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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re: VSS ENTERPRISES, LLC, a Nevada limited liability company, dba CASTAWAY'S HOTEL, CASINO, AND BOWLING CENTER, Debtor.	Case No. BK-S-03-17939-LBR Chapter 11 **DECLARATION OF JOHAN FINLEY** Date of Hearing: 02/10/2004 Time of Hearing: 9:30 a.m.

I, JOHAN FINLEY, declare and state as follows:

1. I am employed as the Chief Executive Officer with PDS Gaming Corporation-Nevada ("PDS"). I make this declaration in support of the Notice of Interest submitted concurrently with this Declaration. I have personal knowledge of the matters set forth in this Declaration except as to those matters based upon information and belief, and as to those matters I believe them to be true and correct. If called as a witness I could and would testify competently regarding the matters set forth herein.

2. On June 26, 2003, (the "Petition Date"), Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

3. Debtor is a Nevada limited liability company that owns and operates a hotel casino commonly described as the Castaways Hotel and Bowling Center located at 2800 Fremont Street at the northern end of the "Boulder Strip", approximately two and one-half (2½) miles southeast

of the downtown area of Las Vegas, Nevada. Debtor holds an unrestricted gaming license granted by Nevada gaming authorities.

4. I am informed that on February 2, 2004, Vestin Mortgage, Inc. on behalf of Owens Financial Group, Inc., Vestin Fund I, LLC and Vestin Fund II (collectively "Vestin") conducted a foreclosure sale and foreclosed on certain real property and improvements belonging to the Debtor. This foreclosure sale did not involve or affect the property and equipment of PDS.

5. PDS and Debtor are parties to a Participation Agreement dated April 22, 2002, and accompanying Addendums ("Participation Agreement")[1], wherein PDS agreed to provide to Debtor certain gaming devices ("Equipment") in consideration for an agreed upon participation fee and payments ("Participation Fee"). A true and correct copy of the Participation Agreement and accompanying Addenda are attached as Exhibit "1".

6. The Equipment presently consists of 67 gaming devices more particularly described in Exhibit "2". PDS holds all ownership interest in and title to the Equipment and the Debtor is prohibited from allowing, creating or suffering any mortgage, claim, lien, charge, encumbrance or legal process of any creditor of any kind upon the Equipment.

7. In conjunction with the Participation Agreement, PDS also filed precautionary UCC-1 Financing Statements with the Nevada Secretary of State. True and correct copies of the UCC-1 Financing Statements filed with Nevada's Secretary of State are attached as Exhibit "3".for the equipment covered by the Participation Agreement, and its Addendums.

8. The term of the Participation Agreement was for twelve (12) consecutive months beginning on April 30, 2002 and ending on April 30, 2003; consequently, the Participation Agreement has expired by its own terms. Upon expiration of the Participation Agreement, the Debtor must either purchase the Equipment for the stated prices, or return the Equipment to PDS within fourteen (14) days of expiration. If Debtor fails to timely return the Equipment following

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[1]The First Addendum Participation Agreement was executed on May 28, 2002. On June 14, 2002. The Second Addendum Participation Agreement was executed on June14, 2002. The Third Addendum Participation Agreement was executed on November 18, 2002.

expiration of the Participation Agreement, the Debtor is required to pay an additional Participation Fee until all of the Equipment is returned.

9. The Participation fee consists of a division of Net Win produced by the Equipment as follows: PDS shall receive 20% of the Net Win, but in no event more than $15.00 per day per Unit or greater than $30.00 per day per Unit and the Debtor shall retain 80% of the Net Win. Net Win is a defined term in the Participation Agreement.

10. Prior to the filing of the bankruptcy petition, the Debtor did not purchase or return the Equipment. Moreover, the Debtor continued to use the equipment without remitting the Participation Fee to PDS. As of the Petition Date the Debtor owed PDS the sum of $107,376.65, excluding gaming taxes withheld by the Debtor. This amount consists of $37,497.08 for April, $36,512.87 for May and $33,366.57 for June. Since the filing of the petition, the Debtor continued to retain the Equipment and collect gaming win under a modified arrangement.

11. Pursuant to the terms of the Participation Agreement, the gaming devices, machines and equipment is owned by PDS, and, as such, is not an asset of the bankruptcy estate. Additionally, since the Participation Agreement has expired by its own terms and the Equipment is no longer necessary for an effective reorganization, PDS is entitled to immediate possession of the Equipment.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

DATED this 4th day of February, 2004.

JOHAN FINLEY

EXHIBIT "1"

ORIGINAL
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PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (as may be amended from time to time, the "***Agreement***") is made and entered into on April 22, 2002 by and between **PDS GAMING CORPORATION-NEVADA**, a Nevada corporation, its successors and assigns, whose address is 6171 McLeod Drive, Las Vegas, NV 89120-4048 ("***PDS***") and **VSS ENTERPRISES, LLC**, a Nevada limited liability company, its successors and assigns, doing business as **CASTAWAYS HOTEL, CASINO & BOWLING CENTER** (the "***Casino***"), whose address is 2800 E. Fremont Street, Las Vegas, NV 89104 ("***Customer***").

1. **Equipment.** PDS shall provide to Customer, and Customer shall receive from PDS in accordance with the terms and conditions contained herein, certain gaming devices (each a "***Unit***") more fully described on **Attachment "A"** attached hereto and incorporated into this Agreement (the "***Equipment***").

2. **Customer.** Customer's Tax ID Number is **88-0436030** and Customer's Organizational ID Number is **LLC5002-1999**. Customer's location for the purposes of all Uniform Commercial Code filings is the **State of Nevada**.

3. **Term.** The Term shall commence on the date the Equipment is delivered to the Customer ("***Commencement Date***"), and shall continue for **twelve (12) consecutive months**. At least sixty (60) days prior to the expiration of the present or any renewal term of this Agreement, PDS will notify Customer and Customer will determine whether they will extend the term, return the equipment or purchase the equipment. This Agreement shall be **non-cancelable** for the duration of the Term or any renewal Term.

4. **Participation Fee and Payments.** The Net Win produced by the Equipment shall be divided as follows: **PDS shall receive 20% of Net Win, but in no event less than $15.00 per day per Unit or greater than $30.00 per day per Unit** (the "***Participation Fee***") and **Customer shall retain 80% of Net Win**. For the purposes of this Agreement, "***Net Win***" shall mean the money and tokens removed from the Equipment's drop boxes (i.e. the drop) minus (i) the sum of money and tokens put in the Equipment (i.e. fills), (ii) the amount of jackpots hand paid by Customer, and (iii) the cost of repairing or replacing defective Units or parts. Applicable gaming taxes shall be deducted in the same ratio as set forth above. Monies due hereunder shall begin to accrue on the Commencement Date. All monthly payments of the Participation Fee shall be due and payable fifteen (15) days after the end of each calendar month and shall be based on the prior month's revenues.

5. **Replacement Right.** At anytime during the Term, Customer shall have the right to replace or substitute certain Units of the Equipment with other gaming devices acceptable to both Customer and PDS.

6. **Location, Use, Property Rights, and Liens.**

a. **Location and Use.** The Equipment shall be used only by Customer and only in connection with the Casino. Customer shall not relocate or remove any of the Equipment from the Casino without the prior, written consent of PDS. Customer shall comply with manufacturer instructions relating to the Equipment, and any applicable laws and governmental regulations.

b. **Identification.** Upon request by PDS, Customer shall mark each Unit of the Equipment conspicuously with appropriate labels or tags furnished by PDS and maintain such markings through the Term to clearly disclose that said Unit is being provided by PDS. Subject to Customer's reasonable security requirements, Customer shall permit PDS's representatives to enter the Casino where any Unit is located to inspect such Unit.

c. **Personal Property.** All of the Equipment is personal property and Customer shall not affix any of the Equipment to realty so as to change its nature to a fixture or real property and agrees that all of the Equipment shall remain personal property during the Term. The Equipment is, and shall at all times remain removable from the Casino. Customer agrees that the Equipment is not essential to the Casino. **PDS expressly retains ownership and title to the Equipment.**

d. **Customer hereby authorizes PDS to file any and all UCC Financing Statements related to this Agreement without Customer's authentication, to the extent permitted by applicable law.** Customer hereby agrees that by executing this Agreement that the same shall constitute Customer's authorization for all UCC Financing Statements and/or amendments thereto related to this Agreement.

e. **Accessions.** Customer agrees that if any part of the Equipment is physically attached to other personal property that the Equipment shall not lose its identity and shall constitute an accession. PDS shall at all times herein retain its interests in the Equipment and such interest shall continue to be perfected notwithstanding its becoming an accession.

f. **Liens and Encumbrances.** Unless otherwise provided herein, Customer shall not directly or indirectly create, incur or suffer a mortgage, claim, lien, charge, encumbrance or the legal process of a creditor of Customer of any kind upon or against this Agreement or any Unit. Customer shall at all times protect and defend, at its own cost and expense, the title of PDS from and against such mortgages, claims, liens, charges, encumbrances and legal processes of creditors of Customer and shall keep all the Equipment free and clear from all such claims, liens and legal processes. If any such lien or encumbrance is incurred, Customer shall immediately notify PDS and shall take all actions required by PDS to remove the same.

7. **Purchase or Return of Equipment.** At the expiration of any Term or upon termination of this Agreement, Customer has the option to purchase the equipment in "as is/where is"

condition for $1,995.00 per Bally 5500 and $4,995.00 per IGT Game King, or return all of the Equipment to PDS or its designee at PDS's distribution facility in Las Vegas, Nevada, in accordance with appropriate gaming laws and regulations and the terms and conditions of this Agreement. The Equipment shall include all parts, accessories, attachments, etc. originally delivered to Customer and shall conform to all of the manufacturer's specifications and gaming laws and regulations with respect to normal function, capability, design and condition less normal wear and tear. The terms "normal wear and tear" includes minor scratches, dents, and chips to the exterior of the device and wear to the interior components of the Equipment that is consistent with components of comparably aged machines. If Customer fails to return the Equipment or any portion thereof, as provided above, within fourteen (14) days following expiration of any Term or termination of the Agreement, then Customer shall pay to PDS an additional month's Participation Fee for each month, or any portion thereof, that Customer fails to comply with the terms of this return provision, until all of the Equipment is returned, as provided herein.

8. Risk of Loss, Insurance.

a. **Risk of Loss**. Customer shall bear the risk of all loss or damage to any Unit or caused by any Unit during the period from the time the Unit is shipped by PDS until the time it is returned as provided herein.

b. **Equipment Replacement**. If any part of the Equipment is lost, stolen, destroyed, seized by governmental action or, in Customer's opinion or PDS's opinion, damaged ("***Event of Loss***"), this Agreement shall remain in full force and effect and Customer shall promptly replace such Equipment at its sole expense with Equipment of equivalent value and utility, and similar kind and in substantially the same condition as the replaced Equipment immediately prior to the Event of Loss. Title to such replacement Unit immediately shall vest and remain in PDS, and such Equipment shall be deemed Equipment under this Agreement. Customer shall promptly notify PDS of any Event of Loss and shall provide PDS with and shall enter into, execute and deliver such documentation, as PDS shall request with respect to the replacement of any such Equipment.

c. **Insurance**. Customer shall obtain and maintain in full force and effect all risk, full replacement cost property damage insurance on the Equipment. Such insurance shall: [i] name PDS, its parents, subsidiaries, affiliates and/or assignees, as additional insureds and as first loss payees as their interests may appear (general liability and property only); and [ii] provide that the **POLICY MAY NOT BE CANCELED OR MATERIALLY ALTERED WITHOUT THIRTY (30) DAYS PRIOR WRITTEN NOTICE TO PDS**.

9. Financial Information. Customer shall deliver to PDS copies of current financial information of Customer which will reflect the financial condition and operations of Customer annually and detailed slot accounting information monthly as well as such other information regarding Customer reasonably requested by PDS or its Assignees.

10. Default by Customer. Customer shall be deemed in default under this Agreement upon the occurrence of any one of the following events ("***Event of Default***"):

a. Failure to make any payment due under this Agreement by its due date;

b. Failure to perform any other obligation under this Agreement within thirty (30) days after receipt of written notice of default and failure to cure; provided, however, that no notice shall be required where a breach or threatened breach would cause irreparable harm to PDS and PDS may immediately seek equitable relief in a court of competent jurisdiction to enjoin such breach;

c. Any part of the Equipment is lost, stolen or destroyed and not timely replaced as provided for herein;

d. Failure of Customer to maintain in full force and effect the licenses, permits and certifications that may be required under any applicable gaming laws for the operation of Customer's business;

e. Failure of Customer to maintain the insurance required by this Agreement; and/or

f. Any merger, consolidation, sale, change in control or any transfer of a majority of Customer 's business or assets.

11. PDS's Remedies.

a. Customer acknowledges that upon any Event of Default, and at any time thereafter, PDS, may in addition to any and all rights and remedies it may have at law or in equity, without notice to or demand upon any party to this Agreement and at its sole option:

i. Proceed by appropriate court action or other proceeding, either at law or in equity to enforce performance by Customer of any and all covenants of this Agreement;

ii. Enter onto Customer's premises in person or by agent and take possession of the Equipment;

iii. Require Customer to return the Equipment, at Customer's expense, to a place designated by PDS;

iv. Proceed immediately to exercise each and all of the powers, rights, and privileges reserved or granted to PDS under this Agreement;

v. Take control of any and all proceeds derived from the Equipment to which Customer is entitled;

vi. Immediately seek equitable relief in a court of competent jurisdiction to enjoin a breach of this Agreement where said breach or threatened breach would cause irreparable harm to PDS; and/or

vii. Exercise any other rights or remedies provided or available to PDS at law or in equity.

b. No waiver by PDS, its affiliates, successors or assigns, of any default, including, but not limited to, acceptance of late payment after the same is due, shall operate as a waiver of any other default or of the same default on a future occasion. In the Event of Default, PDS shall be entitled to recover all costs, expenses, losses, damages and legal costs (including reasonable attorneys' fees) incurred by PDS in connection with the enforcement of PDS's remedies. All rights and remedies of PDS are cumulative and are in addition to any other remedies provided for at law or in equity, including the Uniform Commercial Code, if applicable, and may, to the extent permitted by law, be exercised concurrently or separately. A termination hereunder shall occur only upon written notice by PDS to Customer and no repossession or other act by PDS after default shall relieve Customer from any of its obligations to PDS hereunder unless PDS so notifies Customer in writing.

12. Waiver of Jury Trial. The parties hereby knowingly and voluntarily waive their right to a jury trial on any claim or cause of action based upon or arising out of, directly or indirectly, this Agreement, any dealings between the parties relating to the subject matter hereof or thereof, and/or the relationship that is being established between the parties. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court (including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims). This waiver may not be modified orally, and the waiver shall apply to any subsequent amendment, renewals, supplement or modifications to this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

13. Warranty, Disclaimers and Limitations of Liability Regarding Equipment.

a. Each gaming device supplied herein by PDS shall be in a functional condition. PDS warrants that during the term of this Agreement the Equipment will be mechanically sound and in good working order. Customer's sole and exclusive remedy in the event of defect of a Unit of the Equipment is expressly limited to the restoration of the device to good working condition by adjustment, repair or replacement of defective parts, at Customer's election. Customer shall provide PDS documentary evidence supporting the costs of such repairs or replacement parts if not purchased through PDS. There are no other warranties, express or implied, including, but not limited to, warranties of merchantability or fitness for a particular purpose. No affirmation of fact, including, but not limited to, statements regarding suitability for use or performance of such Equipment shall be deemed to be a warranty of Customer for any purpose. Repair of damage caused by the Customer's negligence or intent, or damage caused by third parties is the responsibility of the Customer and shall in no event be the responsibility of PDS.

b. Notwithstanding anything herein to the contrary, PDS shall not be responsible or liable for any revenues foregone by the Customer, while a Unit is not functioning properly. PDS shall also not be responsible or liable for any losses, damages, injuries, claims, penalties, demands and all expenses, legal or otherwise (including reasonable attorneys' fees) of whatever kind and nature arising from any patron disputes involving such Equipment. The liability of PDS, whether in contract, in tort, under warranty, in negligence or otherwise, shall not exceed the fair market value of the Unit itself and under no circumstances shall PDS be liable for direct, special, indirect, or consequential damages. PDS shall not be liable in any respect for the acceptance of counterfeit and/or fraudulent materials (i.e. tokens, coins, bills, etc.) by the Equipment. Any unauthorized modification, alteration, or revision of all or any portion of the Equipment shall cause the warranty described above to be null and void. PDS, its affiliates, subsidiaries, representatives, and agents make no other warranty, express or implied. **IN NO EVENT SHALL PDS BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, ARISING OUT OF THIS AGREEMENT REGARDLESS OF THE NATURE OF ANY CLAIM MADE BY CUSTOMER.**

14. Miscellaneous.

a. Amendments or Modifications. This Agreement shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto.

b. Entire Agreement. This Agreement and related instruments executed in connection therewith constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, promises, negotiations, representations or understandings, whether written or oral, between the parties hereto relating to the subject matter of this Agreement. Any prior agreements, promises, negotiations, representations or understandings, either oral or written, not expressly set forth in this Agreement or related instruments executed in connection therewith shall no force or effect.

c. Execution of Agreement. The parties hereto agree that execution of a facsimile of this Agreement shall have the same force and effect as an executed original and shall be binding upon the parties. The parties also agree that facsimile signatures shall be sufficient unless a third-party requires originals.

d. Further Assurances. The parties further covenant and agree to do, execute and deliver, or cause to be done, executed and delivered, and covenant and agree to use their best efforts to cause their successors and assigns to do, execute and deliver, or cause to be done, executed and delivered, all such further acts, transfers and assurances, for implementing the intention of the parties under this Agreement, as the parties reasonably shall request. The parties agree to execute any additional instruments or agreements necessary to carry out the intent of this Agreement.

e. Governing Law. The substantive and procedural laws of the State of Nevada shall govern the validity, construction, interpretation, performance and enforcement of this Agreement and the parties agree to jurisdiction in Nevada without reference to its conflict of laws provisions regardless of the location of the Equipment. The parties also hereby agree that any action and/or proceeding in connection with this Agreement shall only be brought in the venue of Clark County, Nevada.

f. License and Permits. Each party shall obtain and maintain on an active and current basis, all licenses, permits, registrations, approvals and other authority as may be required from any applicable federal, state, tribal and local governments and agencies having jurisdiction over the subject matter of this Agreement.

g. No Joint Venture, Partnership or Agency Relationship. This Agreement shall not create any joint venture or partnership between the parties. Nothing contained in this Agreement shall confer upon either party any proprietary interest in, or subject a party to any liability for or in respect of the business, assets, profits, losses or obligations of the other. Nothing herein contained shall be read or construed so as to make the parties a partnership, nor shall anything contained herein be read or construed in any way to restrict the freedom of either party to conduct any business or activity whatsoever without any accountability to the other party. Neither party shall be considered to be an agent or representative of the other party or have any authority or power to act for or undertake any obligation on behalf of the other party except as expressly authorized by the other party in writing. Any such unauthorized representation or action shall be considered a breach of this Agreement.

h. Notices. Except as otherwise required by law, all notices required herein shall be in writing and sent by prepaid certified mail or by courier, addressed to the party at the address of the party specified herein or such other address designated in writing. Notices are deemed to have been received [i] on the fourth business day following posting thereof in the U.S. Mail, properly addressed and postage prepaid, [ii] when received in any medium if confirmed or receipted for in the manner customary in the medium employed, or [iii] if acknowledged in any manner by the party to whom the communication is directed.

i. Severability. Each term, covenant, condition or provision of this Agreement shall be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

j. Suitability. Customer understands and acknowledges that this Agreement, at PDS's discretion, may be subject to Customer and its principals completing and submitting to PDS a due diligence compliance questionnaire (including an Authorization for the Release of Information) and being found suitable by PDS's Compliance Committee. Notwithstanding any other provision in this Agreement to the contrary, PDS may terminate this Agreement without further obligation or liability to Customer if, in the judgment of PDS's Compliance Committee, the relationship with Customer or its principals could subject PDS to disciplinary action or cause PDS to lose or become unable to obtain or reinstate any federal, state and/or foreign registration, license or approval material to PDS's business or the business of any PDS subsidiary.

k. Waiver. The failure of any party to insist, in any one or more instances, upon performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not operate as a waiver thereof or preclude any other or further exercise thereof or the exercise of any other right or power. Accordingly, the acceptance of any Participation Fee by PDS after it is due shall not be deemed to be a waiver of any breach by Customer of its obligations under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date set forth above.

CUSTOMER:

By: _____

Print Name: Michael V. Williams

Its: President

PDS:

By: _____

Print Name: JOE S. ROLSTON IV

Its: Executive Vice President / General Counsel

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FIRST ADDENDUM PARTICIPATION AGREEMENT

THIS FIRST ADDENDUM PARTICIPATION AGREEMENT ("***Addendum***") to that Participation Agreement dated April 22, 2002 (the "***Agreement***") is made and entered into on May 28, 2002, by and between **PDS GAMING CORPORATION-NEVADA** ("***PDS***") and **VSS ENTERPRISES, LLC dba CASTAWAYS HOTEL, CASINO & BOWLING CENTER** ("***Customer***").

WHEREAS, the parties are desirous of amending the Agreement by this Addendum.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is agreed as follows:

1. **Definitions.** Terms not otherwise defined in this Addendum shall have the meaning attributed to such terms in the Agreement.

2. **Added Equipment.** The parties agree that the gaming equipment listed on **Attachment "A"** to this Addendum is hereby added to the Equipment provided under the Agreement and is, by this Addendum, made subject to all of the terms and conditions of said Agreement.

3. **Incorporation of Agreement.** All of the other terms and conditions of the Agreement are incorporated into this Addendum. Except for the above, nothing in this Addendum shall be construed as conflicting with or circumventing any terms and conditions of the Agreement.

IN WITNESS WHEREOF, the parties have caused this Addendum to be duly executed as of the date set forth above.

CUSTOMER:

By: _____

Print Name: James R Van Waeyenberg

Its: CFO

PDS:

By: _____

Print Name: JOE S. ROLSTON IV

Its: Executive Vice President / General Counsel

SECOND ADDENDUM PARTICIPATION AGREEMENT

THIS SECOND ADDENDUM PARTICIPATION AGREEMENT ("*Addendum*") to that Participation Agreement dated April 22, 2002 (the "*Agreement*") is made and entered into on 6/14/02, by and between **PDS GAMING CORPORATION-NEVADA** ("*PDS*") and **VSS ENTERPRISES, LLC dba CASTAWAYS HOTEL, CASINO & BOWLING CENTER** ("*Customer*").

WHEREAS, the parties are desirous of amending the Agreement by this Addendum.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is agreed as follows:

1. **Definitions.** Terms not otherwise defined in this Addendum shall have the meaning attributed to such terms in the Agreement.

2. **Added Equipment.** The parties agree that the gaming equipment listed on **Attachment "A"** to this Addendum is hereby added to the Equipment provided under the Agreement and is, by this Addendum, made subject to all of the terms and conditions of said Agreement.

3. **Incorporation of Agreement.** All of the other terms and conditions of the Agreement are incorporated into this Addendum. Except for the above, nothing in this Addendum shall be construed as conflicting with or circumventing any terms and conditions of the Agreement.

IN WITNESS WHEREOF, the parties have caused this Addendum to be duly executed as of the date set forth above.

CUSTOMER:

By: _____

Print Name: _____

Its: EXEC V.P.

PDS:

By: _____

Print Name: JOE S. ROLSTON IV

Its: Executive Vice President / General Counsel

03/26/02

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THIRD ADDENDUM PARTICIPATION AGREEMENT

THIS THIRD ADDENDUM PARTICIPATION AGREEMENT (*"Addendum"*) to that Participation Agreement dated April 22, 2002 (the *"Agreement"*) is made and entered into on November 18 2002, by and between **PDS GAMING CORPORATION-NEVADA** (*"PDS"*) and **VSS ENTERPRISES, LLC dba CASTAWAYS HOTEL, CASINO & BOWLING CENTER** (*"Customer"*).

WHEREAS, the parties are desirous of amending the Agreement by this Addendum.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is agreed as follows:

1. **Definitions**. Terms not otherwise defined in this Addendum shall have the meaning attributed to such terms in the Agreement.

2. **Added Equipment**. The parties agree that the gaming equipment listed on **Attachment "A"** to this Addendum is hereby added to the Equipment provided under the Agreement and is, by this Addendum, made subject to all of the terms and conditions of said Agreement.

3. **Incorporation of Agreement**. All of the other terms and conditions of the Agreement are incorporated into this Addendum. Except for the above, nothing in this Addendum shall be construed as conflicting with or circumventing any terms and conditions of the Agreement.

IN WITNESS WHEREOF, the parties have caused this Addendum to be duly executed as of the date set forth above.

CUSTOMER:

By: _____

Print Name: _____

Its: _____

PDS:

By: _____

Print Name: _____

Its: _____

03/26/02 11048-PA-01-01 Third Addendum to PA.doc 11/11/02 11:22 AM

EXHIBIT "2"

Attachment "A"

VSS Enterprises dba Castaways Hotel and Casino

PDS File No.: 1148-PA-01-01

Item #	Serial #	M2M Part Number	Mfr	Description	IBA	SO #
1	1109939	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
2	1109948	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
3	1109949	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
4	1109951	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
5	1109960	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
6	1110210	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
7	1110211	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
8	1110218	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
9	1110219	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
10	1110246	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
11	1110247	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
12	1110258	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
13	1110272	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
14	1110273	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
15	1110521	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
16	1110529	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
17	1110556	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
18	1110557	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
19	1110558	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
20	1110591	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
21	1110602	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
22	1110868	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
23	1110931	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
24	1111118	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
25	1111143	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
26	1111144	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
27	1111147	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
28	1111148	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
29	1111248	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
30	1111258	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
31	1111259	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
32	1111280	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
33	1111306	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
34	1111307	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
35	1111455	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
36	1111456	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
37	1111457	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
38	1111458	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
39	1111459	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
40	1111462	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
41	1122000	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
42	1122003	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
43	1122004	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
44	1122018	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
45	1122019	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
46	1122076	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
47	1122077	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
48	1122078	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806

Attachment "A"

VSS Enterprises dba Castaways Hotel and Casino

PDS File No.: 1148-PA-01-01

49	1122205	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
50	1122208	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
51	1122210	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
52	1122368	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
53	1122372	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
54	1122797	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
55	1122808	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
56	1122818	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
57	1122819	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
58	1122820	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
59	1122960	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806
60	1122962	IGTGK17URWBAIS	IGT	Game King 17" Upright	WBA	2806

Attachment "A"

VSS Enterprises, LLC dba
Castaways Hotel, Casino Bowling Center

PDS File No. 1148-PA-01-01
First Addendum

Item #	Serial #	Mfr	Description
1	953184	IGT	Gameking Drop In Bar
2	969879	IGT	Gameking Drop In Bar
3	969880	IGT	Gameking Drop In Bar

Attachment "A"

VSS Enterprises, LLC dba
Castaways Hotel, Casino Bowling Center

PDS File No. 1148-PA-01-01
Second Addendum

Item #	Serial #	Mfr	Description
1	1033771	IGT	Gameking Slant Top Functional
2	1048828	IGT	Gameking Slant Top Functional

Attachment "A"

VSS Enterprises, LLC dba
Castaways Hotel, Casino Bowling Center

PDS File No. 1148-PA-01-01
Third Addendum

Item #	Serial #	Mfr	Description
1	1007442	IGT	Gameking
2	1007152	IGT	Gameking