

HOST COMMUNITY AGREEMENT

By and Between the Town of Plainville, Massachusetts
and
Ourway Realty, LLC

This Agreement (“Agreement”) is made and entered into as of July 8, 2013 (the “Effective Date”), by and between the Town of Plainville, Massachusetts (the “Town” or “Plainville”), a municipality in the Commonwealth of Massachusetts, and Ourway Realty, LLC, doing business as Plainridge Racecourse (“Plainridge” and, collectively with the Town, the “Parties”).

RECITALS

The following are the recitals underlying this Agreement:

Plainridge currently operates a harness racing and simulcasting facility located on property comprised of 88.9± acres, known and numbered as 301 Washington Street, Plainville, MA (the "Project Site").

Plainridge has filed an initial (phase 1) application to the Massachusetts Gaming Commission (the “Commission”) for a Category II gaming license and intends to file a final (phase 2) application, and plans to expand the existing facility to develop a gaming addition to contain One Thousand Two Hundred and Fifty (1250) slot machines on the Project Site (the “Project”).

The Town believes that the Project will bring economic development to the Town, creating new jobs for residents and new sources of income for the Town, and accordingly, the Town desires to support Plainridge in the development of the Project.

Plainridge desires to mitigate impacts from the development and operation of a gaming establishment through the means described herein in accordance with Chapter 194 of the Acts and Resolves of 2011 (the “Massachusetts Gaming Act” or the “Act”).

Subject to a Town-wide referendum ballot to authorize the operation in the Town of a gaming establishment licensed by the Massachusetts Gaming Commission, Plainridge and the Town desire to enter into this Agreement to set forth the conditions to have a gaming establishment located within the Town, in satisfaction of G.L. c.23K, § 15(8).

Accordingly, the Parties 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 "Full Commencement of Operations" shall mean the first date upon which a Category II gaming establishment is open for commercial business at the Project Site with a minimum of 800 slot machines in operation.

The term "Initial Limited Operations" shall mean the period of time beginning on the date upon which a Category II gaming establishment is open for commercial business at the Project Site with less than 800 slot machines in operation and ending upon Full Commencement of Operations. It is understood and agreed that Initial Limited Operations may not commence without having first obtained the permits and approvals necessary for such operations or without Plainridge having completed the transportation improvements required under Section 5 hereof.

Section 2. Payments to the Town

1. Project Planning Payments

Subject to the budget and approval process set forth below, Plainridge has agreed to pay all the Town's reasonable and direct costs (including but not limited to planning and peer review costs and legal fees) of determining the impacts of the Project and negotiating this Agreement and related agreements, as well as other reasonable and direct costs incurred by the Town in connection therewith (including but not limited to reasonable costs incurred in connection with holding a ballot election, communicating with/appearing before the Commission in connection with Plainridge's license application, and participating in other permitting activities and proceedings relative to the Project) The Town shall prepare and submit to Plainridge a budget(s) for all costs for which the Town will seek payment or reimbursement hereunder, which budget(s) shall be subject to Plainridge's review and approval and which approval shall not be unreasonably withheld or delayed. Any costs not included in the approved budget(s) shall require the separate prior approval of Plainridge. The Town shall also provide Plainridge with advance copies of any proposal, contract and scope of work for such consultants. The Town shall provide reasonable substantiation and documentation for any and all costs paid for or reimbursed by Plainridge pursuant hereto but shall not be required to divulge privileged billing entries by its legal counsel.

The parties have agreed that such funding will be made through Plainridge's initial license application fee to the Commission and such further payments as may be necessary to cover the Town's costs. The parties agree to cooperate in ensuring payment of such costs through the Commission. Such payments may be made through the letter of authorization and grant agreement process established by the Commission and/or through such alternative payment arrangements as may be agreed upon by the parties. Plainridge

recognizes that its obligations hereunder will not be affected by any action/inaction of the Commission in failing to timely fund the Town's costs. In such event, the parties will make alternative arrangements to have such costs paid by Plainridge, either directly to the Town or directly to the independent consultants/vendors retained by the Town.

2. Annual Tax Payments

The Parties agree that the target annual real and personal tax payments (excluding motor vehicle excise taxes and personal property taxes assessed to third party tenants of the Project) shall equal One Million Five Hundred Thousand Dollars (\$1,500,000) following Full Commencement of Operations, which amount shall increase at the rate of two and one half percent (2.5%) per annum (the "Required Tax Payment"). The Required Tax Payment shall be prorated the year in which Full Commencement of Operations begins.

Plainridge shall be assessed and billed real and personal property taxes in the normal course of the Town's business operations, and shall pay such assessments as required by law. Following Full Commencement of Operations, if the total amount of real and personal property taxes (excluding motor vehicle excise taxes and personal property taxes assessed to third party tenants of the Project) assessed to the Project in a fiscal year total less than the Required Tax Payment, the differential shall be paid to the Town by June 30 of the fiscal year in which such tax is assessed. If the total amount of real and personal property taxes (excluding motor vehicle excise taxes and personal property taxes assessed to third party tenants of the Project) total more than the Required Tax Payment, Plainridge shall pay the full amount assessed, and the differential shall be deducted from the Host Community Payments required under Section 2.4 hereof, beginning with the next payment due following such excess payment. Prior to making such deduction, Plainridge shall send written notice to the Town, which notice shall set forth the amount of the deduction Plainridge intends to take and calculations supporting such position. The Required Tax Payment shall be Five Hundred Thousand Dollars (\$500,000) during Initial Limited Operations (if any). The Required Tax Payment shall continue during all periods that Plainridge (or any parent, subsidiary or related entity) may operate the Project Site as a Category II gaming facility.

The Required Tax Payment is based on the Project substantially as proposed, containing approximately One Hundred Fifty-Six Thousand (156,000) square feet of building area (excluding parking structures, barns or structures to support harness racing). The Parties recognize that the Project may change and Plainridge may undertake new construction after the Full Commencement of Operations ("New Construction") and the Required Tax Payment with annual increases will apply notwithstanding such changes, including any increase to the Project and building area. However, if total square footage of the Project building area (including New Construction, but excluding parking structures, barns or structures to support harness racing) exceeds One Hundred Seventy Thousand (170,000) square feet (the "Area Cap"), then the Required Tax Payment shall increase proportionately to the ratio the total square footage of the Project Area, and such increased payment shall

be based upon the full increase in area above the initial proposal of One Hundred Fifty-Six Thousand (156,000) square feet of building area. Such increase shall be prorated in the year of completion of the construction causing the total Project area (excluding parking structures, barns or structures to support harness racing), to exceed the Area Cap.

3. Community Impact Fee

Plainridge shall pay an annual community impact fee to the Town in the sum of One Hundred Thousand Dollars (\$100,000) (the "Impact Fee"). The Impact Fee shall continue for as long as Plainridge (or any parent, subsidiary or related entity) owns, occupies, controls and/or operates at the Project Site as a Category II gaming facility. Such payments shall be paid to the Town in equal quarterly amounts on January 1, April 1, July 1, and October 1, of each year, with the first payment due on the first such date following issuance by the Gaming Commission of a Category II license for the Project.

The payments called for under this paragraph shall increase proportionally based upon any future expansion of the Project, including any increase in the number of slot machines above One thousand two hundred and fifty (1250).

4. Host Community Payments

Plainridge shall pay to the Town an annual Host Community Payment. The Host Community Payment shall be paid according to the following schedule during all periods as described below that Plainridge may operate the site as a Category II gaming facility:

- a) Upon Initial Limited Operations, Plainridge shall pay the Town one and one-half percent (1.5%) of Gross Gaming Revenues (as defined in the Act), payable monthly installments, until Full Commencement of Operations.
- b) For the first five (5) years following Full Commencement of Operations, Plainridge shall make annual payments totaling Two Million, Seven Hundred Thousand Dollars (\$2,700,000) in equal monthly installments, due and payable on the tenth day of each month, in arrears. The first such payment shall be made within ten (10) days after the first month of Full Commencement of Operations and shall be prorated based upon the number of days in the previous month after Full Commencement of Operations. The payments called for under this paragraph 4(b) shall increase proportionally for any increase in the number of slot machines above One thousand two hundred and fifty (1250).
- c) For the sixth through tenth (6-10) years following Full Commencement of Operations, Plainridge shall make monthly payments in the amount of one and one-half percent (1.5%) of Gross

Gaming Revenue (as defined under the Act). Said amount shall be paid in arrears on or before the tenth day of each month, representing one and one-half percent (1.5%) of Gross Gaming Revenue for the preceding calendar month.

- d) Beginning with the eleventh (11th) year following Full Commencement of Operations, and for each year thereafter, Plainridge shall make monthly payments in the amount of two percent (2%) of Gross Gaming Revenue. Said amount shall be paid in arrears on or before the tenth day of each month, representing two percent (2%) of Gross Gaming Revenue for the preceding calendar month.

5. Live Racing and Simulcasting Payments. To the extent the Commonwealth of Massachusetts (i) decreases the tax rate on funds wagered on live racing and simulcasting (the "Handle") and/or assessments on Plainridge (collectively "Racing Taxes and Assessments"), the effect of which is to reduce the Racing Taxes and Assessments paid by Plainridge to the Commonwealth (a "Tax Reduction"), and (ii) decreases the percentage of Handle from Plainridge directed by statute or regulation to the Town from 0.35%, then Plainridge shall pay the Town an amount that equates to such reduced percentage directed to the Town up to (but not to exceed) that amount derived from the savings resulting from the Tax Reduction.

To the extent the Commonwealth is required by law or regulation to direct a portion of the Racing Taxes and Assessments to the Town, Plainridge shall cooperate with the Town to ensure the Commonwealth pays such amounts as so required.

6. Meals Tax Revenues. Plainridge shall be responsible to collect and remit to the Town any local meals and hotel/room occupancy taxes in accordance with applicable law.

7. Motor Vehicle Excise Taxes. Plainridge shall principally garage all vehicles owned by it and used in connection with the Project in the Town, so that excise taxes shall be paid to the Town consistent with applicable law.

8. Permit Fees. Plainridge agrees to pay to the Town all permitting and inspection fees in connection with the construction of the Project as published by the Town and in existence as of January 1, 2013, including but not limited to building permit fees. Plainridge acknowledges that it is aware of such existing fee schedules, acknowledges such fee schedules are valid, and hereby waives any claim to the contrary.

9. Late Payment Penalty. Plainridge acknowledges that time is of the essence with respect to its timely payment of the amounts required under Sections 2.2, 2.3 and 2.4. hereunder. In the event any such payment remains unpaid ten (10) business days following the due date thereof, Plainridge shall pay the Town a penalty of five percent (5%) of such required payment.

Section 3. Workforce Development; Local Hiring Preference

A. Construction Jobs

Plainridge estimates the need for approximately 300 direct and indirect positions for the construction and fit-out of the Project. Plainridge will work in a good faith, legal and non-discriminatory manner with the Project's construction manager to give preferential treatment to qualified Plainville residents for contracting, subcontracting and servicing opportunities in the development and construction of the Project.

B. Permanent Jobs

Plainridge estimates the creation of 400 full-time permanent jobs at the Project. In seeking to fill vacancies at the Project, Plainridge will give priority to properly qualified residents of the Town.

Prior to beginning the process of hiring employees (other than current employees at the Project Site) for the Project, Plainridge shall advertise and hold one event at a venue to be approved by the Town, 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.

Section 4. Total Investment/Project Development

Plainridge shall make at least the minimum capital investment required under the Act and shall use all commercially reasonable efforts to complete construction of the Project within two (2) years after the Commission's issuance of a Category II license for the Project.

Section 5. Transportation Improvements

Plainridge agrees and commits to work with the Town of Plainville Planning Board, in consultation with its expert traffic consultant(s), in connection with Plainridge's application for modification of an existing special permit governing use of the Project Site, to mitigate traffic impacts associated with the Project, as required by the Planning Board and/or the Commission. Without waiving any right to appeal, Plainridge shall abide by and pay for traffic mitigation projects as required by such special permit.

Section 6. Responsible Gaming in Plainville

Plainridge is a founding member and current board member of Massachusetts Partnership on Responsible Gambling. As such, Plainridge recognizes that, while gaming is an enjoyable leisure and entertaining activity for most, there is a small percentage of the population that cannot game responsibly. Therefore, Plainridge will implement a

Responsible Gaming Plan at the Project, the 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.

Plainridge 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.

Section 7. Town Obligations

In consideration of the mitigation measures to be undertaken by Plainridge, and in further recognition of the many benefits the Project will bring to the Town, Plainville shall do the following:

A. The Plainville Town Selectmen shall formally approve the holding of an election pursuant to Section 15(13) of the Act prior to a positive determination of suitability having been issued by the Gaming Commission, so that qualified Plainville residents can vote on a ballot question to support or reject this Agreement and, by extension, the Project. The Town Selectmen shall schedule such election on or before September 10, 2013, provided holding the election on such date is not in direct violation of state law or any duly promulgated regulation of the Massachusetts Gaming Commission. If the election is not so permitted to be held on or before September 10, 2013, it shall be held as soon as practicable thereafter on a mutually acceptable date as soon as permitted under applicable state law and regulations.

B. The Town shall exercise best efforts to petition the Commission for monies made available under the Act, including, but not limited to, those monies in the Community Mitigation Fund and the Transportation Infrastructure Development Fund.

Section 8. Agreement Not Transferrable or Assignable

Plainridge shall not transfer or assign its rights or obligations under this Agreement without prior written authorization of the Town, which will not unreasonably be withheld, delayed or conditioned. Plainridge shall provide information relating to any such successor in advance of any such transaction as required by the Commission. Any assignee of or successor in interest to Plainridge shall be bound by the terms of this Agreement to the fullest extent allowed by law.

Section 9. 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 Norfolk County.

If the Town is the prevailing party in any such action, it shall recover its litigation costs (including counsel fees and expert witness fees).

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 10. Miscellaneous

A. 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 Plainridge, and shall not provide any basis for claims of any other individual, partnership, corporation, organization or municipal entity.

B. 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.

C. Force Majeure. Plainridge 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 prevented or delayed by a Force Majeure Event (as defined below). If Plainridge 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; 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 Plainridge's gaming establishment; significant subsurface conditions; riot or civil unrest; 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.

D. 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 Plainridge 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.

E. Conditional on Town Vote and Grant of Category II Gaming License. Except for Plainridge's obligations under this Agreement with respect to payments made to or on behalf of the Town for legal and consulting services prior to and in connection with a Town vote pursuant to the Massachusetts Gaming Statute, Plainridge's obligations under this Agreement are subject to the affirmative vote of the Town's residents in a ballot vote pursuant to G.L. c.23K, §15(13) of the Act, and Plainridge's receipt of a Category II Gaming License to develop the gaming establishment at the Premises.

F. 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.

G. 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.

H. 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.

I. 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.

J. Reporting/Documentation: Plainridge agrees to make such reports and provide such documentation as the Town may from time to time reasonably request to ensure compliance with the provisions of this Agreement.

K. Amendments. This Agreement may not be amended except in writing signed by Plainridge and the Plainville Board of Selectmen.

Section 11. 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: Board of Selectmen, Town of Plainville
Care/of Office of the Town Administrator
142 South Street
PO Box 1717
Plainville, MA 02762

With copy to: Jonathan M. Silverstein
Kopelman and Paige, P.C.
101 Arch Street, 12th Floor
Boston, MA 02110

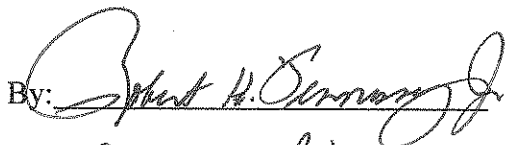
If to PLAINRIDGE: Ourway Realty, LLC
301 Washington Street
Plainville, MA 02762
Attn: President

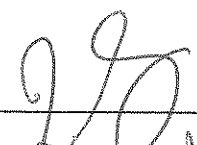
With copy to: Andrew D. Myers, Esq.
Davis, Malm & D'Agostine, P.C.
One Boston place, 37th Floor
Boston, MA 02108

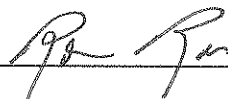
IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement to be effective as of the date first above written.

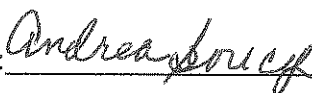
Town of Plainville, Massachusetts

Ourway Realty, LLC

By: 
Title: Chairman, Bd of Selectmen

By: 
Title: President

By: 
Title: Selectman

By: 
Title: Selectman