

STANDARD LOCATION AGREEMENT

This Agreement is made on _____, 200__ between _____ (hereinafter referred to as the "OPERATOR") and _____ (hereinafter referred to as the "LOCATION")

1. The LOCATION hereby gives OPERATOR the exclusive right to maintain and operate coin-operated amusement equipment at the business premises know as: _____ and located at _____.

LOCATION warrants that there are no existing Agreements for the installation or operation of any competing equipment in the business premises, and that no such Agreements will be entered during the term of this Agreement.

2. The proceeds derived from the Amusement equipment placed at the business establishment shall be divided between the parties hereto as follows:

AMUSEMENT: LOCATION _____%: OPERATOR _____%:
MINIMUM \$ _____ PER WEEK TO OPERATOR PER GAME.

Unless otherwise expressly agreed by the parties, no allowance for "house play" or "machine promotion" shall be permitted to LOCATION.

3. The term of this Agreement is SIXTY (60) months. Thereafter, this Agreement shall renew itself automatically for like periods upon the same terms and conditions, unless either party gives the other, by registered or certified mail posted at least one hundred eighty (180) days prior to the expiration of this agreement, or any renewal thereafter, written notice of the intention to cancel this Agreement. LOCATION shall remain responsible for the payments provided for herein despite the closure of the business premises for any reason, including, but not limited to, fire or other damage, remodeling, suspension and/or revocation of licenses, and loss of lease. Any such closure of the business shall be deemed a breach of this Agreement.

4. The LOCATION agrees to provide adequate and appropriate space for OPERATOR'S placement of its machines in the business premises, readily accessible to the public, and will keep the same connected and in operation during all normal business hours. The LOCATION shall not be responsible for the ordinary maintenance and repair of the equipment. OPERATOR agrees to restore defective and inoperative equipment to operating condition as rapidly as circumstances will permit after receipt of notice from LOCATION. The expense of routine service and maintenance for the equipment shall be borne by OPERATOR. The LOCATION shall promptly notify OPERATOR of any machine malfunction. The equipment and the contents thereof, are, and shall continue to be the property of the OPERATOR, and LOCATION shall in no way pledge or encumber the same, or in any manner interfere with OPERATOR'S ownership.

5. LOCATION agrees that it will not purchase, rent, install, permit to be installed, or to be used in its business premises, similar equipment of any other person, firm or corporation, including competing equipment not operated by coins.

6. LOCATION agrees that upon any sale, conveyance or assignment of its business establishment, LOCATION will procure the written acceptance and assumption by its successors and assignees of the Agreement. This Agreement shall be binding upon the heirs, assignees and successors in interest of LOCATION. LOCATION further agrees that in the event that its business relocates to another address, then this agreement shall apply to such other premises.

7. If LOCATION shall breach any provision of this Agreement, OPERATOR shall be entitled to recover as damages, all of the payments, which it would otherwise have earned during the term remaining as of the breach of this Agreement. Those future payments shall then become immediately due and payable by the LOCATION. OPERATOR'S damages shall not be reduced by any monies it may receive from placing the equipment at another location (no mitigation of damages shall be applied) because OPERATOR is providing a service to LOCATION (placement and maintenance of equipment) and OPERATOR has additional equipment available to place at other establishments. Operator's expenses are fixed so its damages shall not be reduced by its expenses, or any part thereof. In calculating the loss of profits, it shall be assumed that the average weekly profits earned by the OPERATOR prior to the breach would have continued at the same rate during the remaining term of the Agreement. If OPERATOR initiates legal action to enforce the terms or conditions contained herein, then OPERATOR shall be entitled to recover its reasonable attorney's fees and costs from LOCATION.

8. The expense for any city, county, state and / or federal license, permits or taxes required for the equipment shall be borne and paid by LOCATION. The expense for parts and supplies shall be borne by the OPERATOR. The LOCATION will be solely responsible for damage to the equipment caused by theft, vandalism or negligence.

9. OPERATOR shall have the sole right to select and rotate the type and number of machines it places at LOCATION'S business premises. No minimum guarantee provided for herein shall be affected by removal or change of any machine unless the guarantee expressly applies to a specific item, and such item is not replaced by another machine or device. The minimum guarantee shall no longer apply if the OPERATOR voluntarily removes all of its machines from the business establishment.

10. LOCATION warrants that during the term of this Agreement the business establishment will remain open for normal business hours for not less than forty (40) hours per week.

11. Should any part of clause of this Agreement be declared by a Court of competent jurisdiction to be void or unenforceable, then that part of clause shall be deemed to be severable and the remainder of this Agreement shall be carried into effect. This instrument sets forth the entire Agreement of the parties with respect to the subject matter. No amendment, extension, supplement or modification hereof shall have any force or effect unless reduced to writing and executed by OPERATOR and LOCATION.

EACH PARTY ACKNOWLEDGES THAT HE HAS READ AND UNDERSTANDS THIS AGREEMENT AND HEREBY EXECUTES THE SAME.

LOCATION:

I guarantee that I own/manage the subject premises and I have the capacity to authorize the installation and operation of the above equipment. I also guarantee that there is no other agreements or contracts in effect with another vendor for competing or similar types of equipment.

By: _____ Home address: _____
(Signature)

OPERATOR

Business phone: _____ Home phone: _____

By: _____

(Print name and capacity of person signing on behalf of LOCATION)

Document prepared by Laurence Merritt, attorney at law, Woodland Hills, California; Phone: (818)710-3823.