

### 3 Diamond Lease Agreement for Compliant Gaming Electronic Pull-tab System and Device(s)

#### Lessor / Distributor Information

<b>Distributor</b>	3 Diamond	<b>License number DI</b>	017
<b>Street address:</b>	8282 Arthur St	<b>City:</b>	Spring Lake Park <b>State:</b> MN <b>Zip:</b> 55432

#### Lessee / Organization Information

<b>Organization</b>		<b>License #</b>	
<b>Street address:</b>			
<b>City:</b>		<b>State:</b>	<b>Zip:</b>
<b>E-mail Address for Game Invoices and ACH copies:</b>			
<b>GM First &amp; Last Name:</b>		<b>GM Ph#</b>	

#### Site Information

<b>Site Name</b>		<b>Site #</b>	
<b>Street address:</b>			
<b>City:</b>		<b>State:</b>	<b>Zip:</b>

<b>Site Type (circle one)</b>	Bar / Restaurant /Fraternal Order / Liquor store/Other		
<b>Seating Capacity</b>		<b>Operation Type:</b>	Bar Op / Booth Op / Both

#### Lease Term

The term of this lease is 90 days and will automatically and continually renew	<b>Effective Date :</b>	/	/
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**30 - Day Out Clause - this lease may be terminated with a 30-day written notice by either party**

#### Terms and Conditions:

Payments shall be paid via Automated Clearing House (ACH) twice monthly for the Net Receipts calculated from the 1st to the 15th and from the 16th through the end of the month every month.

The total Revenue Share payment shall be as follows per period:

- A) When Net Receipts is \$0.00 - \$1500.00 Revenue Share is 31%
- B) When Net Receipts is \$1500.01-\$5000.00 Revenue Share is 28%
- C) When Net Receipts is \$5000.01 or more Revenue Share is 26%

\*Net Receipts = Sales - Prizes Paid (note: if net receipts are negative the amount will carry over until amount is positive)

#### Use / Care / Maintenance of leased equipment

Lessee agrees to:

- keep the electronic pull-tab system and devices free from the claims of others;
- not use the electronic pull-tab system and devices in an unlawful manner;
- not remove the electronic pull-tab system and devices from the site;
- not alter, mark, deface, remove equipment, or install equipment in electronic pull-tab system and devices without the lessor's consent;
- comply with all laws, ordinances and regulations relating to the possession, use or maintenance of the equipment, including registration and/or licensing requirements; and
- only use equipment for electronic pull tabs and electronic linked bingo as described under section ms 349.12, subdivision 12a.

#### Loss or Destruction of Electronic Pull-tab System and Devices

If the electronic pull-tab system and/or devices are stolen, destroyed or damaged beyond repair, lessor may agree in writing to amend this lease and provide the lessee with a substitute electronic pull-tab system and/or devices. Any insurance proceeds paid related to the electronic pull-tab system and/or devices will be applied toward the cost of substitute electronic pull-tab system and/or devices.

**EXCEPTION:** If any power supply cords and charging units are lost or stolen, they are NOT covered, and are the total responsibility of the organization to replace.

**Default**

The following are events of default:

- lessee fails to pay any amount due under this lease agreement when due;
- lessee fails to comply with any of the terms and conditions of this lease agreement;
- lessee is the subject of a bankruptcy proceeding;
- lessee’s lawful gambling license is revoked or suspended;
- lessee makes an assignment for the benefit of creditors;
- the electronic pull-tab system and devices covered by this lease agreement are seized or confiscated for any reason by a law enforcement agency or the Gambling Control Board; or
- the electronic pull-tab system and devices are destroyed, stolen, or damaged beyond repair.

**Remedies Upon Default**

If the lessee is in default, and the electronic pull-tab system and devices have not been seized or confiscated for any reason by a law enforcement agency or the Gambling Control Board, lessor may:

- Terminate this lease agreement.
- Take possession of the electronic pull-tab system and devices covered by this lease agreement. If the electronic pull-tab system and devices are repossessed, the lessor may enter into a lease agreement with another licensed organization to take over the remaining term of the lease.
- Enter the premises where the electronic pull-tab system and devices covered by this lease agreement are located and take immediate possession of the electronic pull-tab system and devices. The lessor must first remove any credits from the devices and ensure that the cash is returned to the lawful gambling organization leasing the electronic pull-tab system and devices.

**Return of Electronic Pull-tab System and Devices**

Upon termination of this lease, and if the lease is not renewed, lessee agrees to return the electronic pull-tab system and devices in good working condition to the lessor. Normal wear and tear excluded.

**Indemnification**

Lessee agrees to indemnify the lessor from any loss or damage to the electronic pull-tab system and devices during the term of the lease.

**Governing Laws and Venue**

This lease shall be interpreted according to the laws of the State of Minnesota. Repossession effected through legal process shall be governed by the laws of the State of Minnesota. The venue for legal proceedings regarding this lease shall be St. Paul, Minnesota.

**Modification of Lease**

No modification of any of the terms and conditions of this lease shall be valid unless made in writing and executed by both lessor and lessee. Any modifications to the lease must comply with Minnesota statutes and rules.

**Miscellaneous**

This lease agreement shall bind and insure to the benefit of the heirs, executors, administrators and assignees of the parties to this lease. No delay or omission by lessor in the enforcement of any of its rights shall constitute a waiver. Any provision in this lease agreement deemed invalid or unenforceable shall not invalidate the remaining provisions of the lease.

**3 Diamond Corporation**

\_\_\_\_\_  
Distributor Name

X

\_\_\_\_\_  
Signature of lessor

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**Lessor’s Title** **Date**

\_\_\_\_\_  
Organization Name

X

\_\_\_\_\_  
Signature of lessee

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**Lessee’s Title** **Date**

# Electronic Payment Form

## Electronic Payment / Transfer Agreement for Electronic Pull-tabs

This agreement constitutes authorization by the charitable gambling organization \_\_\_\_\_ license # \_\_\_\_\_ to permit the electronic transfer of funds in their lawful gambling account for designated purchases from 3 Diamond Corporation

Revenue Share payment will be deducted on the 16th (or first business day after the 16th) of each month for activity from the 1st thru the 15th of the month, and on the 1st of the month (or first business day of the month) for activity from the 16th thru the last day of the month, and any and all replacement parts for conducting electronic gaming

\*If the payment day falls on a holiday, the payment will be withdrawn the next business day\*

Required Signature 1. \_\_\_\_\_

Required Signature 2. \_\_\_\_\_

Optional Signature 3. \_\_\_\_\_

Bank Routing Number \_\_\_\_\_

Bank Account Number \_\_\_\_\_

3 Diamond Corporation Officer \_\_\_\_\_

\*\*\*\*\*

First, fill out your organizations name and license number. Please have at least 2 signatures submitted. (The optional signature may be a good idea if there is ever a gambling manager change.)

Next, create a letter authorizing 3 Diamond Corp to withdraw payment from your account.

\*Keep in mind if the payment day falls on a holiday, the payment will be withdrawn the next business day.\*

Finally, send back a signed copy with your letter. 3 Diamond Corp. will then have the form signed and a copy will be sent back to you.

\*\*\*Make sure you put these payment changes in your charitable organizations monthly minutes.\*\*\*

**MUST PROVIDE A VOIDED CHECK  
CANNOT ACCEPT A DEPOSIT SLIP**

## PLACEMENT AGREEMENT

THIS PLACEMENT AGREEMENT (“Agreement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Electronic Game Solutions, Inc. (“EGS”), a Minnesota licensed Linked Bingo Provider (License #: LB108) for its Linked Bingo System (“LB System”), and

\_\_\_\_\_  
 (“Organization”) a Minnesota licensed Organization (License #: \_\_\_\_\_).

**Organizations Full Name:** \_\_\_\_\_

**Attention:** \_\_\_\_\_

**Business Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Email:** \_\_\_\_\_

### Linked Bingo System Description

EGS manufactures leases and distributes Software for LB System which includes a TV and Fire Stick

### Lease Term

This Agreement shall take effect upon the effective date, which is the first date that EGS’s LB System is used by the Organization (“Effective Date”). The term of this Agreement is for two (2) years (“Term”) beginning on the Effective Date subject, however, to earlier termination and renewal only as provided in this Agreement. The Term of this Agreement shall automatically and continually renew for successive two (2) year periods unless one party gives the other party written notice of its intent not to renew the term of this Agreement at least 30 days (30) days before the expiration of the then-current term.

### Terms and Conditions

1. Organization agrees to lease the LB System described above according to the terms and conditions set forth in this Agreement.
2. Net receipts are defined as player Buy-In Amount – Game Contributions.
3. Organization agrees to pay EGS 15% of the net receipts for each linked bingo game purchased.
4. Organization agrees to pay EGS 20% of the net receipts, not 15% as stated in #3 above, if authorized by the Minnesota Gambling Control Board.
5. Organization agrees to pay all amounts due under this Agreement within the time limits provided for in the statute and rules of the Minnesota Gambling Control Board and in accordance with the Payment section of this agreement.

### Taxes

Organization agrees to pay all sales taxes, if any, which are levied in connection with the lease of the LB System during the Term of the Agreement.

**Title**

The LB System will be titled with EGS.

**Ownership**

Organization agrees that this Agreement is a true lease, is not a purchase agreement, and that the Organization will not have any ownership interest in the LB System software used to manage the LB System.

**Use**

Organization agrees to:

- Keep the LB System free from the claims of others;
- Not use the LB System in an unlawful manner;
- Not remove the LB System from the state of Minnesota;
- Not alter, mark, deface, remove equipment, or install equipment in the LB System without EGS’s consent.

**Maintenance of linked bingo System**

EGS will enter into a maintenance agreement with a Minnesota Licensed Distributor (“Distributor”) to provide repair and maintenance of the LB System.

Name of Distributor EGS to work with: \_\_\_\_\_

License # \_\_\_\_\_

**Default**

The following are events of default:

- Organization fails to pay any amount due under this Agreement when due;
- Organization fails to comply with any of the terms and conditions of this Agreement;
- Organization is the subject of a bankruptcy proceeding;
- Lawful gambling license revocation or suspension;
- Organization makes an assignment for the benefit of creditors;
- Organization fails to keep the LB System insured as required by EGS;
- The LB System is seized or confiscated for any reason by a law enforcement agency of the Gambling Control Board;
- The LB System is destroyed, stolen, or damaged beyond repair and the insurer denies full coverage or liability.

**Remedies Upon Default**

If the Organization is in default and the linked bingo System has not been seized or confiscated for any reason by a law enforcement agency or the Gambling Control Board, EGS may:

- Terminate this Agreement.
- Take possession of the LB System. If the LB System is repossessed, EGS may enter into an Agreement with another licensed Organization to take over the remaining Term of the Agreement.
- Enter the premises where the LB System is located and take immediate possession of the LB System.

**Return of LB System**

Upon termination of this Agreement, and if the Agreement is not renewed, Organization agrees to return the LB System in good condition to EGS at their own expense.

**Organization’s Locations**

Attached hereto as Exhibit “A” is a list of the locations where the Organization will operate the LB System. This Exhibit may be updated from time to time by the Organization and approved by EGS in writing.

**Payment**

Commencing on the first (1st) day after the Effective Date of this Agreement and continuing on each week day thereafter as long as the LB System is installed at any of the Organizations location(s), Organization shall pay for the previous day(s) linked bingo activities by ACH credit/debit. EGS shall supply Organization with a nightly Linked Bingo Sales Report (“Report”) which will include any credits/debits owed by Organization to EGS and EGS will debit/credit Organizations bank account accordingly.

Please complete the following banking information:

Tax ID #: \_\_\_\_\_ Bank Name: \_\_\_\_\_

Bank Routing #: \_\_\_\_\_ Bank Account #: \_\_\_\_\_

**Indemnification**

Organization agrees to indemnify EGS from any loss or damage to the LB System during the Term of this Agreement.

**Governing Laws and Venue**

This Agreement shall be interpreted according to the laws of the state of Minnesota. Repossession effected through legal process shall be governed by the laws of the state of Minnesota. The venue for legal proceedings regarding this Agreement shall be in St. Paul, Minnesota.

**Modification of Agreement**

No modification of any of the terms and conditions of this Agreement shall be valid unless made in writing and executed by both EGS and the Organization. Any modifications to the Agreement must comply with Minnesota statutes and rules.

**Miscellaneous**

This Agreement shall bind and insure to the benefit of the heirs, executors, administrators and assignees of the parties to this Agreement. No delay or omission by EGS in the enforcement of any of its rights shall constitute a waiver. Any provision in this Agreement deemed invalid or unenforceable shall not invalidate the remaining provisions of this Agreement.

IN WITNESS WHEREOF, the Organization and EGS have executed this Agreement as of the last date written below.

**“Organization”**

**“EGS”**

Name: \_\_\_\_\_

**Electronic Game Solutions, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT "A" LIST OF ORGANIZATIONS SITES

Organization Name: \_\_\_\_\_

Site Name and #: \_\_\_\_\_

Site Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Site Phone Number: \_\_\_\_\_

Site ID: \_\_\_\_\_

Date Installed: \_\_\_\_\_ Initials: \_\_\_\_\_

Site Name and #: \_\_\_\_\_

Site Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Site Phone Number: \_\_\_\_\_

Site ID: \_\_\_\_\_

Date Installed: \_\_\_\_\_ Initials: \_\_\_\_\_

Site Name and #: \_\_\_\_\_

Site Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Site Phone Number: \_\_\_\_\_

Site ID: \_\_\_\_\_

Date Installed: \_\_\_\_\_ Initials: \_\_\_\_\_

Site Name and #: \_\_\_\_\_

Site Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Site Phone Number: \_\_\_\_\_

Site ID: \_\_\_\_\_

Date Installed: \_\_\_\_\_ Initials: \_\_\_\_\_

Site Name and #: \_\_\_\_\_

Site Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Site Phone Number: \_\_\_\_\_

Site ID: \_\_\_\_\_

Date Installed: \_\_\_\_\_ Initials: \_\_\_\_\_

Site Name and #: \_\_\_\_\_

Site Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Site Phone Number: \_\_\_\_\_

Site ID: \_\_\_\_\_

Date Installed: \_\_\_\_\_ Initials: \_\_\_\_\_