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THIS AGREEMENT entered into this 17 day of AUGUST 2010, is by and between ARCADE AMUSEMENT, INC. ("Operator") and T.R.'S PUB ("Establishment").

RECITALS

- A. In accordance with the terms of the Illinois Video Gaming Act (the "Act"), Operator will promptly apply to the Illinois Gaming Board ("IGB") for an Illinois Terminal Operator's License and upon license approval will be engaged in the business of owning and operating Video Gaming Terminals ("VGTs") in licensed establishments in Illinois. Operator's address is 9724 Southwest Highway Oak Lawn, IL. 60453
B. Establishment will promptly apply to the IGB for an Establishment License and upon license approval will operate under the name T.R.'S PUB, located at 3908 W. 111th St Chicago IL 60655
C. In anticipation of both parties being licensed by the IGB, Operator and Establishment wish to enter into a business relationship by executing this Agreement for the purpose of placing and operating VGTs in the Establishment.

AGREEMENT

Based on the foregoing, the parties mutually covenant, warrant, represent and agree as follows:

- 1. LICENSING. Each party shall at its own expense, promptly apply for and obtain licensing from the IGB prior to supplying or accepting any VGTs under this Agreement. Once licensed, each party shall promptly provide to the other a copy of its gaming license. In connection with such licensing process, Establishment hereby represents and warrants to Operator, knowing that Operator will rely thereon as a basis for entering into this Agreement, that the information set forth on the Due Diligence Questionnaire, attached as Exhibit A hereto and incorporated herein by reference, is true, correct and complete as of the date of this Agreement.
2. OPERATOR'S OBLIGATIONS. Upon the parties being licensed by the IGB and obtaining all requisite IGB approvals, and in addition to its obligations under the Act or otherwise set forth in this Agreement, Operator shall:
A. provide up to five (5) VGTs and other ancillary equipment in the Establishment, along with machine stools and/or chairs for each machine.
B. in accordance with all applicable rules and regulations, perform the machine accounting and reporting functions required by the State, using the information supplied by (a) Operator's collection personnel, (b) Establishment, and (c) the State's central communication system. However, Operator reserves the right to remove or modify the number of VGTs based on revenue performance.
C. obtain and install the hardware, software and related accessories necessary to connect the VGTs to the central communications system.
3. ESTABLISHMENT'S OBLIGATIONS. Upon the parties being licensed by the IGB and obtaining all requisite IGB approvals, and in addition to its obligations under the Act or as otherwise set forth in this Agreement, Establishment shall:
A. provide a secure premise for the placement, operation and play of VGTs, and prevent persons who are (i) under 21 years of age, or (ii) visibly intoxicated, from accessing the gaming area or playing the VGTs.
B. ensure that the gaming area entrance is within view of at least one employee who is at least 21 years old.
C. Maintain insurance coverage on all gaming devices in the amounts set by the IGB, and work with Operator to maximize gaming revenues.
D. during the term of the Agreement, allow Operator access to its premises to install, service, maintain and replace VGTs and other ancillary equipment.
E. maintain an adequate video gaming terminal fund in the amount required by the IGB.
F. ensure that all connections with the State's central communications system and associated video gaming equipment are at all times maintained, and prevent any person from tampering or interfering with the approved, continuing operation of the central communications system.

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4 TERM OF AGREEMENT**UNOFFICIAL COPY**

- A. The parties hereto agree that the primary term of this Agreement shall be for a period of ___ years (the "Primary Term"), and will commence on the date one or more VGTs are first operated in the Establishment. This Agreement will automatically renew for additional terms, each equal in length to the Primary Term, unless (i) written notice of termination is given by one of the parties at least one hundred twenty (120) days prior to the expiration of the Primary Term or then-current renewal term, or (ii) the Agreement is sooner terminated due to a default by one of the parties. The Primary Term, together with any and all renewal terms, shall be collectively referred to herein as the "Term."
- B. The parties hereby agree at all times following the full execution of this Agreement, including prior to the commencement of the Term, to use commercially reasonable efforts to cooperate with one another (which in the case of the Establishment shall include providing Operator with reasonable access to the premises) in order to ensure compliance with all applicable rules and regulations, including those promulgated by the IGB.
- C. Upon termination of the Agreement, Establishment will discontinue use of the VGTs, and Operator, with all required IGB approvals and without other legal action, will remove the VGTs and all ancillary equipment.

5. **TAXES; DETERMINATION AND DIVISION OF NET TERMINAL INCOME.** Operator will maintain a bank account to be used for the deposit of revenues generated from VGTs in the Establishment and other establishments. Operator will read the meters on all machines on a twice monthly basis. After reading the meters, Operator will deposit the revenues generated from VGTs in the Establishment into the bank account and prepare the necessary reports to determine the Net Terminal Income and the Gaming Tax. The "Gaming Tax" is a tax on Net Terminal Income created under the Act, and shall be collected by the IGB. Each party shall be responsible for one-half of the Gaming Tax. Pursuant to the Act, Operator will report and pay the Gaming Tax to the IGB within 15 days after the 15th of the month and within 15 days after the end of each month. Operator shall pay to Establishment the Establishment's one-half share of the Net Terminal Income subtracted by (a) the Establishment's share of the Gaming Tax, and (b) the Establishment's share of any Joint Costs (as hereinafter defined).

6. **MAINTENANCE AND REPAIRS.** During the Term, Operator shall be responsible for providing routine maintenance and repair services to VGTs and ancillary equipment to keep them in good working order. Establishment must notify Operator of any maintenance issue within 12 hours of its occurrence. Notwithstanding the foregoing, Establishment shall be responsible for repairs necessitated due to the negligence or willful misconduct of Establishment or its customers.

7. **COMPLIANCE WITH VIDEO GAMING ACT AND IGB REGULATIONS.** Operator and Establishment agree to comply with the Act and all IGB rules and regulations ("Rules"). Both parties agree to fully cooperate with the IGB and provide all pertinent information in response to any IGB request.

8. **EXCLUSIVE AGREEMENT.** Establishment agrees that during the Term, Operator shall have the exclusive right to place VGTs in the Establishment. Operator shall have the right, but not the obligation, to inspect Establishment's premises from time to time on reasonable advance notice.

9. **RISK OF LOSS AND INSURANCE.** Establishment agrees to take reasonable care to prevent VGTs, site controllers for the central communications system, and other hardware, software and related equipment from being removed, damaged or destroyed. Establishment shall maintain insurance on any gaming device on its premises in the amounts required by the IGB, and in form reasonably acceptable to Operator. Establishment shall provide Operator with certificates of insurance evidencing such policies.

10. **ASSIGNMENT.** This Agreement shall be binding upon and inure to the benefit of the respective parties, their legal representatives, successors and assigns. Once Operator has been licensed by the IGB, it may only assign this Agreement to another terminal operator licensed by the IGB. Such an assignment shall not constitute a default or termination of this Agreement. This Agreement shall NOT terminate in the event of a sale of the business or assets of Establishment, an assignment of its lease or a sale of its location, subject to (a) Operator's consent, which will not be unreasonably withheld, and (b) compliance with the licensing requirements of the Illinois Liquor Commission and the IGB. Establishment shall cause any purchaser or lessee, and the legal representatives, successors and assignees thereof, to assume all obligations relating to the remainder of the Term.

11. **LIENS; ENCUMBRANCES.** Establishment acknowledges that the machines and equipment herein specified, or hereafter acquired and placed on the premises by Operator, shall remain the property of Operator at all times, and Establishment shall not pledge the machines or equipment as collateral security to any lender or other third party, nor

cause any lien or encumbrance whatsoever to be filed against such property, nor in any manner interfere with Operator's right, title and interest in such property.

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12. **INDEMNIFICATION.** The parties hereto shall indemnify, defend (with counsel reasonably acceptable to the indemnified party), protect and hold the other party harmless from and against any and all costs, liabilities, damages, claims, liens, encumbrances or causes of action (including without limitation reasonable attorney's fees) incurred by the indemnified party as a result of any act or omission of the indemnifying party, including, without limitation, the indemnifying party's (a) breach of this Agreement, (b) violation of any law or regulation relating to VGTs, or (c) gross negligence or willful misconduct. Such indemnification obligation shall survive any termination or expiration of this Agreement.
13. **DEFAULT.** It shall constitute a default hereunder if:
- A. Operator or Establishment has its IGB license application denied or Establishment has its liquor license application denied. In such case, this Agreement shall automatically terminate as of the initial date of denial, irrespective of the filing of any appeal of, or challenge to, said denial by the party which had its license application denied.
 - B. Operator or Establishment has its IGB license revoked or Establishment has its liquor license revoked. In such case, this Agreement shall automatically terminate as of the initial date of revocation, irrespective of the filing of any appeal of, or challenge to, said revocation by the party which had its license revoked.
 - C. Operator or Establishment has its IGB license suspended or Establishment has its liquor license suspended. In such case, the party which has had its license suspended shall have ten (10) business days from the suspension date to achieve full reinstatement of the license, and if it fails to do so, the other party shall have the right to terminate this Agreement effective immediately by providing written notice of termination at any time prior to said full reinstatement. During any suspension period, no VGTs shall be operated in the premises.
 - D. Either party to this Agreement files a petition in bankruptcy, or makes a general assignment for the benefit of creditors. In such case, the other party, at its option, shall have the right to terminate this Agreement effective immediately.
 - E. Either party breaches any other material provision of this Agreement. In such case, the breaching party shall have ten (10) business days to cure the breach after written notice from the other party identifying the breach. If the breaching party fails to timely cure the breach, the non-breaching party shall have the right to terminate this Agreement effective immediately by providing written notice of termination.
14. **OTHER AGREEMENTS; COMPLETE AGREEMENT; SEVERABILITY.** Each party hereto represents and warrants that its execution and performance of this Agreement will not constitute a default or breach of any other obligation of said party or of any other agreement by which said party is bound. This Agreement merges all prior negotiations, interpretations and oral or written agreements between the parties and contains the entire Gaming Device Agreement between the parties. If any portion of this Agreement violates any law, or for any reason shall be deemed unenforceable, it shall not affect the remainder of this Agreement.
15. **JOINT COSTS.** The parties may, but shall not be obligated to, agree that certain identified expenses be shared by the parties in a manner that is mutually acceptable (such expenses shall be referred to herein as the "Joint Costs").
16. **REPORTS REQUIRED BY STATE OF ILLINOIS.** Operator shall be responsible for the completion and timely filing of the required revenue reports with the State of Illinois.
17. **BINDING EFFECT.** All covenants, representations, warranties and other provisions contained herein shall apply to and be obligatory upon the heirs, executors, personal representatives, successors and assigns of the parties hereto.
18. **LAWFUL PURPOSE OF CONTRACT/SAVING CLAUSE.** In the event the State or any other governmental authority shall make illegal a specific business activity or purpose contemplated by this Agreement, that activity or purpose shall become null and void as of the effective date of such law, but only to the extent such activity or purpose is illegal. This Agreement shall be modified by the parties hereto as may be required to comply with statutory or regulatory requirements which may change from time to time. Operator and Establishment each hereby agree to hold harmless the State of Illinois, the IGB and their respective agents for any cause of action arising out of this Agreement, including, without limitation, any damages suffered by the parties hereto from the loss of any or all operations in any municipality which "opts out" under the Act and disallows the subject gaming activities.

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- 19. **DEFINITIONS; HEADINGS.** All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Act. The headings set forth in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Agreement, nor the intent of any provision hereof.
- 20. **NOTICES.** All notices shall be deemed duly served (a) on the date sent if delivered by hand, (b) one (1) day after the date deposited with an overnight delivery service, (c) on the date sent if delivered via facsimile at the number(s) set forth below, with a hard copy to follow by overnight delivery service, or (d) on the date received or the date upon which the receiving party refuses to accept receipt, if sent by registered or certified U.S. Mail, postage prepaid, return receipt requested. All notices shall be addressed to the intended recipient at the address for said party set forth at the bottom of this Agreement, or such other address as such party may designate in writing.
- 21. **COUNTERPARTS; FAX SIGNATURE.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. This Agreement may be executed by fax or electronically transmitted signatures and any copy containing such a signature shall be treated the same as a manually-executed original.
- 22. **APPLICABLE LAW; VENUE.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois, excluding its conflicts of law provisions. Any dispute arising from or related to this Agreement shall be brought in a court of competent jurisdiction located in Cook County, Illinois.
- 23. **IGB APPROVAL.** The obligations of Operator and Establishment are subject to the IGB's approval of this Agreement. Each party agrees to promptly submit the Agreement as part of its respective license application. The parties understand that this Agreement may need to be amended in order to comply with the requirements of the IGB and/or changes to the Act. In the event that Operator has its license revoked or surrenders its license, Establishment shall not have any further contractual obligation to Operator hereunder.
- 24. **NO INDUCEMENT OR COERCION.** Each party affirmatively states that (i) no inducement has been offered or accepted regarding the placement or operation of VGTs in the Establishment and (ii) it has not been coerced to enter into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date, day and year first above written.

"OPERATOR"

By: *William Brennan*
 Printed Name: William Brennan
 Its: President

Address for Notices:
 Attn: AREADE Amusement Inc.
9724 S.W. Hwy O.L. IL
60453

Facsimile No. WAB 8-17-10

"ESTABLISHMENT"

By: *Thomas R. Sullivan*
 Printed Name: THOMAS R. SULLIVAN
 Its: PRESIDENT

Address for Notices:
 Attn: T.R.'s Pub
3908 W. 111th ST
CHICAGO IL 60655

Facsimile No. 773 239-4790