



ERIC M. BERNSTEIN & ASSOCIATES, L.L.C.

ATTORNEYS AT LAW

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June 2, 2015

Frank Zanzuccki, Executive Director  
State of New Jersey  
Office of the Attorney General  
Department of Law and Public Safety  
Division of New Jersey Racing Commission  
140 East Front Street, 8<sup>th</sup> Floor  
Trenton, New Jersey 08625-0888

Via Overnight Mail

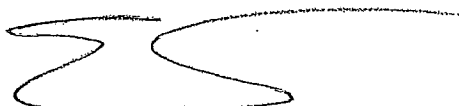
Re: **Darby Development: OTW Facility in Hillsborough Township**  
**Our File No. 1712-1082**

Dear Mr. Zanzuccki:

I am in receipt of your June 1, 2015 letter to James Aaron, Esq. in regard to the above-captioned matter and any confusion my letter may have caused. Please find enclosed a May 1, 2015 Agreement as to the PILOT between Darby Development, LLC and New Jersey Thoroughbred Horsemen's Association which my office received prior to my letter of May 27, 2015 to Mr. Aaron.

If you have any questions, or desire any further information, please do not hesitate to contact me.

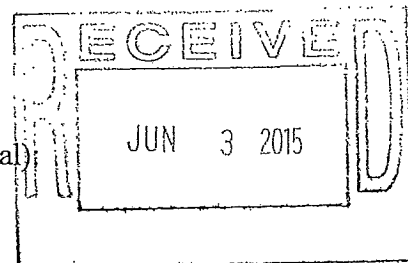
Very truly yours,  
ERIC M. BERNSTEIN & ASSOCIATES, L.L.C

By:   
Eric M. Bernstein, Esquire

EMB/hln

Enclosure

cc (With Enclosure) (Via Email Only) (Personal & Confidential)  
Anthony Ferrera, Township Administrator  
(With Enclosure) (Via Email Only): James Aaron, Esq.





AGREEMENT AS TO PILOT

THIS AGREEMENT made this 1<sup>st</sup> day of May, 2015, by and between DARBY DEVELOPMENT, LLC ("Darby"), whose principal place of business is 175 Oceanport Avenue, Oceanport, New Jersey 07757; and the NEW JERSEY THOROUGHBRED HORSEMEN'S ASSOCIATION ("NJTHA"), whose address is 175 Oceanport Avenue, Oceanport, New Jersey;

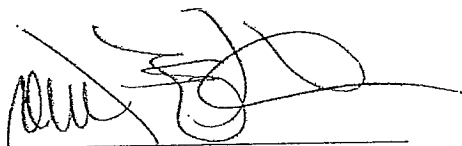
Darby and NJTHA hereby agree as follows:

1. Darby was the recipient of a PILOT with the <sup>Township</sup>~~Borough~~ of Hillsborough as annexed hereto as **Exhibit A**;
2. Darby hereby consents to assign to the NJTHA all its rights and responsibilities under said Agreement; and

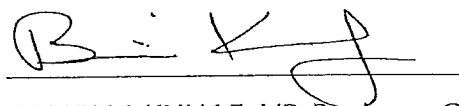
3. The NJTHA will accept and be responsible for all of the rights and responsibilities of the PILOT annexed hereto according to its terms.

WITNESSED:

DARBY DEVELOPMENT, LLC


  
\_\_\_\_\_  
JOHN F. KEZYS

BY:

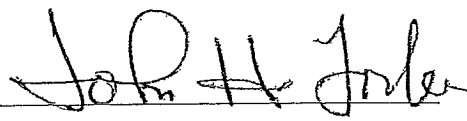
  
\_\_\_\_\_  
WILLIAM KNUAF, VP Business Operations

WITNESSED:

NEW JERSEY THOROUGHBRED  
HORSEMEN'S ASSOCIATION

  
\_\_\_\_\_  
JOHN F. KEZYS

BY:

  
\_\_\_\_\_  
JOHN FORBES, President

## Judith Nason

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**From:** James Aaron <jga@ansellgrimm.com>  
**Sent:** Tuesday, June 16, 2015 12:45 PM  
**To:** Judith Nason  
**Cc:** ddrazin@drazinandwarshaw.com; Robert J. Kulina; Bill Knauf  
**Subject:** Hillsborough OTW  
**Attachments:** Tote Amendment (00229561xB93F3).pdf

Dear Ms. Nason:

Attached is the Tote Amendment signed March 18, 2014, which my client advises was signed just after the application was submitted.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

/s/ *James G. Aaron*

JAMES G. AARON  
A member of the firm  
*Dictated But Not Read*

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## FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT (this "Amendment") is made as of the 18<sup>th</sup> day of March, 2014 (the "Effective Date"), by and between SPORTECH RACING, LLC, a Delaware limited liability company with a principal place of business at 1095 Windward Ridge Parkway, Suite 170, Alpharetta, Georgia 30005 ("SPORTECH"), and DARBY DEVELOPMENT, LLC, a New Jersey limited liability company with a principal place of business located at 175 Oceanport Avenue, Oceanport, New Jersey 07757 ("OWNER") (collectively, the "Parties").

### RECITALS

WHEREAS, SPORTECH and OWNER entered into an Agreement dated April 13, 2013 (the "Original Agreement"); and

WHEREAS, SPORTECH and OWNER desire to amend the terms of the Original Agreement as set forth herein (the Original Agreement as amended by this Amendment is referred to as the "Agreement").

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the Parties hereto agree as follows:

1. Facilities. As of the Effective Date, the definition of "Facility" as such term is used in the Agreement shall include OWNER's Monmouth Park OTW located at 150 US Highway 206S, Hillsborough, New Jersey (the "Hillsborough OTW").
2. Installation. The System shall be installed at the Hillsborough OTW on a schedule mutually agreed between the Parties. OWNER shall pay to SPORTECH a one-time installation fee of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) within five (5) days after receipt of SPORTECH's invoice. OWNER shall be responsible for all carpentry and Cat 6 terminal cable and running of said cable necessary to permit the installation. All wagers made at the Hillsborough OTW will be processed through SPORTECH's Quantum Data Center.
3. Data Communication Lines. OWNER shall be responsible for all costs associated with the wagering data communications lines from the Hillsborough OTW to the Data Center and provision of the required ITSP communications lines.
4. Wagering Equipment and Software.
  - (a) Paragraph A(6) of Exhibit A of the Agreement is amended by adding a new clause (h) as follows:

"(h) SPORTECH shall provide the following terminals at the Hillsborough OTW:

    - Five (5) BetJet Flip teller/self-service terminals; and
    - Twelve (12) BetJet SL self-service terminals."

Tablets. SPORTECH shall provide OWNER with up to One Hundred (100) software licenses for use with tablet devices. OWNER shall be responsible for the provision of a WI-FI network required for and compatible with the tablet devices.

OWNER shall be responsible for the purchase and maintenance of all tablet devices (Nexus 7 or SPORTECH-approved equivalent).

- (b) Paragraph A(7) of Exhibit A of the Agreement is amended by adding a new clause (a) as follows:

"(a) SPORTECH shall provide the following wagering-operations equipment at the Hillsborough OTW:

- Laser printer;
- Administrative consoles;
- UPS unit; and
- Equipment cabinet."

- (c) Paragraph D of Exhibit A of the Agreement is amended by adding the following paragraph:

"The WI-FI mobile platform for the Mobile Services furnished by SPORTECH pursuant to Exhibit G of this Agreement shall be extended to include the Hillsborough OTW.

5. Maintenance. Paragraph (5) of Exhibit C of the Agreement is amended by adding a new clause (a) as follows:

"(a) SPORTECH shall furnish technician(s) for two (2) service days per week (eight (8) hours per service day) at the Hillsborough OTW on a schedule to be mutually agreed between the Parties."

6. Price Structure. In connection with the provision of the System and Services at the Hillsborough OTW, OWNER shall be responsible for all tote and interface fees pursuant to Exhibit E and Exhibit F-1 of the Agreement. The Parties acknowledge and agree that the minimum annual amount to be paid by OWNER to SPORTECH pursuant to Exhibit E of the Agreement shall be increased by Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) per annum and that such increased minimum annual amount shall apply to all Facilities in the aggregate. Accordingly, Paragraph 3 of Exhibit E of the Agreement is deleted in its entirety and replaced with the following:

"3. (a) For the contract year beginning on April 13, 2014, and ending on April 12, 2015, the minimum annual amount to be paid by OWNER to SPORTECH for the Services shall not be less than an amount equal to the sum of:

- (i) Five Hundred Thousand Dollars and Zero Cents (\$500,000.00); plus

(ii) The amount determined by multiplying the number of weeks from the date the first live wager is accepted at the Hillsborough OTW through April 12, 2015, by One Thousand Four Hundred Forty-Two Dollars and Thirty Cents (\$1,442.30).

(b) For the contract year beginning on April 13, 2015, through the remaining term of the Agreement, the minimum annual amount to be paid by OWNER to SPORTECH for the Services shall not be less than the sum of Five Hundred Seventy-Five Thousand Dollars and Zero Cents (US \$575,000.00) per annum.

In the event the amount payable to SPORTECH under Paragraph 1 of this Exhibit E is less than the minimum annual amount set forth in clauses (a) or (b) of this Paragraph 3 for any such year, OWNER shall pay SPORTECH the difference (herein called "Deficiency") within ten (10) days after the end of such year.

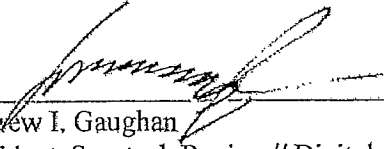
7. Counterparts. This Amendment may be executed in multiple copies, each of which when so executed and delivered shall be deemed an original.

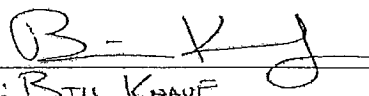
8. Other Terms and Conditions. All other terms and conditions of the Original Agreement, except as amended herein, are incorporated into this Amendment. To the extent the provisions of this Amendment are inconsistent with the provisions of the Original Agreement, the terms of this Amendment shall control.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their authorized representatives.

SPORTECH RACING, LLC

DARBY DEVELOPMENT, LLC

By:   
Name: Andrew I. Gaughan  
Title: President, Sportech Racing // Digital  
Date: March 18, 2014

By:   
Name: Bill Krauf  
Title: VP  
Date: 3.18.14