

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

XPERTX, INC.

(Periodic payment plan and related conditions)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on October 6, 2010, and before the Nevada Gaming Commission ("Commission") on October 21, 2010, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;
IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE
RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following application, as amended and supplemented, has been filed:
 - a. The application of XpertX, Inc., for an alternative funding source for the Megakeno 10 statewide progressive keno pursuant to NGC Regulation 5.115(3)(d).
2. THAT XpertX, Inc. is granted approval of a periodic payment plan, pursuant to NGC Regulation 5.115(3)(d), subject to the following conditions or limitations:
 - a. XpertX, Inc. and Warren Tripp, must maintain sufficient reserves in restricted accounts as calculated pursuant to Regulation 5.115(2)(m) and reconciled on at least a monthly basis. Both XpertX, Inc. and Warren Tripp shall be, for purposes of this Order, jointly and severally liable for compliance with this Paragraph 2(a), and solely for purposes of Paragraph 2(a) of this Order, XpertX, Inc. and Warren Tripp are granted approval to utilize an irrevocable letter of credit as an approved funding

source pursuant to NGC Regulation 5.115(2)(m) subject to the following conditions:

1. An irrevocable letter of credit must only be issued to Warren Tripp on behalf of licensee XpertX, Inc.
2. The irrevocable letter of credit is expressly limited to funding the Base amount as defined in NGC Regulation 5.112(1)(a) and will not be used to fund the Incremental amount as defined in NGC Regulation 5.112(1)(d) or the Reset fund as defined in NGC Regulation 5.112(1)(g). The incremental amount and the reset fund shall be maintained in separate restricted accounts.
3. An executed copy of any irrevocable letter of credit must be reviewed and administratively approved by the Chairman of the Board prior to it being utilized as an approved funding source.
4. XpertX, Inc. and Warren Tripp must continue to comply with all requirements and conditions contained in the approval letter from Chairman Neilander to Jesse A. Wadhams dated June 26, 2009 as it relates to the MegaKeno Jackpot Trust and MegaKeno Jackpot Agreement.
5. Any amendments or changes to the irrevocable letter of credit, MegaKeno Jackpot Trust or MegaKeno Jackpot Agreement shall be administratively approved by the Chairman of the Board.
6. Copies of all documents filed by Warren Tripp or XpertX, Inc. with any financial institution regarding certification requirements for an irrevocable letter of credit shall be provided to the Board within ten (10) days of the filing of such documents with the financial institution.
7. Warren Tripp shall notify the Board within three (3) days of the date in which his liquidity should fall below \$1.0 million. For purposes of this section 7, the term "liquidity" shall mean the aggregate value of Warren Tripp's cash on hand, cash in banks, U.S. Government Treasury bills, bank certificates of deposit, corporate commercial paper, other money market instruments, brokerage accounts, mutual funds and stock holdings.
8. On a quarterly basis, Warren Tripp shall provide to the Board a financial statement certified by Warren Tripp showing his assets and liabilities at current values.
9. Copies of all correspondence, notices or filings sent or received by any of the parties to an irrevocable letter of credit that is being used as an approved funding source shall be provided to the Board within three (3) days of the date such document is sent or received. Such documentation expressly includes any documents required by the financial institution in order to maintain the irrevocable letter of credit.
10. XpertX, Inc. and Warren Tripp shall immediately notify the Board of any significant change in the rating of any financial

institution that has provided an irrevocable letter of credit that is being used as an approved funding source.

11. The approval herein granted may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.
12. The Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for any cause deemed reasonable by the Chairman, which shall remain in effect until lifted by the Commission as provided in Paragraph 2(a)(11) above.

b. Either XpertX, Inc. or a licensed subsidiary thereof identified to the Board must satisfy the following financial requirements at all times:

1. A current ratio of not less than 2 to 1. "Current ratio" is defined as current assets divided by current liabilities.

or

Working Capital, defined as current assets minus current liabilities, in excess of the greater of:

- a. \$50 million, or;
- b. an amount equal to the total current liabilities for all wide area progressive jackpot systems reported on the balance sheet as calculated under NGC Regulation 5.115(9)(a) and (b).

and

2. An interest coverage ratio of not less than 3 to 1. "Interest coverage ratio" is defined as earnings before interest and taxes (i.e., operating income), plus depreciation and amortization, divided by interest expense.

or

A debt to EBITDA ratio of not more than 4.75 to 1. "Debt to EBITDA" is defined as total debt (current and long-term debt plus capitalized leases) divided by earnings before interest and taxes (i.e. operating income) plus depreciation and amortization. For purposes of this calculation, EBITDA shall be computed for a rolling twelve month period.

3. THAT XpertX, Inc. shall at all times comply with the following monitoring and reporting requirements:

- a. XpertX, Inc. must send written notification to the Chairman identifying which of its gaming or promotional activities using periodic payments will be funded using the reserve method. Such notification shall be submitted by the chief financial officer, or equivalent thereof, at least 45 days prior to the commencement of such activity. The funding method shall be deemed approved unless XpertX, Inc. is otherwise informed in writing by the Chairman upon the expiration of such time. Once the activity is approved, XpertX, Inc. need not resubmit such notification for continuing gaming or promotional activity where a prize has been awarded and such activity is immediately begun again or continuously operated. XpertX, Inc. must also send written notification to the Chairman identifying the single entity that will meet the ratio or working capital requirements (parent holding company or licensee) and must submit to the Chairman written notification of any change thereto at least 45 days prior to the end of the quarter or year end, as appropriate. The Chairman may, for any cause deemed reasonable, require the ratios to be met by either XpertX, Inc. or a subsidiary licensee.
- b. Within 10 days of funding the periodic payments for prizes won or awarded and where U.S. Treasury securities are used as the approved funding source, XpertX, Inc. shall submit written notification to the Chairman that identifies the name(s) of the financial institution or brokerage firm which were selected to maintain the securities. Such securities shall not be released or redeemed by the financial institution or brokerage firm, except at maturity, without the prior written approval of the Chairman. In addition, prior to maturity, such securities shall not be sold, assigned, transferred, pledged, hypothecated, or disposed of in any manner without the prior written approval of the Chairman. Executed agreements between XpertX, Inc. and such entities setting forth these restrictions must be provided to the Chairman in conjunction with the notification discussed herein. Amendments to such agreements must be approved in the same manner.
- c. To demonstrate compliance with the financial requirements, the ratios and working capital figures for both XpertX, Inc. and any subsidiary licensee identified to meet the financial requirements, including copies of the appropriate financial statements, shall be provided to the Board for the quarter or fiscal year, as appropriate.
- d. XpertX, Inc. must engage at its sole expense an independent certified public accountant (“accountant”) licensed in the State of Nevada to examine on a fiscal year basis, and XpertX, Inc.’s chief financial officer or equivalent thereof must examine on a fiscal quarter basis, the pertinent records and information relating to the

aforementioned financial requirements and compliance for each such fiscal year or quarter, respectively.

e. XpertX, Inc. must make available to the accountant all books, records and information which may be necessary to enable him to make the determinations specified in letter (d) above. The accountant and chief financial officer shall report and certify to the Chairman in writing, in a format acceptable to the Chairman, their findings with regard to each respective period under review. The reports and certifications by the accountant and chief financial officer must be submitted to the Chairman no later than 90 days after the end of XpertX, Inc.'s fiscal year and 30 days after the end of the quarter, respectively. Such reports must demonstrate XpertX, Inc.'s (or a subsidiary licensee) compliance with the financial requirements of this letter and identify the names of the independent financial institutions or brokerage firms responsible for maintaining the funds or securities, and/or remitting payments to patrons along with the amount of the approved funding sources held by such entities.

f. If the accountant or chief financial officer reports and certifies to the Chairman that XpertX, Inc. (or a subsidiary licensee) was not in full compliance with all of the aforementioned financial and reporting requirements for the period under review, the Chairman may require XpertX, Inc. to obtain a 1 year letter of credit. The letter of credit shall be in the name of the Gaming Control Board for an amount sufficient to fund the present value of the then outstanding obligations to be paid to patrons of the affected Nevada gaming or promotional activity, including progressive systems, of XpertX, Inc., and to fund any payments due upon validation of prizes on public display. The Chairman may also impose additional monitoring or reporting requirements.

If by the end of the quarter preceding the expiration date of the letter of credit XpertX, Inc. continues to be in a state of noncompliance and has not provided documentation satisfactory to the Chairman conclusively demonstrating that the letter of credit shall be renewed or replaced or has filed an application for and received a waiver thereof from the Commission, the Chairman may require draw down(s) on the letter of credit and distribute to any such unpaid patrons, cash equal to the present value of such unpaid prizes.

g. If the letter of credit described in letter (f) above is not obtained within 15 days after the Chairman directs XpertX, Inc. to obtain such letter and an administrative extension has not been granted by the Chairman, XpertX, Inc. shall immediately notify the Chairman in writing of such circumstances. Such notification shall also include a written plan that addresses XpertX, Inc.'s arrangements to make payments to unpaid patrons in amounts

equal to the present value of any unpaid Nevada obligations. Pursuant to Regulation 5.115(14), the Chairman may also require that XpertX, Inc. immediately cease offering any Nevada gaming or promotional activity, including any of its progressive systems, for which periodic payments are utilized.

- h. XpertX, Inc.'s chief financial officer must immediately notify the Chairman of any nonpayment of a periodic payment to a winning patron through any Nevada gaming or promotional activity, or any event or circumstance which may cause XpertX, Inc. to not be able to fulfill, or which may otherwise impair its ability to satisfy, its payment obligations to any such unpaid patrons. Upon such notification, the Chairman may invoke or take any additional remedies or corrective action pursuant to Regulation 5.115(15).

ENTERED at Carson City, Nevada, this 21st day of October 2010.