

C & N Sales SD, Inc.

LF062701-06

1104 Jackson Blvd. / Rapid City, SD 57702

"The Finest in Amusement Gaming and Vending Services since 1928"

AGREEMENT

This agreement made this _____ day of _____, 20_____, by and between C & N Sales SD, Inc. of the city of Rapid City, State of South Dakota (referred to as Company) and CITY OF RAPID CITY of the city of RAPID CITY, State of South Dakota, (referred to as Proprietor) witnesseth

In consideration of the mutual covenants and agreements herein contained, it is agreed:

Proprietor hereby grants unto Company the exclusive right for five years to install and maintain coin-currency operated equipment upon the premises located at 333 Sixth Street, of the City of Rapid City of the State of South Dakota Initially, Company shall install upon said premises the following coin-currency operated equipment:

Up to three vending machines with location to be approved by the Transit Manager.

Company will deduct from the total revenues generated by its equipment, before paying commissions to the Proprietor, all applicable sales tax, license fees, and royalties, and shall be responsible to pay these over to proper authorities.

Company further agrees that whenever it elects it shall open the coin-currency boxes of said equipment, in the presence of the Proprietor or one of his representatives, and the Proprietor shall receive 10 % of the net proceeds.

The Proprietor agrees to place the machines in a prominent position and to exercise ordinary care to prevent said equipment from being damaged, injured or tampered with and to furnish all necessary electrical outlets for its operation, during all hours the location is open for business, and to give immediate notice to the company whenever the installation needs attention for service or repairs.

Replacement costs of operational or ornamental parts of such machines damaged, stolen, or destroyed on the Proprietor's premises, costs of materials, or lease fees required for operation of each machine on the premises shall be paid from monies collected from said machine prior to the computation of commissions due each party hereto. Provided, in the event of extensive damage in whole or part attributable to the negligence of Proprietor, its employees and agents, or in the event of continued damage to the machines over a period of time, the company, at its opinion, may declare that Proprietor has breached this agreement.

All equipment installed by the Company and all contents of coin-currency boxes thereon shall remain the sole and exclusive property of Company and neither Proprietor nor any third party shall have any right to claim thereto except the right of Proprietor to share in the contents of the coin-currency boxes as provided herein. All equipment so placed shall bear the name of Company and shall state thereon that said equipment is the sole property of Company, and may be removed by Company at any time Company deems proper or necessary.

During the full term of this agreement, and any continuation of this agreement, no other person firm or corporation, including the Proprietor, shall have the right to operate coin-currency operated machines upon the Proprietor's premises, nor shall any other coin-currency operated or manually-operated entertainment devices of the kind available from Company be operated on said premise during said term or any continuation thereof.

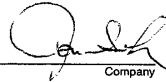
Company will maintain its equipment in good working order and appearance, and service the equipment as quickly as is reasonably possible. Company will also inform the Proprietor of various leagues, promotions, and other events that the Company may be sponsoring in conjunction with its overall business, which may be applicable to the Proprietor's location.

Following the term hereof, it is agreed that this agreement shall renew itself, without further additional consideration, for an additional period of one year, beginning from the expiration date of the original term unless written notice of termination is received by registered mail at least sixty days prior to the end of the agreement period. It is recognized and agreed by the Proprietor that the Company is making a substantial investment in equipment in reliance upon this agreement, and in the case of termination by the Proprietor of the agreement prior to its normal term, the company may seek, in addition to normal remedies provided, specific performance of this agreement for the remaining term or extended term.

This agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns, and in the event Proprietor sells or assigns his interest in the said premises, such successor shall be fully bound by the terms of this agreement. This agreement shall not be construed to create a joint venture between the parties hereto.

The undersigned represents that there are no conflicting contracts outstanding, that the undersigned has full authority to sign this agreement, that no part of this agreement was left blank when signed and that the undersigned has read and understands all of the terms of this agreement.

Notes: _____

C & N SALES 
Company
City of Rapid City
Proprietor

Print Name

Proprietor Requests Copy of Agreement

Installation Date _____

* Fed. I. D. 46-6000-380 * State Sales Tax No. _____

Account No. _____ Route No. _____

300 6th Street
Bus. Address
Rapid City, SD 57701
Mailing Address
605-394-4143
Bus. Tel. _____ Res. Tel. _____

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