

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	LICENSE
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CONVEYING PARTY DATA

Name	Execution Date
Magellan Technology Pty Limited	06/22/2005

RECEIVING PARTY DATA

Name:	Progressive Gaming International Corporation
Street Address:	920 Pilot Road
City:	Las Vegas
State/Country:	NEVADA
Postal Code:	89119

PROPERTY NUMBERS Total: 26

Property Type	Number
Application Number:	07459763
Application Number:	07459766
Application Number:	07499296
Application Number:	07499308
Application Number:	07499309
Application Number:	07499319
Application Number:	07785170
Application Number:	07806842
Application Number:	07849641
Application Number:	07978033
Application Number:	08183118
Application Number:	08356782
Application Number:	08501392
Application Number:	08765549
Application Number:	09582341

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Application Number:	09601122
Application Number:	09611658
Application Number:	10204159
Application Number:	10927957
Application Number:	11135115
Application Number:	11398123
Application Number:	11468215
Application Number:	11538242
Application Number:	11538271
Application Number:	11821807
Application Number:	11928357

CORRESPONDENCE DATA

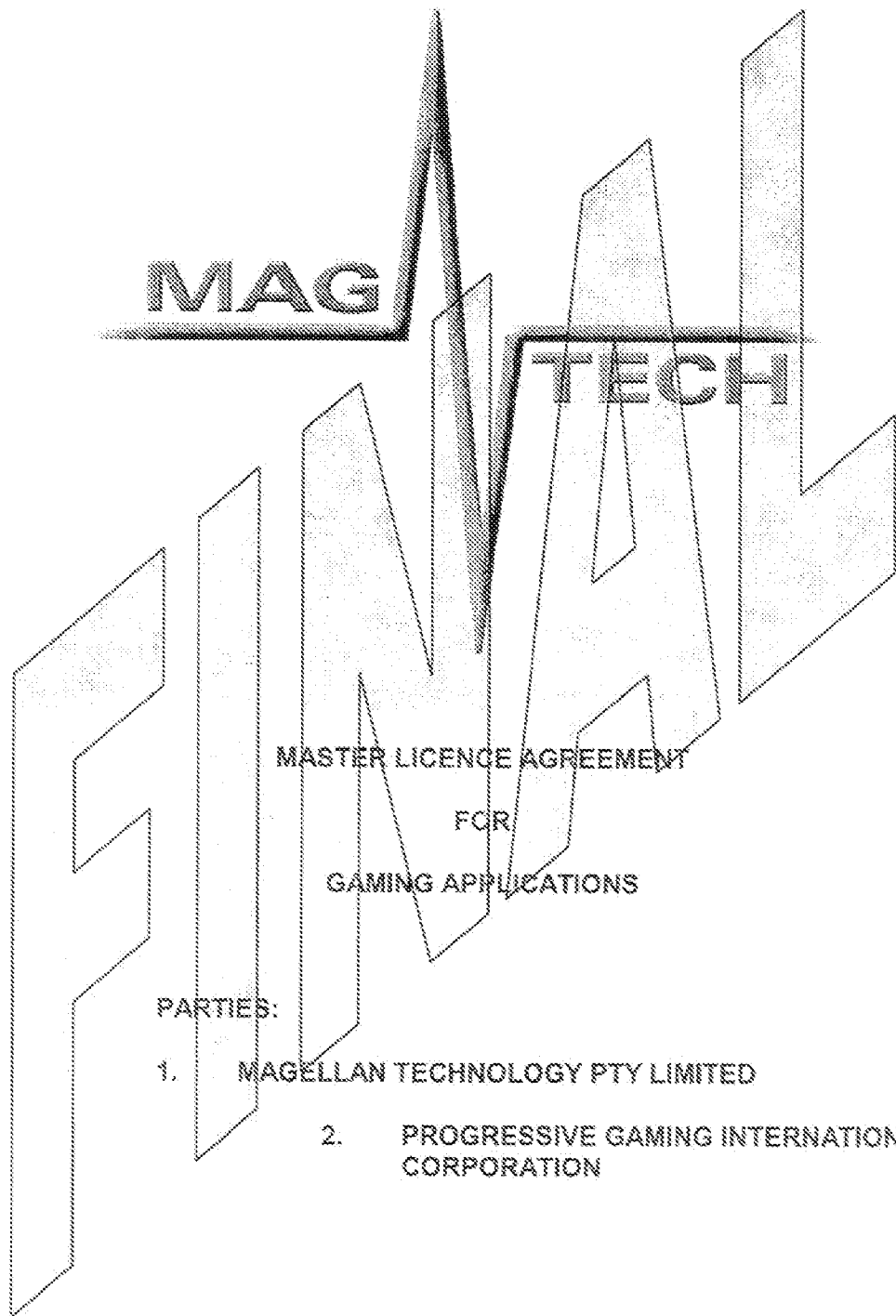
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Address Line 4: Las Vegas, NEVADA 89128

ATTORNEY DOCKET NUMBER:	MIKOHN.0395G
NAME OF SUBMITTER:	Chad W. Miller

Total Attachments: 36
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Date: June 22, 2005



MASTER LICENCE AGREEMENT

FOR

GAMING APPLICATIONS

PARTIES:

1. MAGELLAN TECHNOLOGY PTY LIMITED
2. PROGRESSIVE GAMING INTERNATIONAL CORPORATION



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SCHEDULES

Schedule 1	Reader Patent Summary
Schedule 2	Technical Transfer Package
Schedule 3	Technical Transfer Schedule
Schedule 4	Minimum Performance



THIS AGREEMENT made:

BETWEEN: MAGELLAN TECHNOLOGY PTY LIMITED A.C.N. 009 137 393 a company incorporated in Australia having its registered office at 65 Johnston Street, Annandale, New South Wales, 2038 Australia ("Magellan")

AND: MIKOHN GAMING CORPORATION, doing business as PROGRESSIVE GAMING INTERNATIONAL CORPORATION of 920 Pilot Road, Las Vegas, Nevada 89119, USA ("the Licensee").

RECITALS:

- A. Magellan is the owner of the Technology.
- B. The Parties now agree that an exclusive Global Master Licence for Gaming Applications be granted on the terms and conditions of this Agreement.

AGREEMENT:

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Agreement including its recitals, unless the context otherwise requires:

"Agreement" means this Agreement and any variation thereto agreed in writing between the Parties;

"Article" means an article of this Agreement;

"Asia" means Bangladesh, Brunei, Cambodia, China (including Hong Kong and Macau), Indonesia, Japan, Korea, Laos, Malaysia, Mongolia, Myanmar, Philippines, Singapore, Taiwan, Thailand and Vietnam;

"Date of Execution" means the date of execution of this Agreement, and in the event of the Agreement being executed by different Parties on different dates, shall be the latest of those dates;

"Force Majeure" has the meaning specified in Article 15;

"Gaming / Gaming Applications" means applications within casinos, clubs and other similar establishments where gaming or gambling is conducted;

"Gaming Token" means a token as supplied by casinos and other similar organisations for use as currency for gambling purposes;



"Improvements" means any improvements, enhancements and developments which are based upon or originate from the Technology, or which are developed utilising knowledge and experience gained from the use of the Technology, made or developed by Magellan;

"Independent Technology" means technology not based upon or originating from the Technology or Improvements which is incorporated within a Product;

"Licence / Global Master Licence" means the licence granted under Article 2;

"Magellan" means Magellan Technology Pty Limited or any company to which Magellan Technology Pty Limited assigns all its rights in respect to the Technology;

"Microchip" means an application specific integrated circuit which is used within a Product and which uses some or all of the Technology;

"Net Sales Price" means the total of all gross amounts received by the Licensee from a Sale less the actual costs (to be specified and agreed upon by the parties) associated with such Sale and including cost to the supplier of insurance incidental to transportation, shipping charges, excise taxes and customs duties. This definition shall apply to Sales to non-related third parties in order to avoid any internal transfer pricing that negatively affects Magellan's royalties under this Agreement;

"Parties" means Magellan and the Licensee;

"Patents" means the Patents listed in Schedule 1 and any continuations, divisionals, continuations in part, and any applications or patents that claim priority to the Patents in Schedule 1 regardless of country;

"Products" means products that would infringe the Patents without the licence granted herein;

"Product Sales Return" means a document which is to accompany all royalty payments made to Magellan, and which shows the number, Net Sales Price and royalties for the Products Sold during the period covered by the royalty payment;

"Sale" / "Sales of Products" means any sale, lease or other agreement whereby the right to use Products or the Technology is granted to a third party;

"Sub-Contract" means any contract for manufacture of items the subject of this Agreement granted by the Licensee to a third party;



"Sub-Licence" means any agreement, arrangement or understanding entered into by the Licensee whereby the Licensee grants the right to a third party to use the Technology in accordance with this Agreement;

"Sub-Licensee" means any party to whom the Licensee has granted a Sub-Licence;

"Tag" means a device, such as an Inlet, carrying a Microchip including a capacitor/s or with a separate capacitor/s, and with an antenna structure packaged, encapsulated and functioning as an inductively powered electronic transponder;

"Technology" means the technology described in Schedule 1 and Schedule 2 and any Improvements thereto;

"Term" means the term of this Agreement as provided for in Article 9;

"US\$" means United States of America dollars.

1.2 In this Agreement unless the context otherwise requires:

- (a) words importing the singular include the plural number and vice versa;
- (b) a reference to a person includes a reference to a firm, a body corporate, an unincorporated association or an authority;
- (c) derivatives of any words defined in this Agreement shall bear a corresponding meaning;
- (d) a reference to writing shall include any other mode of reproducing words in a legible visible form;
- (e) a reference to articles, recitals, schedules and appendices shall be references to the Articles, Recitals and Schedules of this Agreement;
- (f) references to this Agreement or to any other instrument shall be references to this Agreement or to such other instrument as amended, varied, novated or supplemented from time to time; and
- (g) headings for Articles do not form part of each Article and headings are included in this Agreement for guidance only and shall not be considered in the interpretation of this Agreement.

2. GRANT OF LICENCE



- 2.1. Magellan grants to the Licensee a Global Master Licence exclusive for Gaming Applications for the Term to the Patents and the technology disclosed therein, including (i) any continuation, continuation-in-part, divisional, reissue or re-examination of such patent or a parent thereof or any application or patent that claims priority to the Patents; and (ii) any foreign counterpart of any Patent to develop, make, manufacture, have manufactured, sell (directly to end users or indirectly through resellers and/or distributors), import/export, lease, rent, assemble, test, maintain, repair, market, or otherwise distribute Products.
- 2.2. Magellan undertakes, subject to the minimum performance targets listed in Schedule 4, and subject to pre-existing licence agreements expressly set forth below, not to grant a licence for Gaming Applications to any other party.

2.2.1. Pre-existing licence agreements referred to in 2.2 above are:

LICENSEE	TYPE OF LICENCE
	Non-exclusive worldwide Reader & Tag Manufacture Licence Existing Licence terminated by Mutual agreement. To be replaced with a non-exclusive licence to specific applications excluding gaming
	Non-exclusive worldwide Reader & Tag Manufacture Licence Terminated. Magellan has agreed to issue a new licence in due course. This will exclude gaming.
	Non-exclusive worldwide Reader, Tag and Chip Licence. Licence to Shunt Regulator Patent Family Co-operation Agreement for joint development of a PJM Microchip Agreement to build next generation PJM Microchip on similar basis to Co-operation Agreement Primary manufacturer of Microchips
	Non-exclusive Tag Manufacture Licence, exclusive rights to sell Signal Readers worldwide, exclusive rights to sell all products in Japan for 2 years from first availability ISO Agreement removes exclusive provisions from above for ISO patents. This licence is due to expire in March 2006, and is not expected to be renewed. (If any agreement is reached to renew or re-issue, gaming applications will be excluded.)
	Exclusive Reader Manufacture Licence for Asia. TAC MOU grants protection for NS for Japanese domestic postal applications. ISO Agreement removes exclusive provisions from above for ISO patents and grants selling rights and Tag manufacture & selling rights.
	Non-exclusive worldwide licence to Shunt Regulator Patent Family



	Non-exclusive global licence to manufacture inlets & Tags Annual renewal in March each year, can be amended or terminated on not less than 30 days notice prior to next renewal
	Non-exclusive global licence to manufacture inlets & Tags Annual renewal in May each year, can be amended or terminated on not less than 30 days notice prior to next renewal
	MOU granting exclusive rights to establish a new company in Benelux until Dec 2005 Has been advised that any licence to new company will exclude gaming applications
	MOU granting exclusive rights to establish a new company in Iberia until March 2006 Has been advised that any licence to new company will exclude gaming applications

2.2.2. The undertaking in Article 2.2 will cease to apply forthwith if the minimum performance target outlined in Schedule 4 is not achieved and maintained.

2.2.3. The Licensee acknowledges that Magellan has given an undertaking to the ISO Secretariat that Magellan will licence its patents listed in ISO 18000-3 Mode 2 (the "ISO Patents") on reasonable and non-discriminatory terms to any party requesting a licence to the ISO Patents. Magellan shall provide to Licensee any relevant information regarding this issue, including correspondence with ISO. In order to comply with this undertaking the Licensee agrees that Magellan can require the Licensee to issue a Sub-Licence for Gaming Applications for the Patents identified in Schedule 1 as ISO Patents to any party making such a request. Magellan will set the terms for the first such Sub-Licence, and subsequent Sub-Licences for the ISO Patents must be on essentially the same terms. Any such licence shall not be on terms more favourable than those given to Licensee herein. In the event such terms are more favourable than those given to Licensee herein, Licensee shall be entitled to a refund of the amounts in Section 3.1 and/or reduction royalties paid pursuant to Section 3.3 in order to compensate for any such more favourable terms.

2.2.4. While the undertaking in Section 2.2 remains in force Magellan will, except where prohibited by law, deal only with and through the Licensee for all Gaming Applications worldwide.



2.3. Specifically excluded from the rights granted under Article 2.1 are the exclusive rights granted by Magellan to other licensees prior to the date of this Agreement, but only whilst such exclusivity remains in force. The rights so granted are as follows:

2.3.1. The right of _____ to be the exclusive manufacturer in Asia of readers which contain Technology not covered by the Patents Identified as ISO Patents in Schedule 1 (this does not prevent or restrict the sale or distribution of items manufactured outside Asia by the Licensee into Asia);

2.3.2. The right of _____ while their licence remains in place, to be the exclusive selling agent in Japan for all products which contain Technology not covered by the Patents identified as ISO Patents in Schedule 1 for a period of 2 years from the availability of each product, and globally for all Readers manufactured by NS which contain Technology not covered by the ISO Patents in Schedule 1. At the time of this Agreement it is contemplated that the license granted to Marubeni shall terminate in March 2006.

For the avoidance of doubt, nothing in this Article 2.3 prevents the Licensee from purchasing Products manufactured by _____, or selling Products in Japan, through _____ ii.

2.4. Magellan for itself and its successors and assigns hereby releases, acquits and discharges Licensee, its officers, directors employees, agents and representatives and all purchasers and users of Products acquired from Licensee and their respective successors and assigns from any and all claims, demands, and rights of action which Magellan may have on account of any misappropriation or violation of legal or equitable rights by the manufacture, use or sale of Products prior to the effective date of this Agreement by any such released party.

2.5. The Licensee expressly acknowledges that Magellan cannot restrict or restrain the use of products licensed to other parties once those products enter the open market. Magellan hereby agrees to take all reasonable efforts to provide Licensee with, and to maintain Licensee's exclusivity within Gaming as provided in this Agreement.

3. LICENCE FEE AND ROYALTIES

3.1. A licence fee of US\$ _____ (_____) (_____) is payable to Magellan for the Global Master Licence, of which US\$ _____ (_____) (_____) is payable on execution of this Agreement, and the balance of US\$ _____ (_____) is payable following Licensee's



In no event will payment of this balance be later than December 31, 2005. Upon payment of the US (rs), Licensee's remaining financial obligations under the Blackjack Table Reader Development Contract dated 23 November 2004 between the Parties will be deemed fully satisfied; and Magellan's obligations contained therein shall remain in full force and effect.

- 3.2. In the event Licensee fails to satisfy its financial obligations under the Subscription and Amendment Agreement currently under negotiation between the Parties an additional license fee in the amount of US\$) shall be due within sixty (60) days of such failure to pay.
- 3.3. The Licensee will pay Magellan a royalty of % of the Net Sales Price on all Sales of Products. For the avoidance of doubt, this royalty applies to Products made and sold by the Licensee, and does not apply where the Licensee buys Products from another licensed manufacturer or from Magellan.
- 3.4. Royalties will be paid quarterly within 30 days from the end of each quarter, being the three monthly periods ending 30th September, 31st December, 31st March and 30th June in each year, and will be accompanied by a Product Sales Return for the relevant Quarter.
- 3.5. All amounts due under this Agreement shall be paid in US Dollars, or in another currency agreeable to Magellan, by telegraphic transfer to the account of Magellan as nominated by Magellan from time to time.
- 3.6. The Licensee shall keep accurate records and books with respect to all Products subject to royalty, showing in sufficient detail all facts necessary for royalty computation. Magellan shall have the right no more than once per year to have examined at its expense such royalty records and books as may contain information serving for royalty computation by an independent public auditor appointed by Magellan and acceptable to Licensee.
- 3.7. If required by the laws of the Licensee's country, the Licensee may deduct any and all taxes, charges and/or other duties (hereinafter "Taxes") imposed by law on payments to be made by the Licensee to Magellan from the payments and pay such Taxes on behalf of Magellan. The Licensee shall upon Magellan's request submit to Magellan official tax receipts evidencing the payment by the Licensee of such Taxes on behalf of Magellan.
- 3.8. If and to the extent a Double Taxation Convention between the Licensee's country and Australia entitles Magellan to claim an exemption from Taxes



imposed on and to be paid by Magellan according to the laws of the Licensee's country, the Licensee shall use reasonable efforts to support Magellan in obtaining a tax exemption certificate (or the like) from the relevant tax authorities to validate the aforementioned claim for tax exemption. As long as the Licensee has not received a copy of such tax exemption certificate, the Licensee shall be entitled to deduct the full amount of Taxes from the payments to be made to Magellan and to pay such Taxes on behalf of Magellan according to Article 3.7.

4. SUB-CONTRACTS AND SUB-LICENCES

- 4.1. The Licensee may Sub-Contract any of the development and manufacture of Products or parts thereof provided that any such Sub-Contract includes provisions on the confidentiality of the Technology commensurate with the provisions under this Agreement. The Licensee will provide Magellan with copies of all Non Disclosure Agreements executed by Sub-Contractors. No fee or other consideration may be charged in relation to a Sub-Contract.
- 4.2. Magellan is to be the principal and preferred supplier, subject to Magellan's prices being competitive with those of alternative suppliers, for Microchips and Tags, and also for Readers and Reader components which the Licensee does not itself wish to manufacture.
- 4.3. The Licensee may Sub-Licence any of the rights granted under this Agreement, but the terms of any such Sub-Licence must first be agreed by Magellan.

5. DEVELOPMENT WORK

- 5.1. Magellan agrees that as part of the amounts paid by Licensee hereunder to undertake as part of this Agreement, the development of new Gaming reader equipment and/or systems for the Licensee to the value of US\$ _____), over the period of 24 months after the Date of Execution. Details of the work are to be agreed between the Parties on a half yearly basis, the terms of which are to be covered by a separate agreement between the Parties.
- 5.2. Should the Licensee wish to design its own Microchip, the design work is to be done by Magellan. The minimum fee for the design work will be US\$ _____ 0 and Magellan will have the right to use the design for non-Gaming Applications. For the avoidance of doubt, royalties will be payable on Products which incorporate such Microchips in accordance with Article 3.3.

6. OBLIGATIONS OF THE LICENSEE



- 6.1. The Licensee undertakes to use the Technology only in the manufacture and Sale of Products as set out in this Agreement. The Licensee will diligently and faithfully serve Magellan as its Licensee and will not use any of the Technology, or any information gained from the rights granted under this Licence, except for the mutual benefit of Magellan and the Licensee.
- 6.2. The Licensee will manufacture, service and warrant its Products in accordance with the Licensee's own best manufacturing practices and standards.
- 6.3. The Licensee will provide reasonable access, for audit purposes, by Magellan to all Products Sold, installed and/or serviced by the Licensee.
- 6.4. The Licensee is not relieved of any of its liabilities or obligations under this Agreement by entering into any Sub-Contract or Sub-Licence and is liable to Magellan for the acts, defaults and neglects of any Sub-Contractor or Sub-Licensee or any employee or agent of the Sub-Contractor or Sub-Licensee to the same extent as if they were the acts, defaults or neglects of its own employees or agents.

7. TRANSFER AND MAINTENANCE OF TECHNICAL INFORMATION, FUTURE DEVELOPMENT AND STANDARDS

- 7.1. Magellan agrees to make available to Licensee any and all technical information and software of whatever nature in respect to the Products listed in Schedule 2 owned by or available to Magellan. The method and timing of the transfer of the technical information covered by this licence are detailed in Schedule 3.
- 7.2. The conditions and cost relating to future development and future Products and any additional technical support that may be requested by the Licensee, are detailed in Schedule 3.
- 7.3. Magellan will continue its work in the promotion of International Standards, and will use its reasonable endeavours to ensure compliance with applicable ISO standards at all times. Magellan will make available to the Licensee information relative to the applicable ISO standards which, in the reasonable opinion of Magellan, is necessary for the Licensee to perform its obligations under this Agreement.

8. PATENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS

- 8.1. Magellan warrants that to the best of its knowledge and belief the information set forth in Schedule 1 regarding the Patents is true and correct in all respects, and that Schedule 1 is a complete list of Magellan's Patents extant at the date of execution of this Agreement.



- 8.2. Magellan will ensure that relevant Patents are maintained, either by Magellan itself or by other parties in accordance with Magellan's licence arrangements. If not otherwise available to the Licensee, Magellan will supply the Licensee with a list of Patents and their status once each year. The obligations in this Article 8.2 do not apply where Magellan has determined that a Patent should not be maintained; or in any country in which Magellan has determined it is not commercially practicable to maintain a Patent. However, in the event Licensee determines that a Patent that Magellan has chosen not to maintain is in fact important to Licensee, or Licensee determines that patent coverage in jurisdictions where such coverage has not been sought by Magellan is important to Licensee, then Licensee may take on the maintenance obligation of such patent and in doing so shall share in the ownership of the patent with Magellan. In the case where Licensee has determined it necessary to seek patent protection in additional jurisdictions for a Patent, then Magellan and Licensee shall enjoy joint and equal ownership of the Patent for that particular additional jurisdiction.
- 8.3. The Licensee agrees that all Products manufactured by the Licensee, to the extent reasonably practicable, must have affixed to and/or stamped on them a notice which attributes ownership of intellectual property rights to Magellan ("Attribution Notice").
- 8.4. Each of the Parties acknowledges that it may, in the performance of its obligations under this Agreement be required to make available to the other information on patents, trade secrets, proprietary systems, designs or processes and technical know-how or business information ("Proprietary Information"). Each of the Parties commits itself to protect Proprietary Information belonging to the other and agrees that it will not disclose any Proprietary Information to any third party otherwise than with the express agreement of the affected Party, nor use any of the Proprietary Information to the benefit of any third party. A Party will not acquire any right, title or interest in or to any Proprietary Information of the other Party except where specifically stated in this Agreement or otherwise agreed in writing between the Parties.
- 8.5. The Parties agree to keep the Proprietary Information of the other Party confidential and not to use the Proprietary Information for any purpose other than the purpose of this Agreement.
- 8.6. Notwithstanding the provisions of Articles 8.4 and 8.5 the Licensee will have the right to disclose such Proprietary Information to its Sub-Contractors only to the extent necessary to enable them to properly perform their obligations to the Licensee, and provided that such disclosure is in accordance with Article 8.7.



- 8.7. Should a Party or a director, officer or employee of a Party be required to divulge the Proprietary Information to a third party in the course of carrying out its obligations under this Agreement, then that Party will be responsible for ensuring that confidentiality is maintained by requiring the third party to enter into a confidentiality agreement at least as strict as that provided by Articles 8.4 and 8.5 of this Agreement.
- 8.8. The provisions of Articles 8.4 and 8.5 do not apply to information which was known to the recipient or which was disclosed in public literature at the date of disclosure to a Party or where Proprietary Information becomes part of the public domain after the date of this Agreement other than through breach of this Agreement or which is disclosed to the recipient after the date of this Agreement by a third party entitled to disclose it, or which has been developed by the receiving Party independently from the disclosure by the other Party.
- 8.9. The parties shall meet periodically in order to share information regarding the development of further and/or additional Technology and shall cooperate with each other for the development of such.

9. TERM AND TERMINATION

- 9.1. Unless terminated earlier, this Agreement continues from the Date of Execution until the date of expiry of the last remaining Patent (the "Term").
- 9.2. Magellan may terminate this Agreement by Notice in writing to the Licensee if:
- 9.2.1 any amount payable under this Agreement is in arrears and the Licensee fails to pay the same within 60 days of receipt of a Notice from Magellan calling on the Licensee to do so; or
 - 9.2.2 the Licensee is otherwise in default under this Agreement in a material respect and fails to remedy the breach within 60 days of receipt of a Notice from Magellan giving adequate particulars of the default, and of the intention to terminate. If the breach is unable to be remedied within 60 days but is capable of being remedied in a longer agreed time frame, at the entire discretion of Magellan the Notice will be amended to reflect the agreed period; or
 - 9.2.3 if an order is made or a resolution is passed for the winding up or liquidation of the Licensee (except where such winding up or liquidation is for the purpose of amalgamation or reconstruction and the company resulting, if a different legal entity, agrees to be bound by or assume the obligations of this Agreement, and is acceptable to Magellan as a Licensee)



- 9.3. The Licensee has the right to terminate this Agreement by notice in writing to Magellan if Magellan has a receiver or liquidator appointed over the whole or that part of its assets as is relevant to the performance of its obligations under this Agreement, or if an order is made or a resolution is passed for the winding up or liquidation of the Magellan (except where such winding up or liquidation is for the purpose of amalgamation or reconstruction and the company resulting, if a different legal entity, agrees to be bound by or assume the obligations of this Agreement).
- 9.4. **Termination for Regulatory Compliance.** Licensee and its affiliates conduct business in a highly regulated industry under privileged licenses issued by gaming regulatory authorities both domestic and international. Licensee maintains a compliance program that has been established to protect and preserve the name, reputation, integrity, and good will of Licensee and its affiliates and to monitor compliance with the requirements established by gaming regulatory authorities in various jurisdictions around the world. Performance of this Agreement is contingent upon the following:
- 9.4.1. Any necessary initial and continuing approvals and/or licenses required by any regulatory agency with jurisdiction over Magellan, or the subject matter of this Agreement. Magellan agrees to cooperate with requests, inquiries, or investigations of any gaming regulatory authorities or law enforcement agencies in connection with the performance of this Agreement, including the disclosure of information to gaming regulatory agencies that would otherwise be considered confidential under other sections of this Agreement. If any approval and/or license necessary for performance of this Agreement is denied, suspended, or revoked, this Agreement shall terminate immediately and neither party shall have any additional rights under this Agreement; provided, however, that if the denial, suspension, or revocation affects performance of this Agreement in part only, the Parties may by mutual written agreement continue to perform under this Agreement to the extent it is not affected by the denial, suspension, or revocation;
- 9.4.2. The successful completion of a due diligence background investigation of Magellan, if necessary, and the continued suitability of Magellan and Licensee throughout the term of this Agreement. Magellan agrees to fully cooperate with Licensee in the completion of a due diligence background investigation and to provide Licensee with the information necessary in order to conduct the due diligence background investigation and any information reasonably necessary in order to determine the continued suitability of Magellan throughout the term of this Agreement.
- 9.4.3. The continued approval by the Vice President of Compliance of Licensee or Licensee's Compliance Committee. If Licensee, acting



on the recommendation of their Vice President of Compliance or their Compliance Committee, withdraws its approval of this Agreement, then Licensee may terminate this Agreement immediately and neither party shall have any additional rights hereunder. In addition, Licensee may terminate this Agreement if the Vice President of Compliance or the Compliance Committee discovers facts that, in the opinion of the Vice President of Compliance or the Compliance Committee or both, would jeopardize the gaming licenses, permits, or status of Licensee or any of its affiliates, with any gaming regulatory authority or similar law enforcement authority.

9.4.4. In the event that Magellan transfers or assigns this Agreement to any party or undergoes a material change in ownership and/or management, Magellan shall provide Licensee with written notice of such event on the same day that such event is made public or, if Magellan does not intend to make such event public, on the same day as such event. Upon such notice, Licensee shall have 90 days to complete a background due diligence investigation of the transferee/assignee or new owner and/or manager, as applicable. If Licensee concludes in good faith, after such investigation, that such transferee/assignee or new owner and/or manager, as applicable, does not pass Licensee's due diligence investigation with respect to the regulatory suitability of such transferee/assignee or new owner and/or manager, as applicable, then Licensee shall have the right, upon notice to Magellan, exercisable within 30 days of the completion of its investigation, to either (i) terminate any portion of this Agreement for which regulatory approval is required, or (ii) terminate the entire Agreement. In the event the license provisions of this Agreement are terminated under the foregoing provisions within 24 months of the date of execution of this Agreement, Magellan shall refund to the Licensee 50% of the licence fee specified in Article 3.1 hereof less US\$1,206,000.00.

9.4.5. Where for reasons of regulatory compliance Magellan is put to any cost of whatsoever nature, these costs are to be reimbursed by the Licensee.

9.5. Articles 1, 8.3, 9, 13.3, & 14 survive the termination of this Agreement. Articles 8.4 to 8.8 survive the termination of this Agreement for a period of 5 years.

9.6. Termination of this Agreement is:

(a) without prejudice to the rights of either Party against each other which may have accrued up to the date of such termination; and



- (b) without prejudice to the Licensee's right to receive any amounts accrued during the term of this Agreement whether or not those amounts are payable prior to termination.

9.7. On termination of this Agreement for whatever reason:

9.7.1 all rights granted to the Licensee under this Agreement immediately revert to, and vest in, Magellan and absolutely no interest whatsoever in any such rights, in whole or in part, remains with the Licensee or any of its Sub-Contractors, Sub-Licensees, agents, employees, or shareholders; and

9.7.2 subject to Article 9.8, the Licensee must immediately cease the manufacture or sale of Products; and

9.7.3 the Licensee must return to Magellan, or provide reasonable proof of destruction of, all technical data supplied to it by Magellan and all copies thereof in the possession, power or custody of itself, any Sub-Contractor, Sub-Licensee or other third party.

9.8. Notwithstanding Article 9.7, the Licensee may sell Products which are held in stock by the Licensee on the date of termination of this Agreement to Magellan, or to existing customers of the Licensee provided the appropriate royalty is paid to Magellan on any such Sale.

10. WAIVER AND VARIATION

10.1. A provision of or a right created under this Agreement may not be waived except in writing signed by the Party granting the waiver and the Parties' rights and obligations under this Agreement may not be varied except in writing signed by the Parties. Waiver of any one breach of a term of this Agreement is not to be construed as a waiver of any subsequent breach of that term or of any other term.

11. RELATIONSHIP OF PARTIES

11.1. The relationship between the Parties is limited to the relationship created under the terms of this Agreement and any relationship created in the Subscription and Amendment Agreement contemplated between the Parties.

11.2. This Agreement is to be construed and deemed to be a manufacturing and licence agreement by the Parties solely for the purposes set out in this Agreement and not for any other purpose. Nothing in this Agreement is to be construed so as to constitute the Parties as partners nor constitute either of the Parties as the agent of the other Party.



- 11.3. Nothing contained in this Agreement will be construed as a limitation of the powers or rights of a Party to otherwise carry on its separate business for its sole benefit.
- 11.4. Neither Party will attempt to bind or impose any obligation upon the other Party or incur any joint liability without the mutual consent of the other Party except as set out in this Agreement.
- 11.5. The right of any individual, firm or corporation claiming by, through or under a Party against any right, title or interest of that Party in this Agreement will be limited solely to the entitlements of that Party as set out in this Agreement.

12. ASSIGNMENT

- 12.1. The Licensee may not assign its rights under this Agreement to a third party without the prior written consent of Magellan. Such consent will not be unreasonably withheld where the third party concerned is a subsidiary of the Licensee and agrees to be bound by the terms and conditions of this Agreement.

13. WARRANTIES AND INDEMNITIES

- 13.1. The Licensee shall manufacture, sell, lease, and service the Products at its sole risk, and shall have no claim of any nature whatsoever against Magellan in relation to any of the Products, except in so far as the same may result from wilful negligence or default on the part of Magellan.
- 13.2. To the maximum extent permitted by law and except as otherwise specifically provided for in this Agreement, Magellan makes no representations or warranties in relation to the Technology, the Products or otherwise, whether express or implied, and disclaims liability for all such warranties, including, without limitation, all implied warranties of merchantability and fitness for a particular purpose.
- 13.3. Magellan's liability to the Licensee under this Agreement in respect to any claim by the Licensee of whatever nature is limited to US\$1,500,000.00 (one million five hundred thousand US dollars).
- 13.4. Licensee's liability to Magellan under this Agreement in respect to any claim by the Licensee of whatever nature is limited to US\$ 1,500,000.00 (one million five hundred thousand U.S. dollars).
- 13.5. The amounts payable to Magellan under this Agreement have been negotiated in reliance on, and are based upon the applicability and enforceability of, the disclaimers contained in this Article.



- 13.6. Magellan warrants that the licences to third parties as provided in Article 2 are the only other licences in existence regarding the technology. In the event there are more licenses to third parties other than those disclosed in this Agreement, the Parties shall meet to re-negotiate amounts paid and to be paid by Licensee for the license granted herein.
- 13.7. The Licensee agrees to indemnify Magellan against any third party claims against Magellan arising directly or indirectly out of the faulty manufacture, sale, lease or servicing of the Products by or on behalf of the Licensee (other than resulting from the wilful negligence or default on the part of Magellan).
- 13.8. Magellan agrees to indemnify the Licensee against any third party claims against the Licensee arising directly or indirectly out of the faulty manufacture, sale, lease or servicing of the Products by or on behalf of Magellan (other than resulting from the wilful negligence or default on the part of the Licensee).
- 13.9. Each party shall provide the other with all information reasonably requested by the "Requesting Party" or its Compliance Committee with respect to the "Providing Party", and its executive officers and directors, regarding financial condition, litigation, indictments, criminal proceedings, and similar concerns in which they may have been involved if any ("Requested Information"), in order for the Requesting Party to determine that the Requested Information does not disclose any fact which might adversely affect, in any manner, any gaming license or permit held by the Requesting Party or its affiliates with any gaming regulatory licensing agency. In the event the Providing Party shall fail to provide the Requested Information promptly, or if the information with respect to the Providing Party or its President (whether provided by the Providing Party or information obtained through the Requesting Party's own investigation) discloses facts concerning the Providing Party or its President which in the reasonable opinion of the Requesting Party or its Compliance Committee, may adversely affect any gaming license or permits held by the Requesting Party or the current standing of the Requesting Party or its President with any gaming commission, board or similar governmental regulatory agency, then the Requesting Party shall have the right to immediately terminate this Agreement upon written notice to the Providing Party and the parties hereto shall have no further liability.

14. GOVERNING LAW AND DISPUTE RESOLUTION

- 14.1. The Parties hereby agree that the law governing this Agreement and the forum in which any dispute shall be heard shall depend on the party bringing any action under this Agreement. In the event Magellan brings an action against Licensee under this Agreement, the law of the State of Nevada, USA shall govern this Agreement, and such dispute shall be heard



in Las Vegas, Nevada, USA. In the event Licensee brings an action against Magellan under this Agreement, the law of Australia shall govern this Agreement, and such dispute shall be heard in Sydney, Australia. In either case the choice of law shall be without reference to laws of conflict of principles.

- 14.2. Any dispute arising in connection with this Agreement is to be finally settled by binding arbitration under the Rules of the International Chamber of Commerce, Paris (ICC-Rules) by three arbitrators in accordance with the said Rules. The seat of arbitration shall be as provided above. The procedural law of this place shall apply where the Rules are silent. The arbitration and all pleadings and written evidence shall be in the English language. Unless otherwise provided for in the award rendered by the arbitrator all amounts stated in the award as payable to any Party are to be paid within 30 days of the date of the award. Judgement on the award may be entered in any court having jurisdiction thereof.

15. FORCE MAJEURE

- 15.1. If at any time owing to any circumstances beyond a Party's control including but not limited to fire, explosion, war (whether declared or undeclared), civil commotion, strikes, or any form of governmental intervention, a Party is prevented from fulfilling its obligations under this Agreement that Party will be entitled to give to the other written notice thereof (the "Force Majeure Notice") setting out as fully as possible the circumstances alleged to constitute the Force Majeure.
- 15.2. The Party giving the Force Majeure Notice will then be entitled to suspend the operation of this Agreement to the extent of its relevant inability to perform during a period equal to the duration of the event of Force Majeure specific in any such notice.
- 15.3. In the event of a Party giving a Force Majeure Notice the Parties must, at the request of either of them, meet and properly confer in good faith in an endeavour to reach a mutually acceptable solution with a view to alleviating any hardship or unfairness caused to a Party as a result of the event of Force Majeure.
- 15.4. Every Force Majeure Notice will be withdrawn by the Party giving it as soon as possible but in any event within forty-eight hours after the event of Force Majeure specified in the Force Majeure Notice has ceased to exist.
- 15.5. In the event that such Force Majeure continues for more than 6 calendar months, then either Party will be at liberty by notice in writing to the other to require that the Parties commence negotiations with a view to arranging the termination of this Agreement.



16. NOTICES

- 16.1. Any Notice, communication or other document authorised or required to be given or served pursuant to this Agreement (in this clause referred to as a "Communication") must, unless otherwise specifically provided by this Agreement, be in writing addressed as appropriate to the relevant Party at its address set out in this Article or to such other address as may be notified in writing by that Party to the other Party from time to time as its address for service and must be signed by a director, secretary or other duly authorised officer of the Party giving or serving the Communication.
- 16.2. A Communication must be delivered by hand or sent by prepaid certified mail requiring acknowledgment of delivery or by overseas confirmed courier delivery or (where appropriate reception facilities are available) sent by facsimile transmission or by electronic mail transmission ("e-mail").
- 16.3. A Communication referred to in Article 16.2 which is hand delivered or received in full by facsimile transmission before 2.00 p.m. on a business day in the place in which it is delivered shall be deemed to be received on that day, and in any other case of hand delivery or facsimile transmission will be deemed to be received on the business day in the place of delivery next following the day of delivery or receipt.
- 16.4. A Communication which is sent by certified mail or courier will be deemed to be received on the date of acknowledgment of delivery. A Communication sent by e-mail or facsimile is to be deemed to be received on the day following the date shown on a verification of receipt report showing that the transmission was received at the address of the addressee.
- 16.5. Articles 16.2 and 16.3 (insofar as they relate to facsimile transmissions) do not operate where the transmission by facsimile is not fully intelligible. Transmission will be deemed to have been fully intelligible unless retransmission is requested within ten (10) working hours (being hours between 9.00 am and 4.00 p.m. on a business day in the place of receipt) of completion of transmission.
- 16.6. Unless otherwise notified to the relevant Parties, the address, facsimile number and e-mail address of the Parties are as follows:



Magellan: Magellan Technology Pty Limited
Address: 65 Johnston St.,
ANNANDALE, NSW 2038
AUSTRALIA

Facsimile No: +
E-mail Address:

Licensee: Progressive Gaming International Corporation
Address: 920 Pilot Road,
LAS VEGAS, NV 89119
USA

Facsimile No: +1 702
E-mail Address:

17. GENERAL

- 17.1. Failure or omission by a Party at any time to enforce or require strict or timely compliance with any provision of this Agreement does not affect or alter that provision in any way or the rights of that Party to avail itself of the remedies it may have in respect of any breach of that provision.
- 17.2. This Agreement may be executed by the Parties in one or more counterparts and the executed counterparts when taken together are to constitute the one agreement and is deemed to have been executed by the exchange between the Parties by each Party by facsimile of a single counterpart signed by that Party.
- 17.3. Any amendment to this Agreement must be in writing executed by the Parties.
- 17.4. The Parties shall perform their respective duties under this Agreement, subject to all applicable laws, regulations, procedures, ordinances and rulings of any Governmental authority with appropriate jurisdiction.
- 17.5. The Licensee will use reasonable endeavours, with the co-operation of Magellan to obtain any necessary approval of this Agreement, or to the remittance of payments under this Agreement in accordance with its terms, by any Governmental authorities with appropriate jurisdiction, in the event that these consents are necessary.
- 17.6. If the whole or any part of a provision of this Agreement is or shall become void, unenforceable or illegal, the remainder of this Agreement shall have full force and effect. The Parties agree that in such a case, the provision held void, unenforceable or illegal shall be replaced by such provision



which in its commercial and legal context is most similar to the provision held void, unenforceable or illegal.

Executed by authority of the Board of Directors of:
Magellan Technology Pty. Limited:

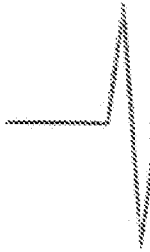
Name: R.P. Cross
Position: Chair
Date: 22 Jun '05

Name:
Position:
Date:

Executed by authority of the Board of Directors of :
Progressive Gaming International Corporation:

Name: Russel McMeekin
Position: CEO
Date: June-22-2005

Name: Mike Decker
Position: EVP
Date: 6-22-05



MAGELLAN TECHNOLOGY

A.B.N. 93 008 137 393

PTY LIMITED

Schedule 1

PATENT LIST

AS AT

April 2005



Patents Listed in ISO/IEC 18000-3 Mode 2:

Identification Apparatus and Methods (Multiple Identification)

		Expiry Date:
U.S.A.	US5302954	12 Apr 2011
World	WO8905549	
Europe	EP0390822 (France & UK)	02 Dec 2008
Germany	DE3854478D	02 Dec 2008
Singapore	SG37971	02 Dec 2008

Magellan Ref: M5

Short Title	Multiple ID
Long Title	Identification Apparatus and Methods
Applicant (U.S.A.)	David Robert Brooks, and Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Applicant (except U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Priority Date	4 Dec 1987

Additional claims for USA are granted in (M22) the Communication Device and Method(s): USA patent 5485154.

Communication device and method(s)

		Expiry Date:
USA	US5485154	12 Apr 2011

Magellan Ref: M22

Short Title	M5 continued
Long Title	Communication device and method(s)
Applicant (U.S.A.)	David Robert Brooks, and Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Priority Date	4 Dec 1987

The term of patent is limited to a maximum of 12 Apr 2011, the same as the Multiple Identification patent (M5). When that patent was granted, some of the claims allowed elsewhere were disallowed in the USA. Most of the disallowed claims were re-applied for under a separate application in the USA only, and this patent was subsequently granted as a continuation to the Multiple Identification patent (M5).



A Transmitter and a Method for Transmitting Data (PJM)

		Status:
USA	US 09/582,341	Being allowed to lapse
USA	US 09/611,658	Replacement, Awaiting Grant
USA	US 10/927,957	Additional claims, Pending
World	WO9934526	Publication Date: 08 July 1999
Europe	EP 1048128	Response to exam report lodged
Japan	JP 2002500465T	Awaiting exam report
Australia	AU 1654099	Extension to enter national phase allowed-advertised 14 March 2005

Magellan Ref: M26

Short Title	Transmitter
Long Title	A Transmitter and a Method for Transmitting Data
Applicant (U.S.A.)	Graham Alexander Munro Murdoch, and Stuart Colin Littlechild
Assignee	Magellan Technology Pty. Ltd.
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd., Ilamon Pty. Ltd., Parakan Pty. Ltd.
Priority Date	24 December 1997

Radio Frequency Identification Transponder (TRAM)

		Status:
USA	US 10/204,159 (App. No) US 2003/0112128 (Pub. No)	Published 19 June 2003, Awaiting Office Action
World	WO 0165712	Publication Date: 07 Sept 2001
Europe	EP 1268458	Response to exam report filed
Europe	EP2005075635.6	Divisional being filed claims 17-37
Europe	EP2005075652.7	Divisional being filed claims 38-54
Japan	JP 2003526148	Pending; Published 2 Sept 2003

Magellan Ref: M28

Short Title	RFID Transponders
Long Title	Radio Frequency Identification Transponder
Applicant (U.S.A.)	Stuart Colin Littlechild, and Michael John Stanton
Assignee (U.S.A.)	Magellan Technology Pty. Ltd.
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd.
Priority Date	28 February 2000



Other Magellan Patents:

Shunt Regulator

		Expiry Date:
U.S.A.	US 5045770	10 Jan 2010
World	WO8907295	
Europe	EP0398943 (France & UK)	03 Feb 2009
Germany	DE68925029D (T)	03 Feb 2009

Magellan Ref: M7

Short Title	Shunt Regulator
Long Title	Shunt Regulator for use wit Resonant Input Source (USA)
Applicant (except U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Applicant (U.S.A.)	David Robert Brooks
Assignee (U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Priority Date	4 Feb 1988

Antenna Structure for Providing a Uniform Field (Antenna)

		Expiry Date:
U.S.A.	US5258766	02 Nov 2010
World	WO8905530	
Europe	EP0393103 (France & UK)	12 Dec 2008
Germany	DE3854051D (T), DE3856320D (T) (refer M19)	12 Dec 2008
Singapore	SG38207, SG49628 (refer M19)	12 Dec 2008

Magellan Ref: M6

Short Title	Antenna
Long Title	Antenna Structure for providing a Uniform Field
Applicant (U.S.A.)	Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Technology Pty. Ltd. and Uniscan Ltd. ##
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd. and Uniscan Ltd. ##
Priority Date	10 Dec 1987



Counter-current RF Field Attenuator using Loop Tubes (Attenuator) (Shield)

		Expiry Date:
USA	US5969609	17 Jan 2017
World	WO9602954	
Europe	EP0771478	18 July 2015
Germany	DE69529904D	18 July 2015

Magellan Ref: M23

Short Title	Shield
Long Title	Counter-Current RF Field Attenuator
Applicant (U.S.A.)	Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Applicant (except U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Priority Date	18 July 1994

An Interrogator for Interrogating an RFID Transponder (Ferrite)

		Status:
World	WO9949337	Publication Date: 30 Sept 1999
Europe	EP 1064568	Awaiting exam report

Magellan Ref: M25

Short Title	Improved Interrogator
Long Title	An Interrogator for Interrogating an RFID Transponder
Applicant	Magellan Technology Pty. Ltd.
Priority Date	23 March 1998



Schedule 1
Patent List



A Transceiver (Single Coil)

		Status:
USA	US 09/601122	Office Action issued
World	WO9939450	Publication Date: 05 Aug 1999
Europe	EP 1057277	Awaiting exam report
Japan	JP 2002502178	Awaiting exam report

Magellan Ref: M27

Short Title	*Transceiver
Long Title	A Transceiver
Applicant (U.S.A.)	Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Technology Pty. Ltd.
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd.
Priority Date	29 January 1998

*This PCT application combines the two provisional patents PP1545 & PP1730

An Identification Device and Identification System (StackTag)

		Status:
USA	TBA	Entered national phase
World	WO2004/019055	Publication Date: 22 Aug 2003
Europe	EP2003792038	Entered national phase
Japan	JP2004529587	Entered national phase
Australia	2003250618	Awaiting examination direction

Magellan Ref: M29

Short Title	RFID Device
Long Title	An Identification Device and Identification System
Applicant (U.S.A.)	Graham Alexander Munro Murdoch and Stuart Colin Littlechild
Assignee (U.S.A.)	Magellan Technology Pty. Ltd.
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd.
Priority Date	22 August 2002



**Schedule 1
Patent List**



**A Radio Frequency Identification (RFID) Tag and an
RFID Identification System (Article Tracking)**

		Status:
Australia	2004901683 (provisional)	Filed 29 March 2004
Australia	2004903694 (provisional)	Filed 7 July 2004

Magellan Ref: M30

Short Title	Article Tracking
Long Title	A Radio Frequency Identification (RFID) Tag and an RFID Identification System
Applicant (U.S.A.)	
Assignee (U.S.A.)	Magellan Technology Pty. Ltd.
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd.
Priority Date	29 March 2004

**Method, System and Apparatus for Document
Management**

		Status:
USA	60/577,999	Filed 9 June 2004 - Pending
Australia	2004903107 (provisional)	Filed 9 June 2004
Australia	2004903779 (provisional)	Filed 12 July 2004

Magellan Ref: M31

Short Title	Document Management
Long Title	Method, System and Apparatus for Document Management
Applicant (U.S.A.)	Raymond Timothy Frost and Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Technology Pty. Ltd.
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd.
Priority Date	9 June 2004



Integratable Synchronous Rectifier

		Expiry Date:
U.S.A.	US5173849	15 May 2010
World	WO8905058	
Europe	EP0389515 (France, UK)	17 Nov 2008
Germany	DE3855202D (T)	17 Nov 2008

Magellan Ref: M1

Short title	Rectifier
Long title	Integratable Synchronous Rectifier
Applicant (U.S.A. only)	David Robert Brooks
Assignee (U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Applicant (except U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Priority date	19 Nov 1987

Integratable Phase Locked Loop

		Expiry Date:
U.S.A.	US5107227	21 Apr 2009
World	WO8905063	
Europe	EP0390800 (France, UK)	17 Nov 2008
Germany	DE3852954D (T)	17 Nov 2008

Magellan Ref: M2

Short Title	IPLL
Long Title	Integratable Phase Locked Loop
Applicant (U.S.A)	David Robert Brooks
Assignee (U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Applicant (except U.S.A.)	Magellan Corporation (Aust.) Pty. Ltd. **
Priority date	18 Nov 1987



Transducer and Interrogator Device (Actuator)

		Expiry Date:
U.S.A.	US5701121	23 Dec 2014
World	WO8910030	
Canada	CA1338675	22 Oct 2013

Magellan Ref: M10

Short Title	Actuator
Long Title	Actuator and Communication System
Applicant (U.S.A.)	Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Technology Pty. Ltd., and Uniscan Ltd.**
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd. and Uniscan Ltd. ##
Priority Date	11 Apr 1988

Adjustable Reactance Device and Method (Variable Reactance – 1) Refer Antenna (M6)

		Expiry Date:
Europe	EP0608966 (France & UK) (Refer M6)	12 Dec 2008
Germany	DE3856320D (T) (Refer M6)	12 Dec 2008
Singapore	SG49628	12 Dec 2008

Magellan Ref: M19

Short Title	Vary Reactance
Long Title	Adjustable Reactance Device and Method
Applicant	Magellan Technology Pty. Ltd. and Uniscan Ltd. ##
Priority Date	12 Dec 1987



Schedule 1
Patent List



Actuator and Communications Systems (Variable Reactance – 2) Refer Actuator (M10)

Canada	CA1340489 (Refer M10)	Expiry Date: 6 Apr. 2016
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Magellan Ref: M21

Short Title	Vary Reactance
Long Title	Actuator and Communications Systems
Applicant (U.S.A.)	Graham Alexander Munro Murdoch
Assignee (U.S.A.)	Magellan Technology Pty. Ltd. and Uniscan Ltd. ##
Applicant (except U.S.A.)	Magellan Technology Pty. Ltd. and Uniscan Ltd. ##
Priority Date	11 Apr 1988

*Patents "Variable Reactance – 1" and "Variable Reactance – 2" cover different aspects of the principle of variable reactance.

** Under a Deed of Trust dated 16 January 1992 the technology and patents are the property of Magellan Technology Pty. Limited.

Uniscan Ltd. assigned its patent interests to The University of Western Australia, which has assigned those interests to Magellan Technology Pty. Limited.



Schedule 2

TECHNICAL TRANSFER PACKAGE
As at May 2005



Schedule 3

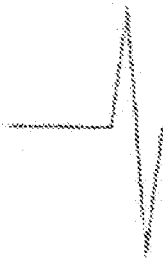
TECHNICAL TRANSFER SCHEDULE
As at May 2005



Schedule 4

MINIMUM PERFORMANCE SCHEDULE

PGI shall be deemed to have met minimum performance provided that it continues to promote and maintain activity worldwide in respect to the Technology licensed under this Agreement.



MAGELLAN TECHNOLOGY

A B.N. 93 00R 127 0813

PTY LIMITED

September 15, 2005

Mr. Russ McMeekin
President & CEO,
Progressive Gaming International Corporation
920 Pilot Road
LAS VEGAS NEVADA 89119
USA

**RE: Modification of Master License Agreement For Gaming Applications
("License") Dated June 22, 2005**

Dear Russ:

This Letter will serve to modify the aforementioned License. The following language is hereby added to the end of Section 2.1: The parties expressly contemplate and acknowledge that the Global Master License granted under this Agreement extends to include, on the same terms and conditions, any additional patents or patent applications lodged by the Licensor after the date of execution of the License.

By signing below, both parties acknowledge the terms contained herein and agree to be bound by them.

Sincerely,

Mr. Tim Frost
Chairman & CEO
Magellan Technology Pty Limited

Accepted and Agreed by:

Mr. Russ McMeekin
President & CEO
Progressive Gaming International Corporation