

**COMMUNITY MITIGATION PLAN AGREEMENT**

**RELATING TO**

**THE NEVELE RESORT, CASINO & SPA, a development of**

**NEVELE-R, LLC, a Delaware limited liability company**

**TO BE ADMINISTERED ON BEHALF OF THE COMMUNITY BY**

**THE TOWN OF WAWARSING and THE VILLAGE OF ELLENVILLE,**

**ULSTER COUNTY, NEW YORK**

THIS IS A COMMUNITY MITIGATION PLAN AGREEMENT FOR THE HOST COMMUNITY (this "Agreement"). Effective in all respects on the Effective Date (defined herein), by and among governing bodies of the Host Community (defined below), which become a party to this Agreement pursuant to the terms hereof (collectively the "Authorized Community Signatories") and NEVELE-R, LLC, a Delaware limited liability company ("Nevele").

### **BACKGROUND**

A. The Authorized Community Signatories are duly authorized and existing entities which consist of elected government officials located within the geographical area of the Town of Wawarsing (the "Town") and the Village of Ellenville (the "Village"), Ulster County, New York as shown in Exhibit "A" attached hereto and made a part of this Agreement (collectively, the "Host Community").

B. Nevele is seeking approval from the New York State Gaming Commission ("NYGC") to obtain a Class 3 Gaming License (the "License") under the Upstate New York Gaming Economic Development Act of 2013, §1300, et seq., as the same may be amended or supplemented from time to time, and including any successor thereto (the "Act").

C. Upon its receipt of necessary federal, state and local approvals, Nevele intends to develop, construct and operate a Class 3 Licensed gaming and

resort facility, to be known as the “Nevele Resort, Casino & Spa” (referred to in this Agreement as the “Project”), on property located on Route 209 and Arrowhead Road in the Town of Wawarsing (the “Town”), County of Ulster, State of New York, as more particularly described in Exhibit “B” attached hereto and hereby made a part of this Agreement (the “Nevele Site”).

D. Nevele desires that the development, construction and operation of the Project proceed in a manner which promptly and responsibly implements Nevele’s plans in a manner which results in the Project opening on schedule on the Nevele Site, with the minimum disruption practicable, during both development and operation, to the Host Community.

E. The Act requires Nevele to identify infrastructure costs and other impacts to the Host Community and nearby municipalities that may be incurred in direct relation to the construction and operation of a gaming facility and to commit to a community mitigation plan for the Host Community.

F. The ongoing cooperation between the Authorized Community Signatories and Nevele and their respective representatives is desirable and necessary in order to properly identify and mitigate the potential impacts on the Host Community and nearby municipalities which might result from the development or operation of the Project, and maximize the benefits of such development to the Host Community, and the Authorized Community Signatories are willing to enter into this Agreement in consideration of the promises and undertakings made by Nevele under the terms of this Agreement.

G. Nevele has conducted studies and shared them with the Town and the Village in order to determine potential impacts and identify mediation measures.

H. In entering into this Agreement, Nevele the Town and the Village hereby acknowledge that all are in favor of dissolving the Village and consolidating municipal services under the Town, and the Town and the Village intend to continue to work in cooperation toward such end subject to all legal requirements for such dissolution or consolidation.

### **AGREEMENT**

The Authorized Community Signatories, jointly and severally, and Nevele, in consideration of the mutual promises herein contained, hereby agree as follows:

1. Term and Location of Agreement. The term (“the Term”) of this Agreement shall commence upon the receipt by Nevele of the License (the “Effective Date”) and shall continue in full force and effect for the length of the license term awarded to Nevele by the NYGC so long as Nevele or any assignee shall continue to maintain or operate a gaming facility at the Nevele Site or contiguous property. This Agreement is valid and binding only for the Nevele Site and contiguous property and is not transferable to another location. Any transfer of rights at the Nevele Site shall be subject to Section 13 of this Agreement. Should the License be renewed or otherwise extend beyond the initial ten (10)

year term, then commencing on the eleventh (11th) year the sums payable in Exhibit "A" Sections "V. (e)", "V III. (b)", "V III. (c)" shall be increased by three (3%) percent annually for the duration of this Agreement.

2. Working Relationship. The parties recognize that a primary objective of this Agreement is to establish a productive working relationship between Nevele and the Host Community in order to identify and mitigate potential impacts of the operation of the Project on the Host Community and nearby municipalities. To satisfy this objective, each party covenants to use reasonable efforts to foster open and responsive communications with the other party as contemplated in this Agreement. While the parties acknowledge that legitimate disputes may arise in connection with the impact of the Project on the communities represented by the Host Community, the Host Community agrees that it shall not use the contributions provided by Nevele to pay the expenses of litigation against Nevele or to take action before the NYGC to suspend or terminate the License. Nothing in this Agreement, however, shall limit the rights of individuals represented or served by the Host Community from expressing their views or taking any legal actions in their capacity as individuals. The foregoing notwithstanding, the Host Community is not prohibited from bringing suit against Nevele utilizing funds other than those obtained by the Host Community through this Agreement.

3. Nevele Cooperation with the Host Community - Generally. Nevele shall provide a reasonable amount of information on a regular basis to the

designated representatives of the Host Community concerning such subjects as job opportunities available at the Project; the timing of plans, if any, for major modifications of the Nevele's facilities, onsite amenities or offsite projects affecting access to the Project; at least five (5) days in advance where reasonably possible, Nevele shall provide to the Host Community information regarding the timing of special entertainment events scheduled to occur at the Project which may create unusual burdens on vehicular or pedestrian traffic patterns; and other matters that might be reasonably likely to materially impact the Host Community. Nevele agrees to make an executive available to attend any regularly scheduled periodic meetings or any special emergency meeting to which it may be invited, of the Town and Village and to have at least one person designated as the Nevele liaison to the Host Community. Nevele shall also designate a specific employee (who may change from time to time) who shall be readily available to deal with problems and concerns of the residents within the Host Community. These immediately impacted residents shall have a specific phone number to a specific person with these duties, and Nevele shall take reasonable efforts to provide responses to problems and concerns within two (2) business days, except in the case of emergencies when such responses shall be provided as promptly as practicable.

4. Mitigation Plan. In accordance with the requirements of the Act, Nevele and the Host Community have agreed to a mitigation plan (the "Mitigation Plan") intended to mitigate potential impacts to the Host Community and nearby

municipalities resulting from the construction and operation of the Project. The Mitigation Plan is attached hereto as Exhibit A, and made a part of this Agreement. The parties hereto may amend the Mitigation Plan at any time, and from time to time, by written agreement signed by Nevele and the Authorized Community Signatories, and upon such amendment, the amended Mitigation Plan shall be attached hereto and made a part hereof.

5. Prior Agreement, Amendments. This Agreement sets forth the entire agreement between and among the parties hereto, including the additional signatories if any, and supersedes all prior and contemporaneous agreements, understandings, warranties or representations. This Agreement may not be changed modified or amended except in a writing signed by Nevele (and its permitted successors and assigns) and the Authorized Community Signatories. Amendments can be made severally with the governing boards of the municipalities comprising the Host Community.

6. Other Agreements. The Authorized Community Signatories acknowledge that, if Nevele receives a License, Nevele will have contractual and compliance obligations to the Host Community, the State of New York and NYGC with respect to the development and use of the Project and the operation of Project. Nothing in this Agreement shall be deemed to amend or vary any of those obligations, as the same may be amended or modified hereafter, it is those obligations, and not the provisions of this Agreement, which shall prevail.

7. Dissolution of Village of Ellenville or Service Consolidation.

Where in this Agreement a sum is to be payable to the Village of Ellenville and should the Village subsequently be dissolved or the benefitted Village function, e.g. should the Village Court be consolidated with the Town Court, such payment shall be shifted and/or assigned to the Town; should the Village be dissolved the payment on behalf of the Village of Ellenville Police Department shall be shifted and/or assigned to the Town Police District should one be created or in default thereof to the Town.

8. Additional Studies. The parties hereto acknowledge that a thorough and good faith effort has been made by Nevele to identify and mitigate impacts of the Project, but acknowledge that the most effective means of quantifying impacts will be actual experience, thus, Nevele shall, at its cost and expense, conduct a local impact study after the second year following the completion of the Project. Such local impact study will be completed within six (6) months following the end of the second anniversary of the Project's completion date. This study will reevaluate the impacts of the Project on the Host Community and Nevele will make good faith efforts to make adjustments to the Mitigation Plan where recommended by such subsequent impact study. Further, at the option of either the Town or Village, Nevele shall, at its cost and expense, conduct a local impact study after the fourth year following the completion of the Project, and, again, use good faith efforts to make adjustments to the Mitigation Plan where recommended by such subsequent impact study.

9. Dispute Resolution. Notwithstanding anything herein to the contrary, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Agreement, other than the enforcement of this paragraph, may be commenced until the matter has been submitted to mediation. Either party may commence mediation by providing to the other party written request for mediation, setting for the subject of the dispute and the relief requested. The parties will cooperate with one another in selecting a mediator from a panel of neutrals, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in all costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any of their respective employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or forty-five (45) days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the

commencement of a civil action, if the parties so desire. The provisions of this section may be enforced by any Court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

In the event any party hereto should be compelled to seek court enforcement of the foregoing paragraph by another party hereto, all parties acknowledge and agree that they shall not object to either the equitable jurisdiction of the New York State Courts in any such action or to the standing of the party seeking such enforcement. Any action brought shall be venued in Supreme Court, Ulster County, and the prevailing party in any litigation shall be entitled to an award of reasonable attorney's fees.

10. Termination.

(a) In addition to any remedies available at law or in equity, any party to this Agreement may, at its option, terminate this Agreement upon a material breach of the terms of this Agreement by any then current party; provided, that the party electing to terminate or exercise other remedies provides written notice to the other parties under this Agreement of such breach and its intention to terminate or exercise other remedies, and; provided, further that the violating party fails to commence cure of such breach within forty-five (45) days after receipt of such notice. If the Host Community engages or facilitates others engaging in activities which, in the reasonable opinion of Nevele, are detrimental

to the development or operation of the Project, such activities may be declared by Nevele as a material breach of this Agreement and the notice and cure period shall be reduced to three (3) business days each.

(b) In addition, this Agreement shall terminate immediately upon the permanent termination of gaming operations at the Nevele or the suspension, non-renewal or revocation of the License, but not upon any temporary interruption or suspension of gaming operations as may be required by emergency conditions or by order of NYGC. Nevele shall not be in default of any of its obligations under this Agreement in the event the action or inaction by Nevele which is alleged to constitute a default occurs at a time when the Project is permanently closed or no longer in operation for gaming activities. Upon any temporary interruption or suspension of Nevele's gaming operation, Nevele's obligations under this Agreement shall be similarly suspended. Nevele shall resume full performance under this Agreement upon the re-opening of the Project and resumption of Nevele's gaming operations.

(c) Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated by Nevele in its sole discretion at any time should Nevele be informed by the NYGC that Nevele will not receive the License, or at any time on or after December 1, 2014, if Nevele does not possess the License and all of the unappealable approvals, licenses and permits necessary to commence construction of the Project on the entire Nevele Site in

accordance with the approved Plan of Development, and the start of construction of the Project on the entire Nevele Site has not commenced as a result thereof.

11. Assignment. This Agreement may not be transferred or assigned by any party hereto without prior approval of all other parties, except that Nevele will assign and delegate this Agreement to any successor owner of Nevele's License (if such License is issued), and/or Nevele, Resort, Casino & Spa, and any successor owner of Nevele's License (if such License is issued), and/or Nevele, Resort, Casino & Spa to whom this Agreement is assigned shall be bound by this Agreement. In the event of any assignment, transfer, sale, conveyance, foreclosure or other disposal of the Project and/or its License by Nevele (or any successor-in-interest to Nevele) (a "Transfer"), such successor owner shall succeed to the rights and obligations of Nevele under this Agreement and shall assume fully in writing and be liable for all liabilities and obligations of Nevele under this Agreement which remain unfulfilled as of the date of Transfer and for all future liabilities and obligations, and Nevele shall then be free of all liabilities and obligations from and after the date of such Transfer.

12. Governing Law. All parties hereto acknowledge and, subject to Section 9 of this Agreement, agree that the law of the State of New York shall govern the interpretation of this Agreement and the courts of the State of New York shall have equitable jurisdiction, as well as jurisdiction at law, to enforce the rights and obligation of Nevele (its successors and assigns) and the Authorized

Community Signatories, Village of Ellenville and Town of Wawarsing. This Agreement shall be at all times shall be subject to terms and provisions of the Act.

13. Notices. All Notices provided under this Agreement shall be in writing and shall be deemed given only upon receipt by personal service or by certified or registered mail, postage prepaid, return receipt requested or by overnight mail, by the Parties at the addresses set forth in this Agreement. The Parties hereto may designate successors for each of the following by written notice to the other Parties:

The addresses for Notices are as follows:

If to Nevele:            Nevele-R, LLC

Attn: Chief Executive Officer  
Government Center, Fifth Floor  
Ellenville, NY 12428

With a copy to:        Whiteman Osterman & Hanna LLP  
One Commerce Plaza  
Albany, New York 12260  
Attn: Daniel A. Ruzow, Esq.,  
and Terresa M. Bakner, Esq.

If to the Town:        Town of Wawarsing

Attn: Supervisor  
108 Canal Street  
Ellenville, NY 12428

With a copy to:        Collier & Berger, PLLC  
130 South Main Street  
P.O. Box 509  
Ellenville, NY 12428  
Attn: William H. Collier, III, Esq.

If to the Village: Village of Ellenville

Attn: Mayor  
2 Elting Court  
Ellenville, NY 12428

With a copy to: Collier & Berger, PLLC  
130 South Main Street  
P.O. Box 509  
Ellenville, NY 12428  
Attn: Peter L. Berger Esq.

14. Enforcement; Third Party Beneficiaries. Except with respect to the obligations of Nevele pursuant to paragraph 3 above, which may be enforced by the Authorized Community Signatories, the provisions of this Agreement may be enforced only by or against the Nevele, its successors or permitted assigns, and no other person or entity shall have any right, in his, her or its own name, or on behalf of any other person or entity, to seek enforcement of any of the provisions of this Agreement against any other person or entity. Except as stated in the prior sentence, this Agreement is made for the sole benefit of Nevele and the Host Community, and nothing contained in this Agreement, express or implied, is intended to or shall confer upon any other person or entity (including the Authorized Community Signatories) any third-party beneficiary or any other legal or equitable rights, benefits or remedies of any kind or nature.

15. Review by Commission. Notwithstanding anything herein to the contrary, this Agreement is subject to the review and approval of the New York State Gaming Commission pursuant to the Act.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument.

17. No Waiver. No assent, express or implied, by any party to any breach of or default in any term, covenant or condition in this Agreement contained on the part of any other party shall constitute a waiver of or assent to any succeeding breach of or default in the same or any other term, covenant, or condition of this Agreement and each party shall have all remedies provided in this Agreement and under applicable law with respect to any subsequent act that would have originally constituted a breach of or default under this Agreement.

18. Exculpation. Except with regard to any assignment of this Agreement permitted pursuant to Section 11 of this Agreement, any obligation of Nevele or the Authorized Community Signatories under or with respect to this Agreement shall be enforceable only against and payable out of the interest of the Nevele, in the Nevele-R, LLC assets, and no partner of Nevele, nor any member or partner of Nevele, or any member of the Authorized Community Signatories, or their respective shareholders, principals, partners, members, beneficiaries, advisors, trustees, directors, officers or employees, personal representatives, successors and assigns shall have any personal or individual liability of any kind whatsoever under this Agreement.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the undersigned parties, intending to be legally bound hereby, have entered into this Community Mitigation Plan Agreement, to be effective as of the Effective Date.

**NEVELE-R, LLC**, a  
Delaware limited liability company

By: 

Name: Michael Treanor  
Title: Chief Executive Officer

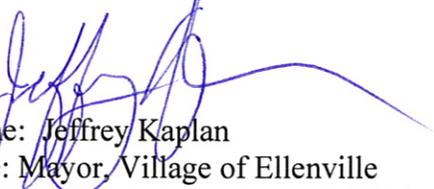
**Authorized Community Signatories**

**TOWN OF WAWARSING:**

By: 

Name: Leonard M. Distel  
Title: Supervisor, Town of Wawarsing  
Dated as of \_\_\_\_\_, 2014.  
Address: 108 Canal Street, Ellenville, New York 12428

**VILLAGE OF ELLENVILLE:**

By: 

Name: Jeffrey Kaplan  
Title: Mayor, Village of Ellenville  
Dated as of \_\_\_\_\_, 2014.  
Address: 2 Elting Court, Ellenville, New York 12428

## EXHIBIT A

### COMMUNITY MITIGATION PLAN

#### I. Introduction

(a) NEVELE-R, LLC, a Delaware limited liability company (“Nevele”) is seeking approval from the New York State Gaming Commission (“NYGC”) to obtain a Class 3 Gaming License (the “License”) under the Upstate New York Gaming Economic Development Act of 2013, (GPB10-BILL), §1300, et seq., as the same may be amended or supplemented from time to time, and including any successor thereto) (the “Act”).

(b) Upon its receipt of all necessary federal, state and local approvals, Nevele intends to develop, construct and operate a Class 3 Licensed gaming and resort facility, to be known as the “Nevele Resort, Casino & Spa” (referred to in this Mitigation Plan as the “Project”), on a parcel of property located on Route 209 and Arrowhead Road in the Town of Wawarsing (the “Town”), County of Ulster, State of New York (the “Nevele Site”).

(c) In accordance with the Act, Nevele and the Host Community have identified infrastructure costs and other impacts to the Host Community and nearby municipalities that may be incurred in direct relation to the construction and operation of a gaming facility by Nevele and hereby commit to the following community mitigation plan (the “Mitigation Plan”) for the Host Community, as same may be amended from time to time in accordance with the Community

Mitigation Plan Agreement (the “Agreement”) entered into between Nevele and the Host Community , to which this Mitigation Plan is attached.

(d) Capitalized terms used in this Mitigation Plan and not otherwise defined herein, shall have the meaning ascribed to such terms in the Agreement.

## **II. Employment**

(a) Construction. As further set forth in the Workforce Development Plan adopted by Nevele (the “Workforce Development Plan”), Phase I of the Project will be constructed with union labor. Phase I is herein defined as all construction conducted prior to commencement of gaming operations. Promptly upon commencement of construction, Nevele’s construction manager will develop a roster where local 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 consider the individuals on the roster prior to filling any openings. It is noted that the vast majority of the union construction jobs will be controlled by subcontractors to the construction manager. As such, the construction manager will encourage its subcontractors also to consider all names of residents of the Host Community on the roster prior to filling any open positions.

(b) Operations. As further set forth in the Workforce Development Plan, commencing on a date not later than twelve (12) months prior to the scheduled opening of the Project, Nevele will hold one or more meetings for the residents of the Host Community in which it will provide information

concerning the qualifications it will seek for permanent employees, and will attempt in a good faith, legal and non-discriminatory manner to obtain a pool of qualified operations workforce candidates that includes residents of the Host Community. These efforts will consist of the advertising of openings in the Host Community (to the extent practical, and other than for senior management and specialized or technical positions that require gaming industry-specific knowledge and expertise), providing information to residents of the Host Community concerning employment opportunities within the Nevele organization on an on-going basis and holding job fairs within the Host Community prior to opening (and as workforce demands dictate thereafter) for the residents of the Host Community.

(c) Internships and Training. As further set forth in the Workforce Development Plan, Nevele will create an internship program for qualified students who are enrolled in formal college internship programs for positions directly or closely related to the student's course of study, and for which students will receive academic credit. The internships shall be subject to the rules and procedures of the academic institutions sponsoring the internship program and those of Nevele. Nevele agrees that positions shall be available to qualified student residents of the Host Community for the internship program on an annual basis; provided, however, that the size of the internship program as well as the eligibility for participation shall be based on operational needs and business demands which shall be determined by Nevele, in its sole discretion.

Nevele also will offer a training program for non-college residents of the Host Community, which shall offer training in gaming industry skills appropriate to employment with the Nevele. Also, commencing on a date not later than twelve (12) months prior to the scheduled opening of the Project, Nevele will, on a periodic basis, through the opening date, make available to residents of the Host Community readiness training, such as counseling for job interviews and resume writing, and will inform them of other training to assist them in qualifying for both entry level and management level jobs at the Project.

(d) Organized Labor. Nevele will endeavor to develop long-term, trusting relationships with unions throughout the life of the Project. Nevele intends to use union employees when feasible, and enter into project labor agreements for the various components of the Project. For example, Nevele has already entered into an agreement with the New York Hotel & Motel Trades Council, AFL-CIO.

(e) Licensing Fees. Nevele shall pay the initial licensing fees payable to the NYGC for the initial staffing of Phase I for employees of the Project whose duties require them to obtain a license from the NYGC.

(f) Protection of Rights. Nevele acknowledges that employees have a legally protected right to organize and bargain collectively through a representative of their own choosing for their mutual aid or protection, and also have the legally protected right to refrain from any and all such activities as provided by applicable State and Federal Law.

(g) Special Training Pertaining to Problem Gambling and Alcohol.

In accordance with Nevele's Problem Gambling Plan, as submitted to the NYGC, Nevele will have in effect a Problem Gambling Plan which will address such issues as:

(i) training of Nevele employees in their responsibility to recognize the signs of persons with a gambling problem, and what steps to take to address them;

(ii) how to handle persons who request information on where to seek assistance for problem gambling;

(iii) procedures and requirements for placing persons on the self-excluded list in compliance with NYGC requirements; and

(iv) prominent placement of problem gambling brochures and prominent placement of signage that includes problem gambling messages with a toll-free helpline phone number.

Nevele will provide problem gambling brochures and posters to the Host Community for distribution within the Host Community.

Employees of appropriate Nevele departments such as Food & Beverage and Security shall receive training in an alcohol awareness program, which will educate employees with regard to the proper techniques in recognizing and dealing with intoxicated persons.

### **III. Gambling, Alcohol and Drug Addiction**

(a) In addition to the special problem gambling and alcohol training that Nevele will provide for employees (see Section II. (g) above), Nevele will implement certain community mitigation measures with respect to gambling, alcohol and drug addiction. The report entitled “Impacts of a Casino in Ulster County on Problem Gambling,” (April 2014) conducted by The Innovation Group on behalf of the Nevele, cites extensive research into this topic. In summary, two (2%) percent of the general population can be classified as “problem gamblers” and another one (1%) percent can be classified as “pathological gamblers.” The report also reveals that drug and alcohol use among pathological gamblers is up to seven (7) times the national average. Given the report’s findings, Nevele believes that a comprehensive set of initiatives needs to be implemented in conjunction with the Project. This set of initiatives includes three (3) elements:

- (i) Nevele has commissioned the New York Council on Problem Gambling to prepare a report that will assist Nevele in developing a robust and state of the art set of procedures for dealing with problem and pathological gambling. Nevele will implement these as part of its operating procedures at the Project.
- (ii) Nevele is working with the Institute for Family Health to implement a program that will provide 24-hour referral service and daily (seven days a week) drop-in services.

- (iii) As set forth in Section VIII. (b), Nevele will provide funding for a DARE and community education specialist, allowing the previously terminated DARE program to be reinstated.

The anticipated costs of these mitigation measures are \$150,000.00 per year (exclusive of the costs of the DARE and community education specialist set forth in Section VIII.(b)).

#### **IV. Vendor Opportunities**

Nevele will attempt, in a good faith, legal and non-discriminatory manner, to work with the construction manager to create opportunities for participation by qualified residents based in the Host Community in contracting, subcontracting and servicing opportunities in the development and construction of the Project. Nevele will also work in a good faith, legal and non-discriminatory manner to provide contracting opportunities for vendors and suppliers in the Host Community to provide goods or services for the operations of the Project. In this regard, Nevele will provide vendors and suppliers in the Host Community with information concerning vendor and supplier opportunities during both the construction and operation of the Nevele. Prior to opening, Nevele will host vendor fairs within the Host Community for vendors and suppliers in the Host Community.

**V. Public Benefits**

(a) Promotional Player Program. Nevele intends to have a player's club for its casino customers. Members of the players' club will be eligible for rewards in various forms. Nevele will use commercially reasonable efforts to work with qualifying businesses in the Host Community to implement a program that allows players to redeem points at such businesses. As an additional initiative to enhance revenues for local businesses, Nevele will endeavor to establish a list of businesses in the Host Community which provide special offers or discounts to Nevele's players' club members. Nevele will promote to Nevele players' club members the availability of these special offers and discounts and the identity of the participating businesses in the Host Community.

(b) Promotion of Cultural, Recreational and Park Assets. "The Economic & Fiscal Impact Analysis of the Proposed Nevele Resort & Casino on the Town of Wawarsing, NY and Hudson Valley Region" (March 31, 2014) by Camoin Associates (the "Camoin Report") notes that there is an opportunity for Nevele to cross-promote existing cultural, recreational and park assets (collectively, the "CRP Assets") of the Host Community. Nevele will work with the Ellenville/Wawarsing Chamber of Commerce to identify opportunities to cross-promote the CRP Assets with the Project, and provide on-site resources regarding the CRP Assets. Promotional materials for local cultural, recreational and park assets will be displayed in a prominent location at the Project, and a Nevele employee will be conversant with respect to the CRP Assets.

As an example of this cross-promotion, Nevele has committed to coordinating with the Shadowland Theater (the “Shadowland”) to include the Shadowland as part of Nevele’s entertainment offerings. Nevele and Shadowland have agreed to an arrangement whereby blocks of Shadowland tickets are guaranteed by Nevele and used to provide complimentary entertainment to guests. Similar cross-promotion arrangements will be discussed with other CRP Assets such as Minnewaska Preserve and the Mohonk Preserve. The anticipated annual cost of this mitigation program is approximately \$50,000.00.

In addition to the above, Nevele has donated a permanent easement over approximately five (5) miles of the former O&W rail bed crossing the Site and continuing south to the Sullivan County border to the Town. This easement will enable the Town to expand the recreational rail trail just south of the Village of Ellenville boundary line to the boundary line of the Town of Mamakating, Sullivan County, New York. It is understood between the Town of Wawarsing and Nevele that this easement will be held in escrow by the Town until the Nevele has been awarded a License from the NYGC and has fulfilled its obligations pursuant to the Judge Work Order/Decision dated February 3, 2012, Index No. 09-2279, RJI No. 55-09-01923.

(c) Local Tourism/Business Retention and Development. The Camoin Report projects that the Project will result in annual, average offsite spending of \$4.5 million. This is anticipated to translate into 97 new, local jobs that, in turn,

will produce an additional \$11 million in local spending. This means that the annual local economic impact of the Project is nearly \$15 million. In addition to the foregoing, Nevele has agreed to endeavor to “buy local” via a program administered through the Ellenville Wawarsing Chamber of Commerce. Nevele will also work with local businesses through the Ellenville Wawarsing Chamber of Commerce to promote local businesses within the Project. Finally, Nevele has agreed to commit \$50,000 per year to the Ellenville Wawarsing Chamber of Commerce to be used to promote and retain local businesses, develop new businesses and promote tourism. These funds will be subject to the requirement that the Ellenville Wawarsing Chamber of Commerce submit an annual report to the Town and Nevele setting forth its uses of such funds.

In addition, Nevele will make a free shuttle available to Nevele employees and patrons to facilitate their travel to and from the Village, and specifically Village restaurants, the Shadowland Theater and the Hunt Memorial Building.

## **VI. Construction Advisories**

During initial construction of each phase of the Project, Nevele shall create and implement a reasonable plan to advise the Host Community of construction schedules. Also, Nevele will provide reasonable advance notice of any activities which might adversely affect utilities or public services in the area. As part of this plan, Nevele will maintain a telephone hotline to respond to residents’ complaints relating to construction operations, and will designate at

least one Nevele representative and an alternate to act as community liaison during construction. The names, locations and telephone numbers to these liaisons will be given to the Host Community. This obligation will terminate at such time as a certificate of occupancy, whether temporary or permanent, is first issued for the Project, but will be reinstated for and during the construction of future phases of the development, if any.

**VII. Traffic and Airport**

(a) Nevele shall consult with the Host Community and the New York Department of Transportation (“NYSDOT”) to mitigate the impact of increased or modified traffic in direct relation to the operation of the Project. Consistent with this undertaking, Nevele agrees as follows:

(i) Pre-opening. Nevele shall provide free parking, either on the Nevele Site or at another site from which Nevele shall provide, if not within reasonable walking distance, free transportation to and from the Nevele Site for all employees of the Nevele, the construction manager, or its sub-contractors to help alleviate interference with parking in the Host Community.

(ii) After the Project opening date, Nevele shall continue providing parking and transportation as specified in Section VII. (a)(i) above to all employees of the Project. Nevele shall make available to all casino patrons complimentary (validated) parking at no charge while they are on the Nevele Site. Notwithstanding the foregoing, should any authorized governmental or quasi-

governmental entity impose any tax on complimentary parking, Nevele, in its sole discretion, may charge such tax to users of complimentary parking. These complimentary parking accommodations shall be for the Term of the Agreement.

(iii) Nevele shall submit to the Host Community and NYSDOT any traffic mitigation plans.

(iv) Nevele will use commercially reasonable efforts to work with the Ulster County Area Transit (“UCAT”) to develop programs to encourage use of public transportation by employees and patrons of the Project. Nevele will provide a shuttle bus for employees and patrons to and from the Project and the Village of Ellenville. Nevele will monitor and direct operators of private buses serving the Project in an effort to prevent unnecessary idling so as to avoid nuisance. Nevele will direct private buses that are authorized to serve the Project not to park in the Host Community except in off-street parking facilities. Nevele will use commercially reasonable efforts to ensure that private bus operators comply with this paragraph.

(b) Airport. Nevele has not studied the impact of the Project on the local airport, as it is generally believed that the Project will have little to no impact on local air traffic. As a benefit to the Host Community, however, Nevele agrees to fund new security cameras at the local airport. Such funding shall not exceed \$30,000.00.

### **VIII. Security, Courts and Emergency Services**

(a) Security. Nevele shall provide, at its expense, reasonably adequate security, within and throughout the Nevele Site. In addition, Nevele, in cooperation with local law enforcement authorities, shall prepare a comprehensive security plan which will reasonably address the concerns of each of the Village of Ellenville Police Force, the Ulster County Sheriff's Office, and the New York State Police.

(b) Village of Ellenville Police. Nevele commissioned The Innovation Group to prepare a report entitled "The Impacts of the Nevele Resort, Casino and Spa on Crime" (April 2014) (the "IG Crime Report"). The IG Crime Report concludes that crime is unlikely to increase as a result of the Project. The Camoin Report can be interpreted, however, as indicating that the Project will likely result in an increase in the activity of the Village of Ellenville Police. While Ellenville Police activity was not specifically studied in the Camoin Report, the Camoin Report does project an approximately fifteen (15%) percent increase in fire and EMT activity as a result of the Project. It is reasonable to assume that there will be a corresponding increase in the activity of the Ellenville Police. The robust security at the Project (see Section VIII.(a) above) will handle the majority of on-site incidents. It is anticipated, therefore, that the increased police activity will stem from an increase in the number of people in the general area and be characterized by specific incidents such as alcohol-related, motor vehicle and disorderly conduct matters. In order to remediate this projected increase of the activity of the Ellenville Village Police, Nevele will fund a full-time Drug Abuse

Resistance Education (“DARE”) and community education specialist, allowing the previously terminated DARE program to be reinstated. This DARE and community education specialist will be trained to educate area students about the pitfalls of underage gambling, in addition to the typical DARE officer training. Nevele will fund one hundred (100%) percent of the salary, employee benefits plus DARE program fees associated with the full-time DARE and community education specialist on an annual basis with a cap of \$100,000 per year. The initial salary for such DARE and community education specialist will be the base salary of a new hire as per the collective bargaining agreement in effect at the Effective Date of this Agreement. Nevele acknowledges that the concurrence of the School Board of the Ellenville Central School District is necessary to reinstate and maintain a DARE and community education specialist. Should the School Board of Ellenville Central School District decline to reinstate and/or maintain such position the funds allocated in this provision shall be placed into escrow until such time as the Host Community and Nevele mutually agree on the disposition of such funds. Notwithstanding the foregoing, should the Village determine that the best use of an additional officer would be to direct traffic, have a greater presence on the street, or simply add an additional patrol man to the Village Police department the Village shall have the right to use the funds set forth herein for such purposes after consulting with the Town and Nevele.

(c) Town and Village Courts. While Nevele has not studied the impacts of the Project on the local court system, it is reasonable to assume that the

anticipated increase in police activity extrapolated from the Camoin Report will result in an increase in activity in the local courts. This would mean that activity in local courts could increase as much as fifteen (15%) percent. In order to mitigate this impact, Nevele has agreed to commit \$100,000.00 per year, consisting of \$75,000 to the Town and \$25,000 to the Village. Such funds will be applied by the Town and Village to supplement court costs. In the event the Town and Village courts are consolidated, or the Village is dissolved, during the term of this Agreement, Nevele will pay the entire \$100,000.00 to the Town on an annual basis thereafter to supplement court costs.

(d) On-Site Emergency Medical Services. To the extent allowed for under law, Nevele will provide, via contract with a duly authorized third party, medical personnel to handle medical emergencies within an appropriate time frame which might arise within the Project.

(e) Emergency Services. The findings set forth in the Camoin Report indicate that call volume/activity of fire and EMT services of the Host Community are projected to increase by approximately fifteen (15%) percent as a result of the Project. In order to mitigate this projected increase in volume, Nevele has agreed to fund fifty (50%) percent of the cost of a replacement ladder truck for the Ellenville Fire District over a five (5) year period, provided that such ladder truck is capable of serving the Project. The expected cost of this mitigation is \$350,000.00 payable over five (5) years.