



FIRST AMENDED AND RESTATED GAMING FACILITY LICENSE AWARD LAGO RESORT & CASINO, LLC

The Gaming Commission ("Commission") having issued a Request for Applications to Develop and Operate a Gaming Facility in New York State dated March 31, 2014 ("RFA"); and

Lago Resort & Casino, LLC ("Lago") having submitted a response to the RFA (the response, along with such other periodic amendments, updates and submissions, the "Application"); and

the Commission having reviewed the entire Application; and

the Commission having determined, based upon an investigation by the New York State Police, that Lago and its associated entities and individuals are suitable and not disqualified in accordance with sections 1317 and 1318 of the Racing, Pari-Mutuel Wagering and Breeding Law; and

the Commission having determined that Lago meets each of the minimum license thresholds in accordance with section 1316 of the Racing, Pari-Mutuel Wagering and Breeding Law;

the Commission having awarded to Lago, to be effective on the License Award Effective Date as defined herein, a gaming facility license to develop and operate the Lago Resort & Casino ("Gaming Facility") in the Town of Tyre in Seneca County ("License"); and

Lago having thereafter submitted a written petition on March 22, 2019, to amend and modify such License to reduce the number of operational slot assets below the minimum required by Item 5 of Exhibit 1 of the License ("Petition to Amend"); and

the Commission having reviewed the entire Petition to Amend; and

the Commission approved of the proposed changes to the License, to be reflected in Item 5 of Exhibit 1 of this First Amended and Restated Gaming Facility License Award ("First Amended and Restated License Award").

Terms of the First Amended and Restated License include:

Name and Address of Licensee: Lago Resort & Casino, LLC, 1265 Scottsville Road, Rochester, New York 14624.

Name and Address Agent for Service of Process: Corporation Trust Company, 1209 North Orange Street, Wilmington, Delaware 19801.

License Award Effective Date: The License was awarded effective as of March 1, 2016, pursuant to 9 NYCRR § 5301.6(b)(4).

First Amended and Restated License Award Effective Date: The First Amended and Restated License Award effective date is April 29, 2019. The effective date of the First Amended and Restated License Award does not affect the license duration as awarded originally.

License Duration: 10 years from the License Award Effective Date, renewable thereafter for a period of at least 10 years.

License Conditions: The License and this First Amended and Restated License Award are subject to the conditions attached hereto as Exhibit 1 ("License Conditions"). The License Conditions now in effect and as hereafter amended or modified are incorporated by reference, included as if completely set forth herein and made a part of this License.



Date: October 8, 2019

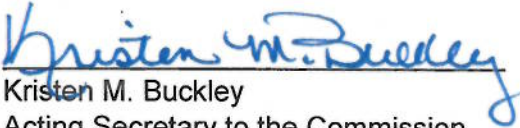

Kristen M. Buckley
Acting Secretary to the Commission

EXHIBIT 1

LICENSE CONDITIONS

All references to laws of New York or provisions of the Official Compilation of Codes, Rules and Regulations of the State of New York ("NYCRR") are to the provisions of such laws as they exist on the date hereof and as they may hereafter be amended from time to time.

General Conditions

1. *License Fee*

Lago shall pay, within 30 days of the License Award Effective Date, a \$50,000,000 gaming facility license fee by electronic funds transfer in accordance with subdivision 4 of section 1315 of the Racing, Pari-Mutuel Wagering and Breeding Law, 9 NYCRR § 601.1(a)(3), and 9 NYCRR § 5301.9(b).

2. *Bond*

Lago shall, on the License Award Effective Date, deposit via cash or bond, \$30,335,179 (representing 10% of the proposed capital investment) in accordance with subdivision 1 of section 1315 of the Racing, Pari-Mutuel Wagering and Breeding Law and 9 NYCRR § 5301.9(a).

3. *Capital Investment*

Lago shall invest, or cause to be invested, not less than \$303,351,799 in development of the Gaming Facility in accordance with the design plans submitted with the Application.

4. *Land*

Lago shall own or acquire (including by lease), within 60 days of the License Award Effective Date, the land where the Gaming Facility is proposed to be constructed, in accordance with subdivision 2 of section 1316 of the Racing, Pari-Mutuel Wagering and Breeding Law.

5. *Gaming Facility*

Lago shall construct the Gaming Facility which, at a minimum, shall include the following, with amendments and modifications to the original License requirements noted herein:

- a. Gaming floor of no less than 90,000 square feet featuring no less than 1,950 slot machines and 84 table games at opening and no less than 1,650 slot machines and 80 table games including 14 poker tables, including a designated high-limit area within such gaming floor that will offer no less than 24 slot machines and four table games, a full service bar and a VIP lounge, conditioned on the monthly submission of various written reports detailing, among other things, relevant data including slot utilization percentages, win per unit per day, table gaming employment levels, and changes in measurable efficiencies gained as the result of the floor amendment.
- b. Designated poker room within such gaming floor of no less than 2,830 square feet featuring a minimum of 10 poker tables;
- c. Hotel containing no less than 205 rooms (of which at least 135 are standard rooms, 40 are suite plus rooms, 10 are junior suites and 20 are two-bay suites), a salon, spa and fitness center;
- d. A two-level entertainment center of approximately 23,400 square feet with capacity for at least 800 people which will include a permanent stage suitable for meeting and conventions;
- e. At least four restaurants with an aggregate capacity for 565 patrons;
- f. At least two bar/lounges; and
- g. At least three retail outlets including one outlet featuring only New York and local goods.

6. *Compliance with Construction Plans*

Lago shall comply in all material respects with the Gaming Facility construction plans, specifications, and timelines as contained in the Application or as otherwise approved by the Commission in accordance with Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and 9 NYCRR § 5301.

7. *Conditions to Mitigate Impacts on Host and Nearby Municipalities*

Lago shall implement the following mitigation measures as described in the Community Mitigation Plan:

- a. Provide for the Magee Fire Department's expenditures.
- b. Absorb incremental costs for municipal services incurred by local municipalities.
- c. Provide for the Town of Tyre or the appropriate government agency for the preservation of farmland and natural resources.
- d. Take measures to restore, preserve and maintain burial sites at the project.
- e. Provide for the Town of Tyre for indirect impacts to the Town of Tyre.
- f. Widen the shoulders of NYS Route 414 and install signage.

8. *Commencement of Operations and Public Opening*

Lago shall commence gaming operations within 24 months following the License Award Effective Date in accordance with subdivision 3 of section 1315 of the Racing, Pari-Mutuel Wagering and Breeding Law and 9 NYCRR § 5301. Lago shall be approved to open for gaming upon the Commission's determination that the Gaming Facility, as described in General Condition 5 above has been substantially completed in accordance with the Application and is in compliance with 9 NYCRR § 5301.10.

9. *Compliance with Executive Law Article 15-A and MWBE Requirements*

Lago shall comply with the provisions of Article 15-A of the Executive Law and 5 NYCRR §§ 140-144 and 9 NYCRR § 5311, including compliance with regulations in regard to utilization plans and procurement contracts for gaming facility capital projects.

10. *Compliance with all Permitting Requirements*

Lago shall take all reasonable steps necessary to obtain and comply with all Federal, State, local and special permits and zoning approvals as required for the project.

11. *Compliance with Agreements*

Lago shall maintain and comply in all material respects with the terms and conditions of the following agreements now in effect and as hereafter amended:

- a. Impacted live entertainment agreements as listed in Exhibit IX.B.2.a of the Application including the Memorandum of Understanding between Lago and Canandaigua Music and Arts Center dated June 19, 2014 and the Memorandum of Understanding between Lago and Southern Tier Theatres dated August 26, 2014.
- b. Project labor agreements as listed in Exhibit X.B.5 of the Application including the Memorandum of Understanding between Lago and the Finger Lakes Building & Construction Trades Council dated June 19, 2014.
- c. Labor peace agreements as listed in Exhibit X.B.6 of the Application including the Agreement between Lago and the Rochester Regional Joint Board, Workers United dated June 19, 2014 and

the Agreement between Lago and the New York Hotel & Motel Trades Council, AFL-CIO dated September 29, 2014.

- d. Agreements with local partners as listed in Exhibit IX.B.4 of the Application.
- e. Affirmative action program agreements as listed in Exhibit X.B.2 of the Application.
- f. Executed signature forms contained in Attachments 1, 2 and 3 of the Application.

Lago shall be given notice and a reasonable opportunity to cure any defects or failures to comply with any agreement listed above.

12. Workforce

Lago shall employ a minimum of 850 full time equivalent employees.

Lago shall undertake to establish a workforce development and affirmative action program that conforms, at a minimum, to the programs and practices described in Exhibit X.B. of the Application and that complies with Racing, Pari-Mutuel Wagering and Breeding Law, 9 NYCRR § 5312 and any applicable regulations promulgated in relation thereto.

13. Problem Gambling

Lago shall undertake to establish a problem gambling program that conforms, at a minimum, to the program described in Exhibit X.A. of the Application and complies with sections 1342, 1362 and 1363 of the Racing, Pari-Mutuel Wagering and Breeding Law and any applicable regulations promulgated in relation thereto.

14. Litigation Update

Lago shall, within 30 days of the date hereof and thereafter on a quarterly basis, file with the Commission and timely update a list regarding the status of all litigation to which Lago is a party. For the purposes of this condition, litigation is defined as any matter in which (a) the damages may reasonably be expected to exceed \$1,000,000 and which is not fully and completely covered under an insurance policy with a licensed insurance carrier or (b) the legal or equitable relief requested seeks to revoke or suspend Lago's license or otherwise may materially affect Lago's ability to apply for or maintain a gaming facility license in New York State or any other jurisdiction. For purposes of this section Lago shall include any qualifying entities and individuals associated with the project as determined by the Commission.

15. Compliance with debt to equity ratio requirements

Lago shall comply with the debt to equity ratio requirements as established through regulation by the Commission.

16. Notification of Defaults

Lago shall promptly inform the Commission of any declared default or any failure to meet any material payment of interest or principal when due under any of its existing or future debt.

17. Notification of Refinancing of Debt

Lago shall, pursuant to 9 NYCRR § 5301.10(b), provide written notification to the Commission if Lago intends to enter into a transaction to refinance its existing debt or incur any additional capital debt obligations of \$50 million or more, whether in a single transaction or cumulative transactions during any consecutive 12-month period, other than as contained in the Application.

18. *Financial Audit Statements*

Lago shall comply with any and all regulations promulgated by the Commission requiring the submission of audited financial statements.

19. *Anti-Money Laundering*

Lago shall submit at least 90 days prior to the anticipated opening date and, thereafter, implement and maintain a plan for compliance with the United States Currency and Foreign Transaction Reporting Act ("The Bank Secrecy Act of 1970") and any applicable regulations promulgated in relation thereto.

20. *Application for Alcoholic Beverage License*

Lago shall apply for a casino alcoholic beverage license in accordance with section 1340 of the Racing, Pari-Mutuel Wagering, and Breeding Law and any applicable regulations promulgated in relation thereto.

21. *Conditions binding as of date hereof*

All of the terms and conditions of the License, except those specific to the License Award Effective Date, are binding as of the date on which the License was granted. All of the terms and conditions of the First Amended and Restated Gaming Facility License Award, except those specific to the License Award Date, are binding as of the date hereof.

22. *Re-opening of conditions*

Nothing shall prevent the Commission from amending or modifying the License Conditions upon a petition by Lago or upon a motion by the Commission.

23. *Conditions Binding on Successors and Assigns*

All of the terms and conditions of the license shall be binding upon Lago and its permitted successors and assigns.