

**Summary of Host Community Agreement Between
City of West Springfield and Hard Rock Hotel & Casino New England**

(Note that a copy of the entire Host Community Agreement may be obtained at the office of the West Springfield City Clerk, 26 Central Street, West Springfield, MA and is available for viewing on the City of West Springfield website: www.west-springfield.ma.us and the website of the Massachusetts Gaming Commission: www.massgaming.com)

July 11, 2013

The following is a summary of the principal terms of the Host Community Agreement (the "Agreement") between the City of the Town of West Springfield (the "City") and HR Massachusetts, LLC, the entity that will develop and own the Hard Rock Hotel & Casino New England, (the "Developer" or "Hard Rock"). This summary does not reflect every detail or provision of the Agreement but, its basic and principal business terms. All details and provisions are reflected in the actual Agreement.

1. Project

The Developer will build a destination resort project with a minimum capital investment of \$800,000,000 on a 38-acre site at the Eastern States Exposition.

2. Payments to the City of West Springfield

A. Prior To Opening

- i. Within five (5) days of the execution of this Agreement, the Developer shall make a grant of \$400,000 to the City for the express purpose of assisting with community development projects.
- ii. Within thirty (30) days of the License Award, Developer shall make a grant of \$250,000 to the City for the purpose of assisting with Community Development projects.
- iii. Beginning after the License Award, Developer shall make an annual payment to the City of \$2,000,000 until opening for police equipment upgrades. Such payment shall also be utilized for any additional Police, Fire and EMS staffing and training. Secondly, the funds can be used for the purpose of benefitting the City in the project's vicinity, including capital improvements, urban redevelopment and property acquisition.

B. Upon Opening/Assessment

- i. A Property Assessment Payment shall be paid annually to the City, pursuant to Massachusetts law for blighted commercial areas (121A Payment or, alternative via special legislation) of \$15,000,000. Such payment, reflecting the equivalent of a property and personal property assessment, shall increase annually by a range of 1.0% to 2.0%, beginning in Year 6 of the project's operations. If such payment procedure or law is unavailable the City will assess the Developer with real and personal property taxes in accordance with Massachusetts law and generally accepted assessment standards.

- ii. Annual Development Impact Fees shall be paid to the City, in the amount of \$1,500,000. Such fee is intended to be utilized for project-related City services, including Public Safety and Public Works. Such payment shall increase annually by a range of 1.0% to 2.0%, beginning in Year 6 of the project's operations.
- iii. Annual Community Benefit Payments shall be paid to the City, in the amount of \$1,500,000. An additional payment in the amount of 2.0% of the project Gross Gaming Revenue (GGR) in excess of \$440,000,000 shall also be paid. These payments are intended for the financial benefit of community assets, investments, facilities and programs, including (but not limited to): Mittineague Park; the Senior Center; Youth Sports; Town Library; School Department, with an emphasis on classroom technology and music/arts education; Bear Hole Reservoir; community social programs; and, initiatives for women, minority and veterans businesses.

3. Payments to the Western Massachusetts Region

A. Prior to Opening

Beginning after License Award, Developer shall make a grant(s) of up to \$2,000,000 for Surrounding Communities (as the Developer or Massachusetts Gaming Commission, "Commission," may determine).

B. Upon Opening

- i. Developer shall create a Regional Partners Fund program to provide the maximum economic development possible to neighboring communities in the region. Such fund will provide an annual payment equal to 0.75% of the project GGR for capital improvement projects that will benefit the region. The full, annual payment of this grant will rotate between six communities of the region, including: West Springfield, Springfield, Agawam, Holyoke, Chicopee and Westfield.
- ii. Developer shall make a Surrounding Impact Payment annually to any municipality in which it enters into an agreement as a designated Surrounding Community (determined by Developer or Commission). Such payments will be equal to 1.0% of the project GGR in total and utilized for project-related mitigation.

4. Payments of Taxes

The Developer shall be responsible for its legal share of taxes, including Meals Tax, Hotel Tax, and Motor Vehicle Excise Tax. The Developer agrees to principally garage all vehicles owned by and used in connection with the project in the City, so that excise taxes shall be paid to the City consistent with applicable law.

5. Workforce Development

A. Construction Jobs

Developer anticipates the need for approximately 2,000 direct positions for the construction and fit-out of the project. Developer will work in good-faith, legal and non-discriminatory manner to give preferential treatment to qualified West Springfield residents first and Hampden County residents secondly for contracting, sub-contracting and servicing opportunities in the development and construction. Developer shall also exercise good faith efforts to employ qualified minorities, women and veterans. Developer shall hold at least two events to publicize and explain the construction needs of the Project. Developer further intends for the project to be constructed using union

labor to the extent permitted by law and practicable and has entered into a Memorandum of Understanding with the Pioneer Valley Building Trades Council.

B. *Permanent Jobs*

Developer anticipates the creation of approximately 3,000 direct, full-time equivalent jobs at the project. In filling the positions, the Developer will give priority to qualified residents of West Springfield first and secondary preference to other qualified residents of Hampden County, to the extent that is lawful. Additional preferences will be made, in good faith, to women, minorities and veterans.

C. *Regional Training Initiatives*

Developer has entered into a Memorandum of Understanding with Springfield Technical Community College and Holyoke Community College to cooperate on workforce training, with an emphasis on the casino and hospitality industries. The Developer will create a working task force – the Western Training and Education Opportunity Task Force -- in advance of operations to marshal other resources and expertise in training and education, including: STCC, HCC, Lower Pioneer Valley Career and Technical Education Center (LPVCTEC), Workforce Opportunity Center, University of Massachusetts, Westfield State University and others. The Developer will create a working relationship with LPVCTEC to provide direct employment opportunities to vocational graduates, especially in culinary, facilities landscaping and Information Technology. Within this program, Developer pledges to provide employment for approximately 30 qualified graduates from LPVCTEC and will continue to hire throughout its term of operation.

6. Benefits to Local Businesses

A. *Local Vendors/Buy Local Effort*

Developer shall make a good faith effort to utilize contractors and suppliers for local vendors and service-providers. The Developer will target the purchasing of at least \$50,000,000 in goods and services from Hampden County businesses annually. The Developer shall also create a Small Business Network of area businesses to identify capabilities, products, services and resources and will work with Chambers of Commerce from throughout the Hampden County region. Vendor fairs will be held – at least three – for this purpose, in West Springfield, Springfield and Holyoke.

B. *Memorial Avenue Businesses/Restaurant Association*

Developer agrees to collaborate with businesses along the Memorial Avenue corridor, with workshops and the implementation of various programs to support local businesses. This would include the resort's reward/frequent guest/loyalty program, employee rewards programs and vouchers/gift certificates, with the Developer targeting \$50,000/year in such awards that can be redeemed by local businesses. The Developer will also create a Restaurant Association with restaurants in the Memorial Avenue area and provide initial funding of \$25,000 toward the promotion of those participating dining establishments.

C. *Collaboration with Hoteliers*

Developer agrees to create a working task force with West Springfield and regional hoteliers to maximize the positive impact of the new resort facility on area lodging properties.

7. Demands on City Services: Use, Upgrades

A. Utilities

The Developer will be responsible for any upgrades and costs for the City's utility infrastructure, including Electricity; Natural Gas; and Water and Sewer. The Developer will coordinate all improvements with the City, be responsible for design and permits and any maintenance and repair within its project.

B. Public Safety and Fire Safety

The Developer shall pay all costs associated with the design and construction of a Police Substation and Fire Command Center on the project site and shall develop coordination and coverage plans, in coordination with the Police Chief and Fire Chief.

8. Transportation and Infrastructure Improvements

The Developer and the City recognize the importance of improving traffic circulation, access, parking and infrastructure in and around the Eastern States Exposition campus.

To demonstrate its commitment to improving the experience for visitors, enhancing the roadway network and creating value for adjacent properties, the Developer has committed a minimum of \$35,000,000 of private investment into public infrastructure.

A. Memorial Avenue Revitalization Program

The Developer will develop, execute and fund a total revitalization program for Memorial Avenue, which shall include the widening of the Avenue (from the Memorial Bridge Rotary to Circuit Avenue); new signalization at Circuit Avenue; and milling and repaving from the Rotary to the Morgan-Sullivan Bridge. In addition, an infrastructure will provide new sidewalks, lighting, landscaping, beautification, ADA-compliant crosswalks at main intersections and bicycle lanes. The estimated cost of this program is approximately \$10,500,000. The Developer will also fund and/or execute regular beautification and maintenance of landscaping along Memorial Avenue at no cost to the City or other property owners.

B. New Route 5 Access

The Developer will create and fund a new roadway into the Eastern States Exposition campus, via a new interchange off of Route 5, south of the Memorial Bridge Rotary.

C. Cooperation with MassDOT

The Developer agrees to cooperate with MassDOT, the City, Agawam and other stakeholders in the redevelopment of the Morgan-Sullivan Bridge, improvements to the Memorial Avenue Rotary and South End Rotary and Bridge.

D. Coordination with Eastern States Exposition and City on traffic program

The Developer agrees to cooperate with the Eastern States Exposition, the City's police department and other stakeholders in development and implantation of a new plan for traffic control, parking and circulation during construction, operation, the Big E fair days and other special events.

E. Coordination with Agawam and Six Flags

The Developer agrees to coordinate with Agawam and Six Flags New England theme park in the development of a new plan for traffic control, circulation and routing during construction, operations, the Big E fair days and other special events.

F. Public Transportation

The Developer will create a Transportation Management Plan, in cooperation with the Eastern States Exposition and various stakeholders (including Pioneer Valley Transportation Authority) to maximize the usage and efficiency of public transportation. The Developer agrees to explore various opportunities, including shuttle systems, coordination with Springfield Union Station, Bradley Airport, regional bus systems/operators, livery operators and others. The Developer will create an incentive for the benefit of employees to encourage public transportation, in addition to a marketing program for its casino customers who use public transportation.

9. Community Development

A. Hard Rock/Eastern States Community Charitable Foundation

The Developer and Eastern States Exposition will create and fund a community foundation (non-profit) to provide valuable support of unique, community initiatives in the City. Some of the grants may be made to organizations that Hard Rock has already supported, including: The Parish Cupboard; Boy's & Girl's Club of West Springfield; The Food Bank of Western Massachusetts; the local Red Cross; American Cancer Society; West Springfield Garden Club; the Taste of West Springfield; Care for Our Troops; West Springfield and Regional Youth Sports facilities and programs; and others.

B. Support of Local/Regional Arts and Culture

The Developer agrees to host/co-host, with the Eastern States Exposition, and to promote and fund at least two events per year to promote local musicians and artists and to benefit local and regional social programs and/or charitable organizations.

C. Impacted Live Entertainment Venues

The Developer shall enter into cooperative marketing relationships with nearby Impacted Live Entertainment Venues, as defined by the Gaming Act. Those include: MassMutual Center, Symphony Hall and City Stage.

D. Majestic Theater

The Developer will enter into a cooperative marketing relationship with the Majestic Theater and will provide support to the theater company in advancing its mission and role in the community.

10. Miscellaneous

A. Responsible Gaming

The Developer feels strongly about creating a responsible gaming culture and will implement a Responsible Gaming Plan to provide assistance and education on gaming responsibly. The Developer will join and actively participate in the Massachusetts Council on Compulsive Gambling to address issues of treatment and compulsive behavior.

B. City Obligations

In recognition of the mitigation measures and the many economic benefits it will bring to the community, the City shall support the project in the following manner:

- i. The City will, to the fullest extent permitted by applicable law, process and expedite the Developer's permitting, licensing and regulatory approvals consistent with the construction schedule, as long as Developer has completed required documentation.

- ii. The City will diligently pursue and expedite the adoption and implementation of amendments or modifications required to the City's zoning ordinance and other land use ordinances, rules and regulations required to construct and operate the project.
- iii. Consistent with the Gaming Act, the City shall schedule a city-wide election so that qualified voters can vote on a ballot question to support or reject the operation of a gaming establishment licensed by the Commission to be located at the project site.
- iv. The City shall make available to Developer, in a manner consistent with applicable law, such interests in real property owned or controlled by the City as Developer may reasonably require for incorporation into transportation contemplated for the project.
- v. The City shall cooperate with Developer in securing cooperation and interests in real property, which may be owned by the City of Springfield and town of Agawam, as Developer may reasonably require for incorporation into transportation contemplated for the project.
- vi. The City will operate the Circuit Avenue Pump Station, in accordance with the protocol which currently governs its operation, to insure proper storm water drainage.

C. Indemnification

The Developer agrees to indemnify and hold harmless the City from and against certain claims, actions, proceedings or demands brought against the City in connection with the entry into the Agreement.

D. Developer Obligations/Rights

The Developer's parent corporation, Seminole HR Holdings, LLC, shall be jointly responsible for the responsibilities of the Developer's obligations in the Agreement for a period of two years after the start of business operations. The Developer shall have certain rights to assign the project to a successor.