

## SURROUNDING COMMUNITY AGREEMENT

By and Between the Town of Bolton, Massachusetts  
and  
PPE Casino Resorts MA, LLC

This Agreement (this "Agreement") is made and entered into as of December 19, 2013 (the "Effective Date"), by and between the Town of Bolton, Massachusetts ("Town"), a municipality in the Commonwealth of Massachusetts, and PPE Casino Resorts MA, LLC ("PPE").

### RECITALS

The following are the recitals underlying this Agreement:

PPE, directly or through an affiliate, has acquired and/or plans to acquire land (as the same may be modified by PPE, the "Project Site") located on Jungle Road in the City of Leominster, Massachusetts (the "Host Community").

PPE has submitted to the Massachusetts Gaming Commission (the "Commission") a RFA-2 Application for a Category 2 Gaming License to develop a gaming facility to contain One thousand two hundred and fifty (1250) slot machines on the Project Site in a facility of approximately one hundred and twenty-five thousand (125,000) square feet of interior floor area (the "Project").

The Commission designated the Town a Surrounding Community pursuant to G.L. c. 23K §§ 4(33) & 17(a) on November 26, 2013.

PPE and the Town desire to enter into this Agreement to memorialize their respective agreements concerning the establishment of the Project on the Project Site, in satisfaction of G.L. c.23K, § 15(9) and the related regulations of the Commission.

Accordingly, the Town and PPE, for good and valuable consideration, the receipt of which is hereby acknowledged, enter into this Agreement to effectuate the purposes set forth above and to be bound by the provisions set forth below:

#### **Section 1. Definitions**

Any term used herein that is defined in Section 2 of Chapter 23K of the General Laws shall be given such definition for purposes of this Agreement.

The term "Commencement of Operations" shall mean the first date upon which a Category 2 gaming establishment is open for business at the Project Site.

**Section 2. Impact Mitigation**

**1. Annual Community Impact Fee**

Within thirty (30) days following the Commencement of Operations, and on or before each January 1<sup>st</sup> thereafter, for as long as a gaming facility operates at the Project Site, PPE shall make an annual payment of Thirty Five Thousand and 00/100 Dollars (\$35,000.00) to the Town, which amount shall increase at the rate of one percent (1.0%) per annum.

**2. Public Safety Response Cost Reimbursement**

In addition, PPE agrees to reimburse the Town for the direct and demonstrable costs to the Town associated with public safety (police, fire and ambulance) calls and response actions incurred as a result of the Project, such as: (a) costs incurred in mutual aid responses to the Project Site; or (b) police, fire or ambulance responses involving patrons of the project who had left the project site within the one (1) hour preceding the incident giving rise to such response action. Within sixty (60) days following such response incident, the Town shall give PPE written notice of its request for reimbursement therefor, which notice shall include reasonable documentation of the costs for which the Town seeks reimbursement, including documentation of the identity of responding public safety officials, the hourly rate of such officials and the number of hours of such officials' time spent on such incident. Failure to provide such notice within said sixty (60) days shall constitute waiver of the Town's right to seek reimbursement for that incident. PPE shall reimburse the Town for such costs within thirty (30) days after receiving such notice, unless it sooner provides written notice to the Town that it disputes such costs. In the event of such a dispute, the parties shall endeavor in good faith to reach an amicable resolution. Failing resolution, such dispute shall be governed by the provisions of Section 6 hereof.

**3. Critical Intersection Evaluation and Mitigation**

- (a) PPE and the Town shall jointly select an independent transportation engineering firm (the "Consultant") to assess the verifiable and incremental impacts on traffic and public safety at the intersections of Route 117 with (a) Warraquadock Hill Road; (b) Manor and Harvard Roads; and (c) Green and Forbush Mill Roads, caused directly by the Project. This information shall be generated by two separate studies that will evaluate both weekday and weekend traffic volumes and patterns. The first study shall occur immediately prior to the Project's pre-opening. This study shall serve as the baseline of existing traffic conditions. The second study shall occur within 30 days of the first anniversary of Commencement of Operations. These studies shall include traffic counts, turning movement counts and analysis of level of service at the identified intersections and note any changes. Subject to the provisions of Section 2 (3) (b) hereof, PPE agrees to pay for the design and implementation of all mitigation of the net impacts directly attributable to the Project based on

the recommendations of the Consultant. The Town and PPE shall collaborate and cooperate with the Consultant during the design process to assure that any mitigation measures and design are mutually agreeable and consistent with state and local requirements concerning roadway construction.

- (b) The Town covenants and agrees that it shall petition, or cause to be petitioned, the Commission for monies made available under G.L. c. 23K, including, but not limited to those monies in the Community Mitigation Fund established by G.L. c. 23K, §61, for the purpose of paying for the design and implementation of all mitigation of the net impacts directly attributable to the Project based on the recommendations of the Consultant pursuant to Section 2 (3) (a) hereof and that any funds received by the Town from the Commission pursuant to such petition shall be subtracted from PPE's corresponding obligation under Section 2 (3)(a) hereof to provide funding for such costs.

#### 4. Surrounding Community Benefit Payments

If, in any calendar year, the Gross Gaming Revenues from the Project exceeds Two Hundred Million and 00/100 Dollars (\$200,000,000.00), PPE will, within sixty (60) days after the end of such calendar year, make a payment (each a "Surrounding Community Benefit Payment") in equal amounts to each city or town designated by PPE as a surrounding community, which total aggregate payments shall equal the sum of:

- (a) one quarter of one percent (.25%) of the Gross Gaming Revenues from the Project between Two Hundred Million and 01/100 Dollars (\$200,000,000.01) and Two Hundred Twenty-Five Million and 00/100 Dollars (\$225,000,000.00) during such calendar year; plus
- (b) one half of one percent (.50%) of the Gross Gaming Revenues from the Project between Two Hundred Twenty-Five Million and 01/100 Dollars (\$225,000,000.01) and Two Hundred Fifty Million and 00/100 Dollars (\$250,000,000.00) during such calendar year, if any; plus
- (c) three quarters of one percent (.75%) of the Gross Gaming Revenues from the Project between Two Hundred Fifty Million and 01/100 Dollars (\$250,000,000.01) and Two Hundred Seventy-Five Million and 00/100 Dollars (\$275,000,000.00) during such calendar year, if any; plus
- (d) one percent (1%) of the Gross Gaming Revenues from the Project in excess of Two Hundred Seventy-Five Million and 01/100 Dollars (\$275,000,000.01) during such calendar year, if any.

The term "Gross Gaming Revenues" has the meaning ascribed to such term in the Act, provided, however, that the issuance to or wagering by patrons of the Project of any promotional gaming credit shall not constitute Gross Gaming Revenues. For illustrative purposes, if there are five (5) cities and towns designated by PPE as surrounding communities, and the Gross Gaming Revenue for a calendar year is Two Hundred Fifty Million and 00/100 Dollars (\$250,000,000.00), PPE will pay each such

town and city a Surrounding Community Benefit Payment of Thirty-Seven Thousand Five Hundred and 00/100 Dollars (\$37,500.00) for such calendar year.

**5. Cooperation in Seeking State Funding**

PPE shall provide reasonable assistance, cooperation and support for the Town's applications for available grants and other funding mechanisms, including but not limited to the Community Mitigation Fund and other funds established and/or funded pursuant to the Act. Such support shall include, but not be limited to, provision of non-privileged/non-confidential documentation and other non-privileged or non-confidential information reasonably requested by the Town, endorsement of grant or other funding applications by the Town, providing letters of support for such applications, and making PPE's staff reasonably available to assist in and support such applications.

**6. Trucks and Buses Shall Avoid the Town**

PPE shall require in writing that all its contractors, vendors and suppliers — both during construction and operation of the Project — avoid using Route 117 through the Town to access the Project Site to or from Route 495 with any vehicles with a gross vehicle weight in excess of 6,000 lbs. PPE shall also use reasonable efforts to require that all buses visiting the Project avoid using Route 117 through the Town to access the Project Site to or from Route 495.

**7. Route 495 Signage**

The Town and PPE agree that signage on Route 495 should not direct visitors to the Project to take Route 117. PPE and the Town will use reasonable efforts to cause MassDOT to install signage to discourage Project visitors from using Exit 27 off Route 495 by directing motorists to alternative routes. PPE shall pay for all such signage approved by MassDOT.

**8. PPE Website and Promotional Materials**

PPE agrees that in its promotional materials and on all PPE and Project websites directions to Project Site will not include Route 117 through the Town but rather will direct visitors from Route 495 to the Project Site by Route 2 or Route 290.

**Section 3. Workforce Development: Local Hiring Preference**

**1. Construction Jobs**

PPE anticipates the need for approximately 600 direct and indirect positions for the initial construction and fit-out of the Project. Subject to PPE's obligations to the Host Community contained in that certain Host Community Agreement, dated July 18, 2013, between the Host Community and PPE (as same may be amended from time to time, the "Host Community Agreement"), PPE will work in a good faith, legal and non-

discriminatory manner with the Project's construction manager to give preferential treatment, substantially equal to the treatment of the residents of other cities and towns that have entered into surrounding community agreements with PPE, to qualified Town residents for contracting, subcontracting and servicing opportunities in the development and construction of the Project.

PPE intends for the Project to be constructed using union labor. PPE's construction manager will develop a roster where Town residents, who are members of the various construction unions working on the Project, can express their interest in working on the Project. The construction manager will then review and give priority consideration to the individuals on the roster prior to filling any openings and encourage the project contractors to hire such individuals if they are qualified.

## **2. Permanent Jobs**

PPE anticipates the creation of 500-700 full-time permanent jobs at the Project. In seeking to fill vacancies at the Project, PPE will, subject to PPE's obligations to the Host Community contained in the Host Community Agreement, give priority to properly qualified residents of the Town and to the qualified residents of all other cities and towns that have entered into surrounding community agreements with PPE. PPE reserves the right to determine the best qualified candidates for any particular position and to determine, in its sole discretion, whether any job candidate meets the qualifications required by PPE.

Prior to beginning the process of hiring employees for the Project, PPE shall advertise and hold at least two events at venues in the region, at which it will publicize its hiring needs and explain to attendees the process by which they may seek to be hired in connection with the Project.

## **3. Vendor Preference**

Subject to its obligations to the Host Community under the Host Community Agreement and any applicable state statutes or regulations, PPE shall make a good faith effort to utilize local contractors and suppliers for construction and future operations of the Project and shall afford such opportunities to local vendors when such contractors and suppliers are properly qualified and price competitive. Such efforts shall include, where appropriate as determined by PPE, actively soliciting bids from vendors from surrounding communities through local advertisements and coordination with the North Central Massachusetts Chamber of Commerce and the Nashoba Valley Chamber of Commerce. PPE reserves the right to determine the best qualified contractors and suppliers for any particular service and to determine, in its sole discretion, whether any contractor or supplier meets the qualifications required by PPE.

## **4. Regional Marketing and Tourism**

Subject to its obligations to the Host Community under the Host Community

Agreement, PPE will collaborate with the Town's economic development team and local and regional chambers of commerce to promote and cross-market local shops, restaurants and attractions. In the Host Community Agreement, PPE has agreed to provide space in a prominent location of its choosing within the facility for a booth or kiosk to provide patrons of the Project with information regarding area attractions and businesses. Attractions and business located within the Town will be afforded an opportunity to include promotional materials in this booth or kiosk.

#### **5. Other Agreements**

PPE's obligations under this Section 3 shall at all times be subject to PPE's obligations to the Host Community under the Host Community Agreement. In addition, PPE reserves the right to enter into surrounding community agreements with other cities and towns that contain substantially similar provisions as this Section 3 and that the citizens and businesses of such other cities and towns shall be treated substantially similar, with the same level of preference, as the citizens and businesses of the Town (For example, the citizens and businesses of the Town, with the citizens and businesses of such a city or town, after the citizens and businesses of the Host Community, shall have equal preferential treatment to obtain construction or permanent jobs at the Project, subject to the terms of this Agreement and/or the applicable surrounding community agreement).

#### **Section 4. Responsible Gaming**

PPE recognizes that, while gaming is an enjoyable leisure and entertaining activity for most, there is a small percentage of the population that may not game responsibly. Therefore, PPE will implement a Responsible Gaming Plan at the Project, the chief goal of which shall be to ensure that those people who cannot game responsibly get the help they need and to make sure that people who can game responsibly understand the importance of gaming responsibly.

PPE will accomplish the responsible gaming goals by: (1) educating its employees and providing information to patrons about the odds of games and how to make responsible gaming decisions; (2) promoting responsible gaming in daily operations; and (3) supporting public awareness of responsible gaming.

PPE will join and actively participate in the Massachusetts Partnership on Responsible Gambling for the express purpose of addressing problem gaming in the Host Community, the Town and any other cities and towns.

#### **Section 5. Town Obligations**

In consideration of the mitigation measures to be undertaken by PPE as set forth in this Agreement the Town shall not oppose efforts by PPE to obtain permits, certifications or regulatory approvals necessary for the Project to proceed.

**Section 6. Choice of Law/Forum Selection**

This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws provisions in such state. Any dispute arising under or in connection with this Agreement shall be within the exclusive jurisdiction of the Massachusetts Superior Court for Worcester County. Each party in any such action shall pay its own litigation costs (including counsel fees and expert witness fees) and shall not seek reimbursement or an award of such costs from the other party except that if the Superior Court finds that PPE willfully failed to make payments due to the Town under Section 2 of this Agreement, the Town shall be awarded its reasonable attorney's fees and expenses.

Notwithstanding the foregoing provisions for forum selection, the parties to this Agreement agree that before resorting to any formal dispute resolution process concerning any dispute arising from or in any way relating to this Agreement, they will first engage in good faith negotiations in an effort to find a solution that serves their respective and mutual interests.

**Section 7. Miscellaneous**

**1. No Third Party Beneficiaries**

No provisions of this Agreement shall be construed in any manner so as to create any rights in any third parties not party to this Agreement. The Agreement shall be interpreted solely to define specific duties and responsibilities between the Town and PPE, and shall not provide any basis for claims of any other individual, partnership, corporation, organization or municipal entity.

**2. Exercise of Rights and Waiver**

The failure of any party to exercise any right under this Agreement shall not, unless otherwise provided or agreed to in writing, be deemed a waiver thereof; nor shall a waiver by any Party of any provisions hereof be deemed a waiver of any future compliance therewith, and such provisions shall remain in full force and effect.

**3. Severability**

In the event that any clause, provisions or remedy in this Agreement shall, for any reason, be deemed invalid or unenforceable, the remaining clauses and provisions shall not be affected, impaired or invalidated and shall remain in full force and effect.

**4. Headings and Construction**

The section headings in this Agreement are inserted for convenience of reference only and shall in no way affect, modify, define, or be used in construing the text of the agreement. Where the context requires, all singular words in the Agreement shall be

construed to include their plural and all words of neuter gender shall be construed to include the masculine and feminine forms of such words.

**5. Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

**6. Time of the Essence**

The parties agree and acknowledge that time is of the essence with respect to PPE's performance of its obligations hereunder.

**7. Integration Clause**

This Agreement and any attachments hereto and two side letters of even date constitute the entire agreement between the parties. No agents, representative, employee or officer of the Town or PPE has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with this Agreement which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the Parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of this Agreement. No modifications, alterations, or changes to this Agreement or any of its terms shall be valid or binding unless accomplished by a written amendment signed by all Parties in accordance with the terms herein.

**8. Conditional on Grant of Category 2 Gaming License**

PPE's obligations under this Agreement are subject Commission's final and non-appealable award of a Category 2 license to PPE for the Project. The term of this Agreement shall be so long as PPE or its successors or assigns owns, controls or operates a gaming facility at the Project Site.

**Section 8. Notices**

Any notices, consents, demands, requests approvals or other communications issued under this Agreement shall be made in writing and shall be delivered by hand, overnight delivery service or certified mail (return receipt requested), to the other party at the following addresses:

If to the Town:           Chairman of the Board of Selectmen  
                                  Town of Bolton  
                                  663 Main Street  
                                  Bolton, MA 01470



With a copy to: Town Administrator  
Town of Bolton  
663 Main Street  
Bolton, MA 01470

If to PPE: PPE CASINO RESORTS MA, LLC  
601 East Pratt Street, Sixth Floor  
Baltimore, Maryland 21202  
Attention: Joseph Weinberg, Managing Member

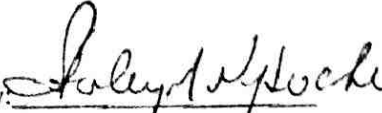
With a copy to: PPE CASINO RESORTS MA, LLC  
601 East Pratt Street, Sixth Floor  
Baltimore, Maryland 21202  
Attention: General Counsel

SIGNATURES ON NEXT PAGE

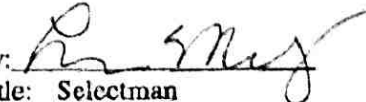
IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement to be effective as of the date first above written.

Town of Bolton, Massachusetts

PPE Casino Resorts MA, LLC

By:   
Title: Selectman

By:   
Title: Managing Member

By:   
Title: Selectman

By:   
Title: Selectman

12-19-13

**PPE CASINO RESORTS MA, LLC  
601 EAST PRATT STREET, SIXTH FLOOR  
BALTIMORE, MARYLAND 21202**

December 19, 2013

Mr. Don Lowe  
Town Administrator  
Town of Bolton, Massachusetts  
Bolton Town Hall  
663 Main Street  
Bolton, Massachusetts 01740

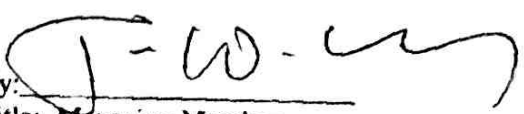
Re: Route 117/110 Signal Design

Dear Don:

Per our recent discussion, Cordish acknowledges your concern for potential traffic impacts associated with the proposed Massachusetts Live! Casino at the Route 110/Route 117 intersection in Bolton. As you are aware, we filed an Environmental Notification Form for the casino project and received a Scoping Certificate from the State's Executive Office of Environmental and Energy Affairs requiring preparation of an Environmental Impact Report (EIR) for the project to include a full traffic impact study. As part of the EIR, we agree to provide traffic mitigation at this location in the form of design services (through our traffic engineers, Stantec) for proposed changes to the traffic signal equipment at this intersection as recommended by the commonwealth's Central Transportation Planning Staff in its 2010 safety and operations study for this location.

Very truly yours,

**PPE CASINO RESORTS MA, LLC**

By:   
Title: Managing Member

PPE CASINO RESORTS MA, LLC  
601 EAST PRATT STREET, SIXTH FLOOR  
BALTIMORE, MARYLAND 21202

December 19, 2013

Town of Bolton, Massachusetts  
Bolton Town Hall  
663 Main Street  
Bolton, Massachusetts 01740

Re: Massachusetts Live! Casino - Surrounding Community Agreement –  
Public Safety Response Cost Reimbursement

Ladies and Gentlemen:

Please refer to that certain Surrounding Community Agreement (the “**Surrounding Community Agreement**”), dated the date hereof, between PPE Casino Resorts MA, LLC (“**PPE**”) and the Town of Bolton (the “**Town**”) concerning PPE’s proposal to develop a gaming facility in the City of Leominster, Massachusetts. Unless otherwise defined herein or the context otherwise requires, each capitalized term utilized herein shall have the meaning ascribed to it in the Surrounding Community Agreement.

Pursuant to and in accordance with the provisions of Section 2 (2) of the Surrounding Community Agreement, PPE has agreed to reimburse the Town for the direct and demonstrable costs incurred by the Town associated with certain public safety calls and response actions incurred as a result of the Project. In order to avoid any disputes between PPE and the Town as to whether a call and response action was incurred as a result of the Project and, if so, the amount of “direct and demonstrable costs” associated with such call and response action, PPE and the Town have agreed to set a fixed annual payment in full satisfaction of PPE’s obligations under Section 2 (2) of the Surrounding Community Agreement for each year that it is paid.

For as long as a gaming facility operates at the Project Site, PPE shall pay the Town an annual Fixed Public Safety Payment (as that term is hereinafter defined), which payment shall fully satisfy PPE’s obligations under Section 2 (2) of the Surrounding Community Agreement for the year in question. The first annual installment of Fixed Public Safety Payment shall be due and payable within thirty (30) days following the Commencement of Operations. The second, third and fourth annual installments of the Fixed Public Safety Payment shall each be due and payable within thirty (30) days after the calculation of same by the parties hereto. Each subsequent Fixed Public Safety Payment shall be due and payable on the applicable anniversary of the Commencement of Operations.

**PPE CASINO RESORTS MA, LLC**

Town of Bolton, Massachusetts

December 19, 2013

Page 2

The term "**Fixed Public Safety Payment**" means: (a) for the initial payment due hereunder, the sum of Fifteen Thousand Dollars (\$15,000.00); and (b) for each subsequent annual payment, the amount determined for such year pursuant to the provisions of this letter.

The first annual Fixed Public Safety Payment is based on the projection that following the Commencement of Operations, the Project is likely to generate, at most, One Hundred (100) public safety calls and response actions each year for the Town (including mutual aid calls to the Town of Lancaster) at a cost to the Town of One Hundred-Fifty Dollars (\$150.00) per action. This projection is based on a review of Massachusetts records of traffic counts and incident reports on Route 117 and mutual aid calls extrapolated for the calendar year 2013 and the costs incurred by the Town in responding to such incidents and reviewing the Project's traffic studies. The Town has concluded, for purposes of this letter agreement, that each public safety call and response action costs the Town, on average, One Hundred Fifty Dollars (\$150.00). The Town and PPE have concluded that, based on the Project's traffic study as to the amount of vehicular trips the Project is likely to generate on Route 117 within the Town, and the State and Town records on the ratio of vehicular trips to the number of action calls on Route 117 within the Town, the Project, at most, will likely cause, on average, One Hundred (100) public safety calls and response actions each year for the Town.

Promptly after the first anniversary of the Commencement of Operation, the Town and PPE will calculate the second annual Fixed Public Safety Payment utilizing the following protocol:

The Town and PPE will evaluate the actual number of Motor Vehicle Incidents, including DUI incidents, in the Town for the twelve (12)-month period that followed the Commencement of Operations and compare said data to the actual number of Motor Vehicle Incidents, including DUI incidents, for the twelve (12)-month period immediately prior to the Commencement of Operations (the "**Base Year**") and make any adjustments (increase or decrease) to the Fixed Public Safety Payment based on the increase or decrease in the actual number of Motor Vehicle Incidents, including DUI incidents and mutual aid calls to Lancaster, reasonably attributable to the traffic created by the Project. The actual increase or decrease in the number of Motor Vehicle Incidents (including DUI and mutual aid incidents) reasonably attributable to the traffic created by the Project will be multiplied by One Hundred Fifty Dollars (\$150.00) to determine the second installment of the "**Fixed Public Safety Payment**".

Promptly after the second anniversary of the Commencement of Operation, the Town and PPE will calculate the third annual **Fixed Public Safety Payment** utilizing the same protocol as above, except the parties will compare the Base Year to the twelve (12) month period that immediately preceded the second anniversary of the Commencement of Operation.

Promptly after the third anniversary of the Commencement of Operation, the Town and PPE will calculate the fourth annual Fixed Public Safety Payment utilizing the same protocol as

**PPE CASINO RESORTS MA, LLC**

Town of Bolton, Massachusetts

December 19, 2013

Page 3

above, except the parties will compare the Base Year to the twelve (12) month period that immediately preceded the third anniversary of the Commencement of Operation.

The "**Fixed Public Safety Payment**" due and payable on the fourth anniversary of the Commencement of Operation and each anniversary thereafter that such a payment is required to be paid by the provisions of this letter shall equal the Fixed Public Safety Payment determined in accordance with the provisions of the immediately preceding paragraph (i.e., the fourth annual Fixed Public Safety Payment).

The Town and PPE agree that the Fixed Public Safety Payment is a fair determination of the amounts likely to be due the Town each year under Section 2 (2) of the Surrounding Community Agreement.

Please execute and return the enclosed copy of this letter in order to memorialize the agreement of the Town to the terms of this letter.

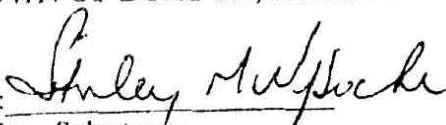
Very truly yours,

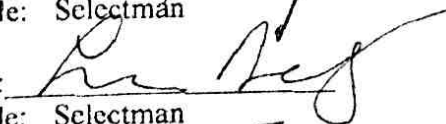
**PPE CASINO RESORTS MA, LLC**


By:   
Title: Managing Member

Agreed and accepted on the date and year first above written.

**TOWN OF BOLTON, MASSACHUSETTS**

By:   
Title: Selectman

By:   
Title: Selectman

By:   
Title: Selectman

12-19-13