

COMMUNITY MITIGATION PLAN

SUBMITTED PURSUANT TO THE
UPSTATE NEW YORK GAMING
ECONOMIC DEVELOPMENT ACT OF 2013

LAGO RESORT & CASINO, LLC

THIS COMMUNITY MITIGATION PLAN (the "Plan") is submitted by **LAGO RESORT & CASINO, LLC**, a limited liability company formed and existing under the laws of the State of Delaware, with offices at 1265 Scottsville Road, Rochester, New York 14623 (the "Applicant") as part of its application ("Application") to the Town of Tyre ("Town") for approvals to develop and operate the Lago Resort & Casino (the "Project") in the Town, as contemplated by the Upstate New York Gaming Economic Development Act of 2013 ("Upstate Gaming Act"), which added new Article 13 to the New York State Racing, Pari-mutuel, Wagering and Breeding Law ("PML") authorizing and regulating commercial gaming in New York State.

The Project is proposed to be constructed on a parcel of land located on New York State Route 414 in the Town, which land is more particularly described on the attached Exhibit A ("Project Site"). On December 17, 2014, the New York Gaming Facility Location Board recommended to the New York State Gaming Commission that the Applicant receive a Region 5 Gaming License.

The Applicant has reviewed the Center For Governmental Research report prepared for the Town, dated June 2014, and the Benefit Cost Analysis prepared by Shepstone Management Company, Inc., for the Seneca County Industrial Development Agency, dated January 8, 2015, and has identified certain infrastructure costs of the host municipality incurred in relation to the construction and operation of the Project, as well as other costs incurred by the Town in relation thereto, and desires to commit to a Community Mitigation Plan for the host municipality as contemplated by the Upstate Gaming Act. The Project will result in substantial economic benefits for the Town, including construction jobs, permanent jobs and a large investment in community thereby enhancing the local tax base consistent with the Town of Tyre Comprehensive Plan.

The Applicant previously submitted to the Town a Planned Unit Development (PUD) District Application (including a Development Plan), a Site Plan, a completed Part 1 Full Environmental Assessment Form pursuant to the New York State Environmental Review Act ("SEQRA"), and Project Proposal SEQRA Documentation, along with other documentation (together the "Application"). The Applicant requests approval of its Application and this Plan by the Town following completion of the SEQRA review of the Project.

This Plan evidences various commitments of the Applicant to the local community, in order to comply with PML §1316(5), (6), (7) and (9), as enacted by the Upstate Gaming Act. The Applicant commits to execute this Plan (as well as the mitigation measures previously described in its Application, including its Project Proposal SEQRA Documentation), in order to address identified community needs and mitigate potential effects as on the community. This Plan does not obligate the Town to issue approvals or otherwise take any particular actions but reflects the components of a Community Mitigation Plan that the Applicant has committed to under the Upstate Gaming Act. The Applicant hereby commits to the following Plan:

I. **Addressing Gambling Concerns, Workforce Development and Community Development and Host and Nearby Municipality Effect and Mitigation Issues.**

The Applicant commits to the following specific mitigation measures to address problem gambling concerns, workforce development and community development, and host and nearby municipality impact and mitigation issues, as required by PML §1316(5):

- A. **Problem Gaming.** To address problem gaming, gambling addiction and other social effects on the community, the Applicant will take all actions required of it by the Memorandum of Understanding with the Seneca County Mental Health Department dated May 13, 2014 as assigned to the Applicant. This commitment is in addition to the requirement of PML §1348, as added by Section 2 of the Upstate Gaming Act, that the Applicant to pay an annual license fee of \$500 for each of the 2,000 slot machines, pursuant to State Finance Law §97-nnnn (5)(a), as amended by Section 10 of the Upstate Gaming Act, must be used exclusively by the State for problem gaming and treatment purposes.
- B. **Workforce Development.** Subject to any labor agreements and state or federal laws and regulations, the Applicant will make reasonable efforts to assist with workforce development as follows:
 - 1. **Construction Jobs.** The Applicant will work in a good faith, legal and non-discriminatory manner to give preferential treatment to qualified Town and Seneca County residents for contracting, subcontracting and servicing opportunities in the development and construction of the Project. Prior to hiring or retaining contractors, subcontractors or servicers in connection with construction of the Project, the Applicant will advertise and hold at least two events for Town and Seneca County residents at venues to be approved by the Town, at which it will publicize its construction needs and explain to attendees the process by which they may seek employment during development and construction of the Project.
 - 2. **Permanent Jobs.** Prior to hiring employees for the Project, the Applicant will advertise and hold at least two events for Town and Seneca County residents at venues acceptable to 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.
 - 3. **Local Preferences.** In seeking to fill vacancies at the Project, the Applicant will give reasonable preference to properly qualified residents of the Town and Seneca County, to the extent that such a practice and its implementation is consistent with applicable laws or union contracts. Further, the Applicant will make every effort to afford Town and Seneca County residents the opportunity to be trained for such trade/craft positions through all training opportunities offered by the Applicant or its affiliates. The Applicant will allow the Town to monitor and enforce this Plan.
 - 4. **Annual Reports.** The Applicant will provide to the Town an annual report beginning in the month of January immediately following the date gaming operations first open

to the public ("Casino Operations Commencement Date"). The annual report will include full and part-time employment levels by the Applicant and any Project tenants at the beginning and end of the reporting period and the number of Town residents hired by the Applicant and any Project tenants, along with supporting documentation and additional information in response to any requests from the Town.

5. **Local Vendors.** The Applicant will make a good faith effort to utilize local contractors and suppliers for the construction and future operations of the Project and will afford such opportunities to local vendors when such contractors and suppliers are properly qualified and price competitive. Such efforts will include actively soliciting bids from Town and Seneca County vendors through local advertisements and such other reasonable measures as the Town may from time to time request. In addition, the Applicant will include, as part of its rewards/frequent guest/loyalty or similar programs, at least \$50,000 of vouchers/gift certificates to Seneca County businesses outside of the Project Site during each year of casino operation.

6. **Wage Rates.** All employees working at the Project Site will be paid wages that are no less than 75% of the national average wage rate for each occupation, as reported by the United States Department of Labor, Bureau of Labor Statistics.

C. **Competitive Effect.** The Applicant acknowledges that an approximately 208-room hotel ("Hotel") is proposed to be constructed on the Project site and that the Hotel may adversely affect other lodging establishments in the region if the number of visitors to the Project is significantly less than forecasted. During the first ten years after the Casino Operations Commencement Date, it will limit its lodging facilities to no more than 220 rooms, unless the Applicant provides the Town with independent forecasts that demand exists in the area for additional rooms.

D. **Warnings to Address Bike and Buggy Traffic.** Some area residents use bicycles and horse drawn buggies for transportation, which occasionally travel by the Project Site. The Applicant will make reasonable efforts, including approved signage, to caution patrons to be aware of such traffic as they enter and exit the Project.

E. **Agriculture.**

1. **Right to Farm by Neighbors.** The Applicant acknowledges the importance of farming in the community and acknowledges the rights of property owners near the Project to continue farming consistent with past practice using good agricultural practices.

2. **Funds for Preservation or Expansion of Agricultural Lands.** To address the conversion of former agricultural land to commercial use at the Project Site, the Applicant will deposit with the Town, or to an appropriate governmental agency or non-profit organization designated by the Town, \$100,000 per year on January 15 in each of the six (6) calendar years immediately following the year in which casino gaming operations first open to the public (\$600,000 total), to fund the purchase of

agricultural lands or development rights, or other actions reasonably related to the preservation or expansion of agricultural land in the Town or Seneca County.

- F. **Kiosks**. The Applicant will make available to its patrons and guests materials on kiosks at the Project Site regarding the Canal Corridor, bird habitat and flyway education, local parks (like the Woman's Rights Hall of Fame, Seneca Meadows Preserve and Montezuma Preserve), local history and local, businesses, so that the Casino acts as a gateway to the Finger Lakes Region.
 - G. **Forever Wild Area**. The Applicant will preserve ten (10) acres in the northeast corner of the Project Site in its natural state without development or modification other than for access, water flow and wetland preservation. This preservation will be for the benefit of wildlife and can only be modified with consent of the Town Board.
 - H. **Evergreen Trees**. Upon a reasonable demonstration by the owner of adjoining property to the Town Board, the Applicant will install evergreen trees on that adjoining parcel to the extent requested by the Town Board; provided that the adjoining property owner provides written access rights to install the evergreen trees on the adjoining parcel and the adjoining property owner agrees to maintain the evergreen trees.
 - I. **Bird Friendly Glass**. The Applicant will incorporate bird friendly design criteria into its use of window glass on the portions of the improvements above the first floor.
 - J. **Burial Site**. The Applicant acknowledges there are six (6) known burial sites on the Project Site. Unless all known living descendants consent to movement of the burial sites and a court, by court order, has approved the removal and reinternment, the existing graves will be preserved at their current location. The Applicant commits to design and preserve the gravesites within the approximately 75 foot by 75 foot area in which the grave markers are currently located, and the Applicant will engage an experienced cemetery land developer (such as Grever and Ward of Orchard Park, New York) to repair the gravesites and create a landscaped and fenced area. The Applicant will, at its sole cost and expense, maintain the gravesites and landscaping and will permit access to the graves by descendants of those buried at the site.
- II. **Infrastructure Costs of the Host Municipality Incurred in Direct Relation to the Construction and Operation of the Project.**

The Applicant commits to the following specific mitigation measures to address infrastructure costs of the host municipality incurred in relation to the construction and operation of the Project, as required by PML §1316(6):

- A. **Sanitary Sewer**. The Applicant will construct and install, at its sole cost and expense, a 6" private force main ("Private Force Main") from the Project Site to the existing "Petro" or "Route 414" sewer line (the "Route 414 Sewer Line") located in the Town. The Applicant will be solely responsible for the operation and maintenance of the Private Force Main. The Town, including any Town sewer district or extension now existing or hereafter established, will have no responsibility regarding this Private Force Main. Prior

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to connecting to the Route 414 Sewer Line, the Applicant will enter into an operation and maintenance and treatment agreement with the Town of Seneca Falls pursuant to which, among other things, the Town of Seneca Falls will directly bill the Applicant for sanitary sewer costs.

- B. Potable Water Supply.** The Applicant will, at its sole cost and expense, construct and install: (1) a new water line connecting to the existing 12" water line located on the east side of NYS Route 414 in the vicinity of the northerly entrance to the Petro Stopping Center, which the Applicant will offer for dedication to the Town; and (2) all other improvements contemplated by the Engineer's Report submitted with the Site Plan for the Project. The Applicant will be responsible for all operation, maintenance, water usage and other costs of water service for the Project. The Applicant will cooperate with the Town in an effort to create a new water district or extension of an existing Town water district to include the Project Site.
- C. Telecommunications.** The telecommunication infrastructure for the Project will be designed and constructed in a manner that will enable the Town and nearby residents to use at least one pair of fiber optic cables.

III. Service Costs of the Host Municipality Incurred for the Emergency Services in Direct Relation to the Operation of the Project.

The Applicant commits to the following specific mitigation measures to address service costs of the host municipality incurred for emergency services in direct relation to the operation of a gaming facility, as required by PML §1316(7):

- A. Security.** On and after the Commencement of Gaming Operations, the Applicant will establish a 24/7 security workforce in form acceptable to the Seneca County Sheriff to act as the first responders for the Project. The Applicant will have staff trained in "hospitality security" which will detain those suspected of breaches of the peace or criminal acts, within the limits imposed by New York State law. Issues beyond hospitality events will warrant a call to the Sheriff's office. The Applicant will coordinate and offer at its sole cost and expense periodic training unique to gaming issues and public safety for Sheriff's Office personnel. The Applicant will provide "FAIR" technique or similar training to address issues involving alcohol. The Applicant will perform comprehensive background checks of all employees. The Applicant will comply with New York State regulations that may in the future be issued for New York gaming facilities and anticipates agreements for presence by the New York State Police. The Project will have security and video surveillance and will employ an investigator. The Project Site will be open to marked Sheriff vehicles and the Project will make offices available for use by the Sheriff deputies when performing duties at the Project Site. Requests for off-duty work by Sheriff's Deputies will be coordinated with the Sheriff whenever the off-duty officer is intended to be armed. There will be a continuation of the current protocols as between the State Police and the Sheriff Deputies by which calls are assigned to the "closest car" with the 911 dispatch honoring requests of the caller for a New York State Trooper or Sheriff's Deputy.

- B. Additional Sheriff's Deputy.** The Applicant acknowledges that the Seneca County Sheriff's Department will be required to hire at least one additional Sheriff's Deputy as a direct result of the Project. To address this effect, the Applicant will pay, commencing on the date the gaming operations open to the public, and on each anniversary thereafter during the term of this Plan, to the Seneca County Sheriff's Department the cost of one Sheriff's Deputy, in an amount equal to the average of the annual salary and benefits paid to all deputies in the Sheriff's Department (currently estimated at \$100,000).
- C. Project Emergency Protection.** The Project facilities will have defibrillators and will be equipped with current building code sprinklers and fire safety systems to include a public access emergency response room. The Applicant anticipates that the Magee Fire Department will use existing mutual aid agreements with North Seneca Ambulance, Inc. ("NSA") for provision of advanced life support services and with nearby fire departments, including use of ladder trucks.
- D. Fire Department Equipment.** Not earlier than 60 days prior to Commencement of Gaming Operations, but in all events in time to permit acquisition and training, the Applicant will pay the cost of new high rise fire-fighting equipment for six (6) firefighters and for related training and equipment coordinated with Project facility design features, to provide fire protection services for the six-story hotel facility. The Applicant may request that Magee Fire Department purchase a ladder truck provided, however, the Applicant will pay all costs associated with that ladder truck including, but not limited to, the cost to purchase the truck, training, maintenance and the cost of expanding the fire house to accommodate the new truck.
- E. Fire Protection District.** The Applicant will take whatever action is necessary to ensure the Project Site is included in the existing Town Fire Protection District or an extension thereto. The Applicant acknowledges that fire safety for the Project will require continual interaction with the Magee Fire Department and/or any other fire department that may enter into a contract with the Town (the "Fire Protection Contract") to provide fire protection services in the Town or for that District (collectively, the "Fire Department"), and that the Project will disproportionately receive the benefits ("Fire Protection Benefits") of a ready and well-equipped Fire Department for not only fire protection services, but also the use of the Magee Fire Department building for board meetings, Town Court or other Town business due to the Project. Accordingly, the Applicant commits to pay to the Fire Department, toward the Town's payment obligation under the Fire Protection Contract and as reasonably requested by the Town to compensate for the Fire Protection Benefits, up to \$110,000 on January 15 following the Casino Operations Commencement Date, and up to \$200,000 on each subsequent January 15.
- F. Ambulance/EMT.**
- 1. Project Site.** The Applicant will establish an Emergency Medical Technician ("EMT") workforce, available 24 hours per day, 7 days per week, to act as first responders at the Project Site, with a minimum of two to four staff with EMT training available at all times. The Applicant will coordinate and offer at its sole cost and

expense, periodic training for ambulance/EMT personnel on matters unique to gaming issues. The Applicant will coordinate requests for use of off-duty NSA staff with the NSA Director of Operations. The Applicant will coordinate Project Site EMT services with NSA, EMT services and Fire Safety EMT services, with current protocols continued for Geneva General Hospital as the primary treating hospital.

2. **North Seneca Ambulance Bills.** NSA bills for its services for all calls with patient contact according to a rate schedule. NSA is required to accept lesser amounts from their two largest payors (Medicare and Medicaid), and NSA's overall collection rate is approximately 88% for patients it transports to medical facilities. NSA currently bills \$100 for its service to patients that are not transported. NSA collects approximately 40% of the amount charged for non-transport patients. The Applicant acknowledges that NSA will incur costs for patient calls to the Project site that will not be paid by the patients or the patients' insurers. To address this direct effect on ambulance/EMT services in the community, the Applicant will pay to NSA, the standard NSA fee for each call to the Project Site that does not result in a patient transport. The Applicant will also pay to NSA (and any other ambulance Applicant providing service to the Project) the portion of their fees for patient transports from the Project Site that is not paid by the patients or the patients' insurers.

IV. **Compliance with State Building and Fire Prevention Codes.**

The Applicant commits to provide funding as provided below, for additional staffing (as required) and to address other issues related to compliance with state building and fire prevention codes, as required by PML §1316(9), including compliance with the New York State Uniform Fire Prevention and Building Code, other state codes, and local codes in the design and development of the Project to make deposits as reasonably determined by the Town to help staffing (as required) and to help address problems related to compliance with state building and fire prevention code. Mitigation measures, including but not limited to traffic improvements, will be implemented as described in the Application, including the Engineer's Report, dated March 2014, and the Project Proposal SEQRA Documentation, dated August, 2015, both prepared by BME Associates.

V. **Potential Community Effects.**

- A. **Potential Community Effects.** The Applicant acknowledges that the Project may have effects on the Town and its residents, resulting from the development, construction and operation of the Project from time to time (together "Potential Community Effects"), including but not limited to:

- (1) increased use of existing Town services;
- (2) substantially increased use of existing Town infrastructure;
- (3) during the period prior to the Casino Operations Commencement Date, the need to hire additional staff, lease temporary administrative facilities,

commence planning and design of permanent administrative offices, defend litigation, inspect and oversee construction, and other activities reasonably necessary to prepare for the Project operations in the Town;

(4) after the Casino Operations Commencement Date, the need to plan for and implement additional anticipated municipal services, infrastructural improvements, facilities and employees as a result of the Project's presence within the Town (which could include Town Court and Town Hall facilities or other administrative offices); and

(5) other additional costs related to addressing effects on the Town and its residents as a result of the Project presence within the Town including, but not limited to, present and prospective costs, expenses and reserves associated with the planning and design of anticipated municipal services and additional infrastructural improvements.

B. Deposits for Potential Community Effects. To provide funds for the Town to address the Potential Community Effects, the Applicant has made a good-faith effort to identify the costs associated with the Potential Community Effects. In order to make funds available to the Town in advance of when the Town incurs the costs from time to time, and so that the Town can plan its activities through its independent decision making process, the Applicant commits to make payments to the Town for deposit into a Community Mitigation Fund, provided the Town establishes that fund as provided below.

1. Community Mitigation Fund. The Applicant contemplates that the Town will establish a fund into which the Town will deposit the Applicant's payments for certain expenses related to mitigation of Potential Community Effects from the Project (the "Community Mitigation Fund") within the scope of the mitigation costs contemplated by PML §1316 (5), (6), (7) and (9), of the Upstate Gaming Act (the "1316 Expenses") as set forth below:

- a. Payments to help address problem gambling concerns, workforce development and community development and host and nearby municipality impact and mitigation issues - PML §1316(5);
- b. Payments to help address infrastructure costs of the host municipality incurred in direct relation to the construction and operation of a gaming facility - PML §1316(6);
- c. Payments to help address service costs of the host municipality incurred for emergency services in direct relation to the operation of a gaming facility - PML §1316(7); and
- d. Payments for staffing (as required) and to help address problems related to compliance with state building and fire prevention codes - PML §1316(9).

The Town will use monies deposited into the Community Mitigation Fund only to pay actual and estimated 1316 Expenses, as determined by the Town, including reserves for contemplated future capital or other expenses. The Town will submit to the Applicant, at the request of the Applicant no more than annually, an accounting of the receipts and expenditures of the Community Mitigation Fund. If the Applicant's payments to the Town for deposit into the Community Mitigation Fund exceed actual and estimated 1316 Expenses, including reserves for contemplated future capital or other expenses, or if the Project terminates as provided in paragraph VIII (B) below with unexpended sums in the Community Mitigation Fund and the Town does not reasonably expect to expend the remaining balance on 1316 Expenses, those excess funds will be refunded to the Applicant.

2. **Deposits Prior to the Commencement of Gaming Operations.** Based on the Applicant's experience with respect to commercial development and input from the Town regarding the amounts reasonably required for the Community Mitigation Fund, the Applicant will pay to the Town for deposit into the Community Mitigation Fund the following amounts: (a) \$300,000 to be deposited on the first day of the calendar month immediately following the Town's acceptance of this Plan; and (b) \$65,000 per calendar month to be paid by the Applicant on the first day of each calendar month thereafter through and until and including the month in which the Casino Operations Commencement Date occurs, with payments thereafter to be determined under Subsection B(3) below.
3. **Deposits After the Commencement of Gaming Operations.** After the Casino Operations Commencement Date and throughout the period of operations of the licensed casino, the Town will receive payments under the Commercial Gaming Revenue Fund described in the New York State Finance Law §97-nnnn, as amended by Section 10 of the Upstate Gaming Act ("Gaming Tax Revenue"), that are attributable to gaming operations at the Project. The Gaming Tax Revenue is anticipated to be at least \$3,400,000 per year. So that the Town can be assured of a minimum amount of Gaming Tax Revenue and undertake appropriate budgeting and capital planning, the Applicant agrees that if the Town receives less than \$2,000,000 in Gaming Tax Revenue in any calendar year (prorated for any partial calendar year and subject to two percent (2%) annual increases as described in subparagraph (d) below), the Applicant commits to pay the deficiency ("Gaming Tax Revenue Shortfall") to the Town, for deposit into the Community Mitigation Fund, in an amount necessary to augment the Community Mitigation Fund to compensate for the Gaming Tax Shortfall so that the Town can be assured a minimum of \$2,000,000 to meet its continuing expenses associated with the Project and undertake appropriate budgeting and capital planning in order to address the Potential Community Effects. The Applicant's payments described in this section will be made in the following manner:
 - a. Beginning on the first day of the calendar month after the Casino Operations Commencement Date and on the first day of each calendar month thereafter through the end of the calendar year in which the Casino Operations

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Commencement Date occurs, the Applicant will pay to the Town, for deposit into the Community Mitigation Fund, the amount reasonably determined by the Town to cover any anticipated Gaming Tax Revenue Shortfall for that calendar year. The monthly amount will be initially calculated by the Town based on annualized amounts for the period from the Casino Operations Commencement Date through the end of the respective calendar year based on the number of months, or partial months.

- b. On January 15 of the calendar year immediately following the Casino Operations Commencement Date, and on each January 15 thereafter, the Town will determine the monthly amount, if any, to be paid by the Applicant to the Town for deposit into the Community Mitigation Fund, to ensure that the Town receives any Gaming Tax Revenue Shortfall on an annualized basis. The Town will reasonably consider prior Gaming Tax Revenue receipts and other available evidence when determining the amount of the Applicant's monthly deposit. The Applicant will pay the monthly amount, if any, to the Town for deposit into the Community Mitigation Fund on the first day of each month (except the January payment will be made three business days after the Town notifies the Applicant of the monthly payment amount).
 - c. If the actual amount of Gaming Tax Revenue received by the Town is less than the amount the Town anticipated when determining the Applicant's monthly deposits, such that the Town has not received \$2,000,000 on an annualized basis (subject to 2% annual increases as described in subparagraph (d)), the Applicant will pay to the Town the shortfall on or before January 15 of the following year. If the actual amount of Gaming Tax Revenue received by the Town is more than the amount the Town anticipated when determining the Applicant's monthly payments, such that the Town has received more than \$2,000,000 on an annualized basis (subject to 2% annual increases as described in subparagraph (d)), the Town will refund the overage on or before January 15 of the following year.
 - d. The \$2,000,000 amount described in this Section will increase at the rate of two percent (2%) per year commencing January 1, 2019 and on each January 1 thereafter.
4. **Additional Deposits.** The Applicant acknowledges that the Town has ultimate responsibility to address effects within the Town and therefore the Town (and other appropriate agencies) must: (1) determine and/or approve the planning, design and implementation of steps necessary to address effects, (2) identify any material deficiencies in the planning, design, implementation and effectiveness of effects management, and (3) identify any unanticipated effects that arise in the future. The Applicant commits to negotiate, in good faith, regarding additional payments to the Town for deposit into the Community Mitigation Fund that the Applicant will make in the event additional effects that are unanticipated as of the date of this Plan or are identified by the Town in good faith to the Applicant in the future, or the actions

taken to address the Potential Community Effects are inadequate or deficient and do not reasonably address those effects due to either inaccurate estimates of the effects (including the cost of mitigating effects) or changed circumstances relating to the Project or its operations, which in any such case create a direct, material and adverse effect on the Town that have been substantiated and that cannot reasonably be addressed with the Town's Gaming Tax Revenue receipts and amounts already deposited under this Plan; provided that such additional deposits will in no such case exceed \$1,000,000 in any calendar year.

VI. Transfers of Project.

A. No Transfer. The Applicant acknowledges that the Town is relying upon the Applicant and the Wilmot Family (as defined below) to exercise their respective skill, judgment, reputation and discretion with respect to the ownership and operation of the Project and the performance of this Plan. Accordingly, the Applicant commits to the Town that there will be no Transfer (as defined below) of any direct or indirect ownership of the Project, including sale or other conveyances of the Project or transfers of equity interests in any entity or entities that (directly or indirectly through another entity) own and operate the Project (the "Project Entity"), without the prior written consent of the Town, provided that consent is not unreasonably withheld, conditioned or delayed, except for Transfers described in paragraph (C) below ("Permitted Transfers") and assignments described in paragraph (F) below, which will not require the Town's consent.

B. Wilmot Family. For purposes of this Plan, (1) the term "Wilmot Family" will mean Thomas C. Wilmot, Sr., and his wife, siblings, cousins, children and their children and Ronald Cocquyt, James R. Wilmot and other key Wilmorite, Inc. personnel identified from time to time in writing to the Town and all trusts or similar estate planning entities formed from time to time by the foregoing individuals and their heirs and Affiliates. Affiliates will mean with respect to any entity or individual ("Person"), any Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, the terms "controlling," "controlled by" or "under common control with" will mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or entity, whether through the ownership of voting securities, by contract or otherwise, or the power to elect at least 50% of the directors, managers, general partners, or persons exercising similar authority with respect to such Person or entities; (2) the term "Transfer" will mean any sale (including agreements to sell on an installment basis), lease, assignment, transfer, pledge, alienation, hypothecation, merger, consolidation, reorganization, liquidation, or any other disposition by operation of law or otherwise in a single transaction or series of related transactions; and (3) the term "Transferee" will mean any person or entity to whom this Plan or the Project, or any direct or indirect interest therein, is Transferred. Nothing contained in this Plan will prevent a pledge by a member of the Applicant (or a Related Party) of its direct or indirect interest in the Applicant, or the Applicant's granting of security interests in its personal and real property (including its rights and obligations hereunder), to one or more lenders or to an agent or trustee on such lenders'

behalf (collectively, "Lender"), or the exercise of any rights or remedies by Lender (including Lender's rights of foreclosure, and the sale, transfer or conveyance of the Applicant's rights and obligations hereunder to any assignee or designee of such foreclosing Lender) pursuant to such pledge or security interests.

C. Permitted Transfers. The following Transfers are hereby permitted without the prior consent of the Town:

(1) Transfers of the assets comprising the Project to another Project Entity, occurring no later than 30 days after award of a license to operate the Project as a gaming facility, in connection with the raise of equity capital for the Project provided, however, the Wilmot Family will own no less than 50% voting control of the Project Entity;

(2) Transfers of equity or other ownership interests in the Project Entity and/or the issuance of new equity or other ownership interests in the Project Entity will be permitted at any time, provided, however, the Wilmot Family will own no less than 50% voting control of the Project Entity.

(3) Notwithstanding anything herein to the contrary, commencing in the eleventh year after the Commencement of Gaming Operations, the Wilmot Family may own less than 50% voting control of the Project Entity if, pursuant to the terms of agreements with Project investors, the Wilmot Family is required to include its Project equity in a sale to third party investors who have been approved by the New York State Gaming Commission. The Applicant will give the Town prior written notice of any Transfer that will reduce the Wilmot Family ownership to less than 50% voting control, including information regarding the identity of the new owners.

(4) The Wilmot Family's voting control of the Project Entity may be reduced below 50% if, after the Commencement of Gaming Operations, the Project Entity must raise additional equity capital which causes dilution of the Wilmot Family's ownership interest in the Project Entity. The Project Entity will give the Town prior written notice if the Wilmot Family ownership will be reduced below 50% voting control pursuant to this paragraph.

D. Transferees; Plan Runs With Land. All Transferees (other than Transferees of direct or indirect equity interests in the Project Entity) will be bound by all restrictions and obligations imposed under this Plan and will execute and deliver to the Town written acknowledgment and agreement to be bound by this Plan. At the Town's request, this Plan will be recorded. The Applicant acknowledges that the covenants and commitments contained in this Plan are meant to "touch and concern the land," and the Applicant intends that this Plan will run with the land and bind the Applicant and all successor owners of the Project Site.

E. Notice. The Applicant will notify the Town as promptly as practicable, but in no event on less than ten (10) days' notice, upon the Applicant becoming aware of any

Transfer or potential Transfer requiring the Town's consent hereunder. The Applicant will pay all costs, including but not limited to reasonable attorneys' fees, incurred in connection with the Town's review and approval of any Transfer.

F. Assignment. The Applicant may assign the Project and this Plan as collateral for indebtedness to one or more lenders from time to time, on commercially reasonable terms that permit lenders to step into the Applicant's shoes under this Plan if the Applicant defaults on its obligations to lenders. In connection with any such indebtedness or refinancing of such indebtedness, the commitment of the Applicant under this Plan is subject to the Town, at the Applicant's request (and at the Applicant's sole expense), negotiating in good faith with the Applicant and the Applicant's lenders to agree upon a reasonable agreement with such lenders with respect to this Plan, which will be in form and substance reasonably agreed to by the Applicant's lenders, in order to provide the lenders with customary lender protective provisions reasonably requested by such lenders (including delivery of notices of, and the provision to such lenders of reasonable rights to cure, defaults under the Plan).

VII. Reimbursement of Town Costs.

The Applicant will pay all costs and expenses in good faith paid or incurred by the Town to third parties (including attorneys, accountants, engineers, consultants and others) in connection with the planning, approval and construction of the Project including, but not limited to, costs relating to the Town's due diligence, environmental review, study and investigations of the Project; preparation of Town laws and other necessary legislative enactments; negotiation, preparation and enforcement of this Plan and related agreements (including inter municipal agreements); Project permitting; establishment or extension of water, sewer, fire protection and other special districts for the Project; construction monitoring and inspection; and costs of any litigation filed by or against the Town or in which the Town intervenes in connection with the foregoing. All such payments will be made in accordance with a budget, as it may be updated from time to time, and copies of reasonable substantiation and documentation (with any privileged matter redacted) for costs for which the Town requests payment or reimbursement under this Plan.

VIII. Miscellaneous.

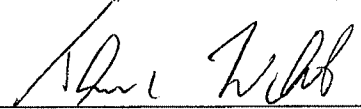
A. Purpose of Plan. The Applicant acknowledges that this Plan and any the payments hereunder do not obligate the Town in any respect to issue approvals for the Project. This Plan is being submitted pursuant to the Upstate Gaming Act and to comply with the provisions of PML §1316(5), (6), (7) and (9) in order to address identified community needs and mitigate potential effects as on the community. The Applicant acknowledges that the Town will render its determination as to whether to issue any and all Project approvals in accordance solely with the relevant statutory criteria. The Applicant further acknowledges that payments made under this Plan are to provide the Town and other public entities with funds to address effects and burdens placed on the community as a result of the Project, to be used for public purposes undertaken by the Town and/or any duly appointed agent or assignee thereof or other public

entity receiving funds under this Plan, all as contemplated and required by the Upstate Gaming Act. If any provision of this Plan is determined to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity and enforceability of the remainder of this Plan will not be affected and will remain in full force and effect.

- B. Project Termination.** Notwithstanding anything contained in this Plan to the contrary, if the Applicant does not receive a license for the Project to operate as a "gaming facility," as defined in PML §1301, this Plan and the Applicant's payment obligations under this Plan will terminate and expire on one hundred and twenty (120) days' notice to the Town but not terminated prior to December 31, 2016 in order to facilitate appropriate budgeting and capital planning to address the Potential Community Effects.
- C. Further Assurances.** Pursuant to PML 1316 compliance with this Plan shall be a condition of the award of any Region 5 Gaming License to Applicant. At the request of the Town, the Applicant will commit to providing further assurances to the Town with respect to the Applicant's obligations under this Plan, including adequate security, or such other instruments of assurance on such terms as are reasonably acceptable to the Town. The obligations of the Applicant contained in this Plan shall be deemed the obligations of the Applicant and not of any member, officer, agent or employee of the Applicant in his or her individual capacity.
- D. Host Community Agreement.** The Host Community Agreement recorded in the Seneca County Clerk's Office on dated June 26, 2014, will be null and void and of no further force and effect when this Plan is accepted by the Town and becomes effective.
- E. Effective Date.** This Plan will become effective and legally binding on the Applicant upon the Town's acceptance of this Plan.

The Applicant has offered this Plan such that the Gaming Commission has evidence of compliance with the Gaming Act provisions concerning a Community Mitigation Plan.

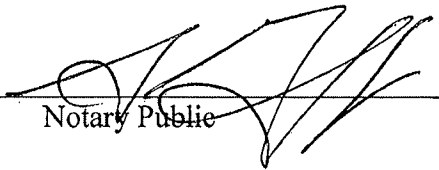
LAGO RESORT & CASINO, LLC

By:  sr.
Thomas C. Wilmot, Sr., Manager

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the 26 day of October in the year 2015 before me, the undersigned, a notary public in and for said State, personally appeared Thomas C. Wilmot, Sr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed this instrument.

Notary Public



SHAWN M. GRIFFIN
Notary Public, State of New York
Reg. 02GR4972896
MONROE COUNTY
Commission Expires Oct. 1, 2016

EXHIBIT A

Legal Description of Land

Tax Account No. 12.00-01-36

ALL THAT TRACT OR PARCEL OF LAND containing 84.957 acres more or less, situate in the Military Tract, Junius Township, Lot 45, Town of Tyre, County of Seneca, and State of New York, as shown on the drawing entitled "Lands of James R. & Jeanne C. Leonard," prepared by BME Associates, having drawing number 2392-07, dated March, 2014 and revised March 27, 2014, being more particularly bounded and described as follows:

Beginning at the intersection of the easterly right-of-way line of State Route 414 (Right-of-Way width varies) with the northerly right-of-way line of The Governor Thomas E. Dewey Thruway (Right-of-Way width varies), said point having a Thruway baseline station 343+04.65 and offset 148.20 feet, said point also having a Route 414 baseline station 26+86.00 and offset 70.00 feet; thence

1. N 07°37'42" W, along said easterly right-of-way line, a distance of 265.99 feet to a point having Route 414 baseline station 29+50.00 and offset 70.00 feet; thence
2. N 13°51'23" W, continuing along said easterly right-of-way line, a distance of 402.30 feet to a point having Route 414 baseline station 33+50.00 and offset 27.00 feet; thence
3. N 07°58'55" W, continuing along said easterly right-of-way line, a distance of 657.17 feet to a point having Route 414 baseline station 40+07.16 and offset 24.00 feet; thence
4. N 85°42'49" E, along the southerly boundary line of lands now or formerly of John D. and Jane A. Morelli (T.A. No. 12.00-01-4.2), a distance of 304.66 feet to the southeast corner thereof, marked by a 2 foot tall 1" pipe; thence

The following five (5) courses are along the southerly boundary line of lands now or formerly of Lorraine H. Newcomb (T.A. No. 12.00-01-4.11)

5. N 87°56'08" E, a distance of 1268.14 feet to a point; thence
6. S 02°21'39" E, a distance of 639.75 feet to a point; thence
7. N 87°34'10" E, a distance of 895.00 feet to a point; thence
8. N 00°10'52" E, a distance of 492.27 feet to a point; thence

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9. N 84°16'48" E, a distance of 409.87 feet to the southwest corner of lands now or formerly of Desiree Dawley (T.A. No. 12.00-01-4.12), marked by a 1" pipe; thence
10. N 87°24'40" E, along the southerly boundary line of said lands of Desiree Dawley (T.A. No. 12.00-01-4.12), a distance of 550.00 feet to a point on the westerly boundary line of lands now or formerly of James Nearpass (T.A. No. 12.00-01-5.11); thence
11. S 03°41'17" E, along said westerly boundary line and lands now or formerly of James Nearpass (T.A. No. 12.00-01-38.1), a distance of 1031.96 feet to a point on the aforementioned northerly right-of-way line of The Governor Thomas E. Dewey Thruway having baseline station 376+65.00 and offset 140.00 feet; thence
12. S 75°26'35" W, along said northerly right-of-way line, a distance of 464.83 feet to a concrete monument having Thruway baseline station 372+00.17 and offset 139.67 feet; thence
13. S 82°14'28" W, continuing along said northerly right-of-way line, a distance of 856.05 feet to a concrete monument having Thruway baseline station 363+01.46 and offset 175.23 feet; thence
14. S 87°30'37" W, continuing along said northerly right-of-way line, a distance of 597.35 feet to a concrete monument having Thruway baseline station 357+04.26 and offset 161.52 feet; thence
15. S 88°16'47" W, continuing along said northerly right-of-way line, a distance of 1399.68 feet to the Point of Beginning.