

3 Diamond Lease Agreement for Diamond Game Electronic Pull tab System and Device(s)

Lessor / Distributor Information

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

Lessee / Organization Information

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

Site Information

Site Name		Site #	
Street address:			
City:		State:	Zip:
Site Type (circle one)	Bar / Restaurant / Fraternal Order / Liquor store/Other		
Seating Capacity		Operation Type:	Bar Op / Booth Op / Both

Lease Term

The term of this lease is 90 days and will automatically and continually renew	Effective Date : / /
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) 25% OF NET RECEIPTS FROM THE 1ST THROUGH THE 15TH
 B) 25% OF NET RECEIPTS FROM THE 16TH THROUGH MONTH END

*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

Lessor’s Title

Date

Organization Name

X

Signature of lessee

Lessee’s Title

Date