constitute notice):

Thomas R. Fazio, Esq.
175 Eileen Way
Syosset, NY 11791
Fax: (516) 496-0912

if to the Company:

The Edugaming Corporation
526 Bryant Street
Palo Alto, CA 94301
Attn: Chief Financial Officer
Fax: (650) 329-0664

with a copy to (which copy shall not constitute notice):

Paul, Hastings, Janofsky & Walker LLP
55 Second Street, 24th Floor
San Francisco, CA 94105
Attn: Gregg Vignos
Fax: (415) 856-7100

9.5 Time of the Essence. Time is of the essence of this Agreement.

9.6 Headings. The underlined headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

9.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

9.8 Governing Law; Jurisdiction and Venue.

(a) This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Nevada (without giving effect to principles of conflicts of laws).

(b) Any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement shall be brought or otherwise commenced exclusively in any state or federal court located in the County of Clark, State of Nevada. The Company and Parent each:

(i) expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in the County of Clark, State of Nevada (and each appellate court located in the State of Nevada), in connection with any legal proceeding;

(ii) agrees that service of any process, summons, notice or document by U.S. mail addressed to him at the address set forth in Section 9.4 shall constitute effective service of such process, summons, notice or document for purposes of any such legal proceeding;

(iii) agrees that each state and federal court located in the County of Clark, State of Nevada, shall be deemed to be a convenient forum; and

(iv) agrees not to assert (by way of motion, as a defense or otherwise), in any such legal proceeding commenced in any state or federal court located in the County of Clark, State of Nevada, any claim by either the Company or Parent that it is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.

9.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns (if any). The Company shall not assign this Agreement or any rights or obligations hereunder (by operation of law or otherwise) to any Person. Parent may freely assign any or all of its rights under this Agreement, in whole or in part, to any other Person without obtaining the consent or approval of any other party hereto or of any other Person.

9.10 Remedies Cumulative; Specific Performance. The rights and remedies of the parties hereto shall be cumulative (and not alternative). The parties to this Agreement agree that, in the event of any breach or threatened breach by any party to this Agreement of any covenant, obligation or other provision set forth in this Agreement for the benefit of any other party to this Agreement, such other party shall be entitled (in addition to any other remedy that may be available to it) to (a) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (b) an injunction restraining such breach or threatened breach.

9.11 Waiver. No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy and no single or partial exercise of any such power, right, privilege or remedy, or any affirmative waiver thereof, shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Person shall be deemed to

have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

9.12 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of all of the parties hereto.

9.13 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

9.14 Parties in Interest. Except for the provisions of Sections 1.5 and 1.6, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto and their respective successors and assigns (if any).

9.15 Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto relating to the subject matter hereof and thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter hereof and thereof.

9.16 Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) Except as otherwise indicated, all references in this Agreement to "***Sections***" and "***Exhibits***" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The parties hereto have caused this Agreement to be executed and delivered as of the date first set forth above.

4Fun4All, Inc.
a Delaware corporation

By: _____

Name: Joseph J. Lampariello
Title: President

4Fun4All Acquisition Co., Inc.
a Delaware corporation

By: _____

Name: Joseph J. Lampariello
Title: President

THE EDUGAMING CORPORATION
a Washington corporation

By: _____

Name: David Styka
Title: Chief Financial Officer

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By: _____

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Title: Chief Financial Officer