

## SURROUNDING COMMUNITY AGREEMENT

This SURROUNDING COMMUNITY AGREEMENT ("Agreement") is made and entered into this 24th day of October, 2013, by and between THE TOWN OF NORTH ATTLEBOROUGH, a Municipal Corporation with its offices at 43 South Washington Street, North Attleborough, Massachusetts 02760 (the "Town"), and SPRINGFIELD GAMING AND REDEVELOPMENT, LLC, a Delaware limited liability company, with its principal office at 825 Berkshire Boulevard, Wyomissing, PA 19610 ("SF Gaming") (collectively with the Town, the "Parties").

WHEREAS, M.G.L. c. 23K, establishes and provides for expanded gaming in the Commonwealth consistent with the terms and requirements set forth therein; and

WHEREAS, SF Gaming has acquired the option to purchase certain land and improvements situated on approximately 88.9 acres located at 301 Washington Street, Plainville, Massachusetts (the "Premises");

WHEREAS, SF Gaming intends to apply for a "Category 2 gaming license" as defined under M.G.L. c. 23K, §2, to construct and operate a gaming establishment with no table games and not more than 1,250 slot machines, together with ancillary entertainment and dining amenities to be located at the Premises (the "Project");

WHEREAS, under M.G.L. c. 23K, §15, an applicant for a license to own and operate a gaming establishment must enter into an agreement with each of the Surrounding Communities (as defined pursuant to M.G.L. c. 23K, §2) of the proposed gaming establishment, which shall set forth stipulations of responsibilities between each Surrounding Community and the applicant;

WHEREAS, SF Gaming has designated the Town as a "Surrounding Community" in accordance with 205 CMR 125.01(1)(a);

WHEREAS, the Parties believe the Project will bring economic development to the region, including creating new jobs for residents of the Town and new sources of income for the Town, and accordingly the Town desires to support SF Gaming in the development of the Project;

WHEREAS, the Parties intend to address the potential impacts that will result from the development and operation of the gaming establishment at the Premises, and facilitate the positive economic benefits to be derived by the Town from the Project; and

WHEREAS, in furtherance of those goals, and in satisfaction of the requirements of M.G.L. c. 23K, the Parties are entering into this Agreement to set forth their mutual understandings (including non-opposition) in effectuating the purposes set forth above.

NOW, THEREFORE, in consideration of the covenants and mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be bound hereby, agree as follows:

1. Definitions.

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

The term "Commencement of Operations" shall mean the first date upon which the Project is open to the public with slot machines in operation.

2. Local Hiring, Purchasing Preference and Cross Marketing.

- (i) SF Gaming shall, prior to the Commencement of Operations, work in good faith with the Town to advertise and hold at least one job fair for Town residents at a venue to be approved by the Town, at which SF Gaming will publicize its employment needs and take applications to be hired in connection with the Project;
- (ii) SF Gaming will instruct its general contractor to maximize local hiring in connection with Project construction;
- (iii) SF Gaming will seek to maximize procurement from local vendors for the operation of the Project;
- (iv) SF Gaming will cross market and promote mutually agreed upon local businesses in the Town following Commencement of Operations; and
- (v) SF Gaming will work with any live-entertainment venues within the town on non-compete and cross-marketing agreements.

3. Covenants of SF Gaming. Within one year after Commencement of Operations, SF Gaming agrees to:

- (i) work in good faith with the Town to detect, quantify, analyze, and address and mitigate verifiable, tangible and incremental traffic infrastructure impacts on Route 152 between Landry Avenue and Route 106 ("Route 152 Corridor") and Route 1 at the intersection of Park Street and Elmwood Street caused directly by the Project;
- (ii) work cooperatively with the Town to address verifiable and incremental public safety matters caused directly by the operation of the Project, including with respect to pedestrian safety along the Route 152 Corridor and drunken driving issues directly relating to the operation of the Project (provided that any improvements or modifications to existing traffic or pedestrian infrastructure shall be subject to review by the Town's planning board and Board of Public Works and shall be made in compliance with all applicable local and MassDOT laws);
- (iii) work with the Town to assess the effectiveness of the existing responsible gaming programs on the Town's citizens and evaluate additional programs if necessary; and

- (iv) host periodic public meetings relating to the Project.

4. Assessment and Mitigation of Impacts.

- (i) SF Gaming and the Town shall jointly select a reputable and unbiased third party transportation engineering firm ("Consultant") to assess verifiable and incremental impacts to traffic and public safety in the Route 152/Route 106 signaled intersection, the Route 152 and Plain Street intersection and Route 1 at the intersection of Park Street and Elmwood Street caused directly by the Project. This information shall be generated by two individual studies; the first study shall be measured immediately prior to the Project's pre-opening. This study shall serve as the baseline of existing traffic conditions and Level of Service at the indicated intersections. The second study ("Impact Study") shall be performed within 30 days of the first anniversary of Commencement of Operations. The cost of such Consultant's services and any studies and reports are to be paid by SF Gaming. These studies shall perform traffic counting, turning movement counts and analysis of Level of Service at the Route 152/Route 106 signaled intersection, the Route 152 and Plain Street intersection and Route 1 at the intersection of Park Street and Elmwood Street. The two studies shall compare traffic volumes, turning count movement and Level of Service at the indicated intersections and note any changes. SF Gaming agrees to pay for the design and implementation of all mitigation of all net impacts directly attributable to the Project based upon the recommendations of the Consultant. The Town and SF Gaming shall collaborate and cooperate with the Consultant during the design process to assure mutually agreeable mitigation measures and design consistent with all state and local requirements concerning roadway construction.
- (ii) The parties each acknowledge and agree that there are other developments in and around the subject intersections currently being developed and permitted (retail, residential, etc.) NOT associated with SF gaming, that may reasonably be expected to be under construction or completed during the licensing permitting and construction of the Project, the impact of which will not be attributable to the Project. In order to account for this change in the baseline study, it is understood that the Consultant may be required to perform additional necessary counting measures to isolate and quantify non-related impact to the intersections. The cost of this additional data collection, if required and analysis shall be at the sole cost and expense of SF Gaming.

5. Charitable Support, Municipal Meetings and Boards.

- (i) SF Gaming intends to support a variety of local charities and civic organizations. In the aggregate, the subsidiaries of Penn National Gaming,

Inc. (the ultimate parent of SF Gaming) contributed approximately \$11.8 million to local causes in 2012;

- (ii) SF Gaming shall, on a periodic basis, upon the request of the Town, attend municipal meetings organized by the Town, at which it will address questions regarding the Project; and
- (iii) SF Gaming personnel intend to serve on local civic and municipal boards and help support organizations benefiting environmental causes; and
- (iv) SF Gaming will support the food drives and help to support the important mission of Lenore's Pantry of North Attleboro.

6. Notice of Contemplated Expansion. SF Gaming agrees to provide sufficient notice to and consult with the Town before undertaking any material expansions of its facility and to assess with the Town the impacts of any such expansions. For purposes of this provision, "material" shall mean expansions that result in either (a) a slot-machine count 120% or greater than the number of slot machines in operation at the time of the Impact Study, or (b) total facility square footage in excess of 170,000.

7. Responsible Gaming. Prior to the Commencement of Operations, SF Gaming will implement a responsible gaming plan that satisfies or exceeds any applicable law. At the request of the Town, SF Gaming will review those plans with Town officials.

8. Term. This Agreement shall become effective on the date upon which it is fully executed by the Parties, unless lawfully terminated by either party pursuant to this Agreement, so long as SF Gaming (or any parent, subsidiary or related entity) owns, controls or operates a valid Category 2 gaming license at the Premises. Nothing in this Agreement shall be construed to require the Project to stay open for any particular term.

9. Community Mitigation Fund. The Town covenants and agrees that it shall petition, or cause to be petitioned, the Massachusetts Gaming Commission for monies made available under the Massachusetts Gaming Act, including, but not limited to, those monies in the Community Mitigation Fund. For clarity, while these funds are expected to be the principal source of mitigation funding, the parties acknowledge that they are not the sole source and SF Gaming shall fund reasonable mitigation expenses not covered by the Community Mitigation Fund.

10. Notices. Any notice required hereunder shall be made in writing and delivered by hand delivery or by facsimile or e-mail transmission, with a copy to follow by first class addressed below. Notices shall be deemed given on the date delivered:

If to the Town:

North Attleboro Board of Selectmen  
43 South Washington Street  
North Attleboro, MA 02760

If to SF Gaming:

825 Berkshire Boulevard  
Wyomissing, Pennsylvania 19610  
Attention: Office of the General Counsel

11. 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 SF Gaming, and shall not provide any basis for claims of any other individual, partnership, corporation, organization, or municipal entity.

12. Assignment, Transfer or Collateral Use. Neither Party may assign any interest in this Agreement, and shall not transfer any interest in this Agreement by novation or assignment, without the prior written consent of the non-assigning Party, which consent shall not be unreasonably delayed or denied; provided, however, that (i) there shall be no prohibition on the transfer of any interest in this Agreement or the Premises provided that successor must adhere to the provisions of this Agreement, (ii) a change of control of SF Gaming shall not be deemed an assignment hereunder, and (iii) SF Gaming may delegate any of its duties and obligations hereunder and may assign any of its rights and privileges hereunder, to any successor entity or any one or more affiliates, or survivor entities in connection with a merger, consolidation, roll up, or reorganization that is wholly owned by SF Gaming, Penn National Gaming, Inc. ("Penn"), or Delvest Corp., or a survivor entity in connection with a merger, consolidation, roll up, or reorganization, each of which shall thereupon be treated as SF Gaming for all purposes under this Agreement with respect to the duties or obligations so delegated or the rights or privileges so assigned, and the term "SF Gaming" shall thereafter be deemed to refer to such affiliate with respect to the duties or obligations so delegated or the rights or privileges so assigned. For the purposes of clarity, SF Gaming or Penn shareholders receiving a distribution from SF Gaming or Penn would have no liability, duties or obligations delegated to them under this Agreement.

13. Relationship of the Parties. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the Parties other than that of independent parties contracting with each other for purposes of effecting the provisions of this Agreement. The Parties are not, and will not be construed to be, in a relationship of joint venture or partnership. Neither Party has the authority to make any statements, representations or commitments of any kind on behalf of the other Party, or to use the name of the other Party in any publication or advertisements, except with the written consent of the other Party. Subject to the payment of all reimbursable costs to the Town, prior to the opening of the gaming establishment, SF Gaming may terminate this Agreement and/or withdraw its gaming application without further liability to the Town.

14. Force Majeure. SF Gaming shall not be considered to be in default in the performance of its obligations under this Agreement to the extent that performance of any such obligation is impaired by a Force Majeure Event. If SF Gaming is prevented or delayed in the performance of any such obligation by a Force Majeure Event, it shall provide reasonable notice to the Town of the circumstances preventing or delaying performance and the expected duration

thereof, if known. For the purposes of this Agreement, a Force Majeure Event is any circumstance not within the reasonable control, directly or indirectly, of the Party affected and includes, but is not limited to the following: strikes or other significant labor disputes; changes in applicable law; litigation affecting any Party, the Premises, or the operations at the Premises; significant supply shortages; adverse weather conditions and other acts of nature; acts of God, fire, other substantial property damage or any condition that prevents or significantly interferes with the operations of SF Gaming's gaming establishment; significant subsurface conditions; riot or civil unrest; the suspension or loss of SF Gaming's Category 2 gaming license; the forced closure of all gaming establishments by the Commonwealth of Massachusetts or the Massachusetts Gaming Commission; and actions or failures to act of any governmental authority or agency.

15. Integration Clause. This Agreement and any attachments hereto constitute the entire agreement between the parties. No agents, representative, employee or officer of the Town or SF Gaming 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.

16. Amendment. This Agreement shall not be amended except upon written consent of all parties hereto.

17. Governing Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts in effect on the date of the execution of such document, without giving effect to any choice of law or conflict of law provision or rule.

18. Binding Arbitration. In the event of a dispute arising under this Agreement, either Party shall refer such dispute to arbitration ("Arbitration") by giving a written notice of Arbitration (an "Arbitration Notice") to the other Party. An Arbitration Notice shall include such Party's determinations of the applicable issues subject to such Arbitration. The Parties shall mutually agree, within five (5) business days of the issuance date of the Arbitration Notice to the appointment of a single arbitrator (the "Arbitrator") to handle the Arbitration. The Arbitrator shall have a principal place of business and residence outside the State of Massachusetts. If the Parties are unable to mutually agree upon the Arbitrator within the five (5) business days described above, either Party may request JAMS to independently select, within ten (10) business days after such Arbitration Notice, an Arbitrator who has the qualifications to serve as the single Arbitrator to resolve this Arbitration. The Arbitration shall take place in Boston, Providence or other mutually agreed site, and be conducted by an Arbitrator that has no conflict of interest. Within fifteen (15) business days after the appointment of the Arbitrator, each Party shall supply the Arbitrator with such documents, materials or other evidence or written arguments as it or the Arbitrator desires, including such Party's proposed determinations of the applicable issues subject to such Arbitration. Each Party shall thereafter have an additional period of ten (10) Business Days to supply any rebuttal or other information it desires. The Arbitrator, in his/her sole discretion, may also request in writing, specific information and/or a

hearing and shall alone otherwise determine the conduct of the arbitration. Any information delivered or communicated during Arbitration by a Party shall be simultaneously delivered or communicated to (i) the other party and (ii) the Arbitrator. The Arbitration shall be confidential, and the Parties shall maintain the confidential nature of the arbitration proceeding, arbitration hearing and award, except to the extent disclosure is required to regulators, to insurers, pursuant to an enforcement proceeding, or as otherwise required by applicable law. The Arbitrator shall determine all matters necessary to resolve the dispute, including matters beyond the expertise of the Arbitrator. The parties agree to act in good faith with respect to any communication with the Arbitrator and the Arbitration process. No suit at law or in equity based on such dispute shall be instituted by either party hereto other than to enforce the award of the arbitrator.

19. Successors and Assigns. This Agreement shall be binding upon the Parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

20. Limitation on Liability. The Parties agree that in no event shall either party be liable for indirect, special, consequential or punitive damages or any damages arising out of or related to this Agreement.

21. Construction of Documents. Each Party acknowledges that, with respect to this Agreement, it relied solely on its own judgment and advisors in entering into this Agreement without relying in any manner on any statements, representations or recommendations of the other Party, that it understands and accepts the implications of this Agreement, and that it voluntarily entered into this Agreement.

22. Counterparts. This Agreement shall be executed in any number of counterparts which, taken together, shall constitute one and the same agreement. To evidence the fact that it has executed this Agreement, a Party may send a copy of its executed counterpart to the other Party by facsimile or electronic transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Agreement executed by such Party.

23. Severability. Should any section or any part of any section of this Agreement be rendered void, invalid or unenforceable by any court of law, for any reason, such a determination shall not render void, invalid or unenforceable any other section or part of any section of this Agreement.

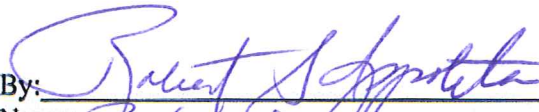
*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, and intending to be bound hereby, the Parties hereto have caused this Agreement to be duly executed on their behalf by their authorized officers and applicably attested, all as of the day and year first above written.

ATTEST:

SPRINGFIELD GAMING AND  
REDEVELOPMENT, LLC,  
a Delaware limited liability company

By:   
Witness

By:   
Name: Robert S. Appiccolo  
Title: Sec/Treas

ATTEST:

TOWN OF NORTH ATTLEBOROUGH

By:   
Witness

By:   
Name: Paul J. Belham Sr.  
Title: Chairman Board of Selectmen