

## Software Only/No Equipment/No Furniture/No Gift Certificates

### Revenue Share (must pay by ACH draft)

- Licensing Fee (River) - 10% (RSS will collect and pay)
- RSS - 20% / Customer - 70%
- If sales exceed 20K for the month RSS increases 10%, customer gets 60% (60/40 over 20K)
- If customer bundles Jukebox, ATM, credit card service, they get 1% more (71%/39%)
- If customer contracts for Maverick, Phoenix, RimFire: 10% more license fee in invoices related to these 3 game systems (RSS will collect and pay)

### Options for Upgrades

1. If RSS supply's and installs computers and electronic hardware, wiring, full tech support, replacement hardware, etc: 10% more
2. If RSS supply's and installs furniture (Casino grade chairs - counters): 5% more (3% Counters/2% Chairs)
3. If RSS provides product sale business model of gift certificates that provide opportunities for customer to redeem music and other products (game play tap cards, vacation packages, boat charters, music, other products and services) from it's Lucky 7 Download website which includes sales tax on redemption: 6% more
4. If customer does not pay by ACH draft: 5% more
5. If customer pays late: 10% late fee on past due amount

### Important Facts to Know

- a. If a customer is not selling a product and giving away free sweeps points, this could be considered gambling, they should collect and pay sales tax for amusement services. See case **TEXAS COURT OF APPEAL, THIRD DISTRICT, SIDETRACKED BAR LLC APPELLANT - NO. 03-21-00335-CV**. They risk criminal consequences if accused of gambling. (Like all others doing this)
- b. RSS will not provide any legal assistance or defense of any kind. It will provide legal support and expert witnesses if necessary regarding our game system. Customer should retain at all times local legal counsel at their own expense.
- c. License fees are subject to sales tax. On the system of revenue share gift certificates (product based business model), it is not subject to sales tax.
- d. In all scenarios customer is responsible to collect and pay sales tax (if any), except on music downloads and other products redeemed on Lucky7 site. It will state this in the contract and will also have to sign a wholesale certificate form provided by State Comptroller.
- e. RSS will not put more than 7-9 game terminals in a new unproven 3rd party location. In a proven store we can do as high as 20, but over 20 will require President approval. We can always add more!
- f. In a software only customer, the customer can do whatever they want. Such as "donation based" (which are subject to sales tax), they will be responsible for any wrong doings. We may private label games for them. They can not use our signs, rules, or any materials unless they operate properly and use our gift card system. They must make their own. Materials required by law.
- g. RSS will provide a weekly text marketing program to all 3rd party customers. Customer prizes for a weekly giveaway of \$1,000, Quarterly giveaway of a Mexico vacation for 2 people to Play Del Carmen for 7 days, including airfare on Southwest Airlines (\$5k Value) and annual drawing for a new car or Harley Davidson motorcycle or prize chosen by company.
- h. **All 3rd party customers who exceed and average of \$360,000 per calendar year will receive a Mexico vacation for 2 people to Playa Del Carmen for 7 days, including airfare on Southwest Airlines (\$5K Value). Customer who exceed the \$360,000 will receive a vacation and an additional bonus prize with a value of more than \$10,000.**
- i. Donation base - Operators should plan to donate 5-10% minimum of gross to be paid to non-profit charity and must collect sales tax. This is total responsibility of customer. **SEE CASE TEXAS COURT OF APPEAL, THIRD DISTRICT, SIDETRACKED BAR LLC APPELLANT - NO. 03-21-00335-CV.**
- j. If customer does not pay by ACH they must adhere to company cash payment policy. If not strictly followed must pay 5% more on invoice.

- Existing customers that want to switch to one of these options would have to purchase (all cash) our existing assets installed at their location related to sweep games at our price.
- \$2,000.00 per game station would include everything but server or pick & choose
- Counters/Chairs \$500.00 per game station
- Computers only \$1,500 per game station
- \$1,800 Removal Fee Minimum
- Servers can not be purchased

