GROUND LEASE AGREEMENT
(VLT FACILITY)
Baltimore, Maryland

Dated as of October 31, 2012

by and between

Mayor and City Council of Baltimore

and

CBAC Gaming, LLC

Ground Lease Agreement (VLT Facility)
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THIS **GROUND LEASE AGREEMENT** (the "Agreement") is dated as of the 31st day of October, 2012 (the "Lease Date"), by and between the **MAYOR AND CITY COUNCIL OF BALTIMORE**, a body politic and corporate and a political subdivision of the State of Maryland (the "City"), acting by and through the Department of Housing and Community Development (the "DHCD") and **CBAC GAMING, LLC**, a limited liability company formed under the laws of the State of Delaware and registered to do business in the State of Maryland ("Developer").

Recitals

A. The City owns three (3) lots of ground that are known as Disposition Lot 4 under the Renewal Plan (defined below), identified as Lots C, D, and E on the attached Exhibit A, and located in a non-residential area of Baltimore City within one-half mile of Interstate 95 and Route 295 which are not adjacent to or within one-quarter mile of residential property (the "Property"). A legal description of the Property is set forth on Exhibit B.

B. The Property is within the boundaries of the Carroll Camden Urban Renewal Area (the "Renewal Area") established by Ordinance No. 02-296, approved March 6, 2002, as amended, and is subject to the Carroll Camden Urban Renewal Plan, as adopted pursuant to said Ordinance, as amended (the "Renewal Plan").

C. The City is authorized to lease the Property by virtue of (i) Article II, Section 15 of the Baltimore City Charter, 1996 Edition, as amended (the "Charter Provision"), (ii) Article XIII of the Baltimore City Code, 2000 Edition, as amended (the "City Code"), which established DHCD pursuant to the Charter Provision, and (iii) the provisions of the Renewal Plan.

D. Developer proposes to construct a video lottery terminal and gaming facility (the "VLT Facility") on the Property and operate the VLT Facility in accordance with the Project Plan as defined in Article I and under a VLT License (as hereinafter defined) which has been awarded by the Video Lottery Facility Location Commission of the State of Maryland and which is to be issued by the State Lottery Commission, and the City is willing to lease the Property to Developer to enable it to do so.

E. The "Project" (as defined in Article I) is to be developed and operated in accordance with Title 9, Subtitle 1A, of the State Government Article of the Annotated Code of Maryland (as amended, the "State VLT Law") and any other Applicable Laws.

F. The Project is a part of a larger development to be located nearby on eight (8) lots of ground known as Disposition Lot 2 under the Renewal Plan and identified as Lots F, G, H, I, J, K, L, and M on Exhibit A and certain closed street areas as shown on Exhibit A (the "Garage Property") on which Developer proposes to construct a parking garage (the "Garage") pursuant to a Land Disposition Agreement which is intended to be approved by the City's Board

of Estimates, executed and delivered, and effective contemporaneously with this Agreement ("the LDA"). The Project may also include development on Disposition Lot 1 under the Renewal Plan and identified as Lot A on Exhibit A and on Disposition Lot 8 under the Renewal Plan and identified as Lot B on Exhibit A. The Garage Property, Lot A, and Lot B are sometimes referred to as the "Sale Properties". The Sale Properties will be sold to Developer pursuant to the LDA.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and the mutual obligations of the City and Developer, and other good and valuable consideration, the receipt of which is hereby acknowledged, the City and Developer hereby represent, warrant, covenant, and agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions.

Certain terms, if capitalized, are defined in the heading and recitals to this Agreement and elsewhere in this Agreement. Unless the context or use clearly indicates another or different meaning or intent, the following definitions shall generally apply to the following capitalized word or term:

"Applicable Law" shall mean, any law (including, but not limited to, the State VLT Law), ordinance, regulation, or order of any federal, state, or local agency (including DHCD), court, or other governmental body, applicable from time to time to the acquisition, leasing, design, construction, equipping, financing, ownership, or operation of the Property or the Project or the performance of any obligations under any agreement entered into in connection with this Agreement.

"Authorized Officer" shall mean (a) in the case of the City, the Mayor, or the Commissioner of DHCD and, when used with reference to any act of or on behalf of the City (including the execution of any document of or on behalf of the City), also means any other person authorized by resolution of the Board of Estimates to perform such act or execute such document; and (b) in the case of Developer, any authorized person of Developer.

"Business Day" shall mean a day other than a Saturday, Sunday, or legal holiday in the State of Maryland or in Baltimore City.

"Construction" shall mean the construction of the Improvements.

"Construction Plans" shall mean the construction drawings and specifications prepared for any Improvements, as the same may be revised from time to time prior to the date of completion of such Improvements.

"Development" shall mean the preparation of all Plans and Specifications and any and all Construction.

"Improvements" shall mean any buildings and other improvements hereafter constructed on the Property.

"Insurance Requirements" shall mean the requirements of this Agreement concerning the casualty and liability insurance and other insurance policies that shall be carried by Developer covering the Property, including any Improvements, or any part of either, and all requirements of the issuer of any such policy.

"LDA Required Settlement Date" shall mean the "Required Settlement Date" as set forth under the LDA.

"Lease Date" shall mean the date of this Agreement (which shall be the date upon which this Agreement has been approved by the Board of Estimates of the City).

"License" or "VLT License" shall mean the license and any amendment, modification or restatement thereto, awarded by the Video Lottery Facility Location Commission of the State of Maryland and issued by the State Lottery Commission and any additional or supplemental license issued by the State Lottery Commission or other governmental agency or authority having the power to issue licenses to conduct gaming pursuant to legislation enacted after the date hereof – in all cases in accordance with the State VLT Law, or other Applicable Law, as either may be hereafter amended, for the location in Baltimore City.

"License Award Date" shall mean the actual effective date of the written notice from the Video Lottery Facility Location Commission to Developer that such Commission has approved Developer's application for the License and made an award under the State VLT Law, it being recognized that July 31, 2012 was the date of such Commission's written notice of its conditional award.

"Mortgage" shall mean, individually or collectively, as the context may require, any mortgage or deed of trust that encumbers Developer's leasehold interest in the Property, to secure payment of a debt of Developer, and a security agreement granting a security interest in a direct or indirect managing membership interest in Developer (with respect to mezzanine financing and which security interest grant in such direct or indirect managing membership interest may be either alone or with other members of Developer), to secure payment of a debt for money borrowed for the benefit of the Developer.

"Mortgagee" shall mean, individually or collectively, as the context may require, any holder of, or beneficiary under, a Mortgage, or any part thereof, and any designee of a holder or beneficiary in the event of any foreclosure action or assignment in lieu thereof (at the option of such holder or beneficiary), and any successor or assign of such holder, beneficiary, or designee, provided, however, that in no event shall either (a) any member of Developer (or any indirect owner of Developer) or (b) any Mortgagee holding a security interest pursuant to a pledge of a

non-managing membership interest in Developer constitute a Mortgagee for the purposes of this Agreement or be afforded the benefits of a Mortgagee under this Agreement.

"Opening Date" shall mean the first date on which Gross Gaming Proceeds are bet in the VLT Facility.

"Person" shall mean any natural person, corporation, limited liability company, partnership, joint venture, entity, association, joint-stock company, trust, unincorporated organization, or any Public Authority.

"Plans and Specifications" shall mean, collectively, the Schematic Plans, the Design Plans, and the Construction Plans prepared for any Improvements, as the same may be implemented and detailed from time to time and, in accordance with Article V, as the same may have been revised from time to time prior to the date of completion of such Improvements.

"Project" shall mean a VLT Facility on the Property that contains, subject to Section 6.3(a), not fewer than three thousand seven hundred fifty (3,750) VLTs as more fully described in the VLT License and the Project Plan, constructed substantially in accordance with the Construction Plans, and operated by or through Developer (or its permitted successors or assigns) on the Property.

"Project Plan" shall mean the permitted uses of the Property as set forth in Section 6.3 and the elements and requirements set forth on Exhibit C. Exhibit C includes the following:

(a) a general description of the Project, and an articulation of Developer's goals (which is subject to Section 6.3 hereof);

(b) the initial organizational and operational structure of Developer (which is subject to modification in accordance with Article IX hereof); and

(c) a description of the Project proposed as of the Lease Date ("Project Description").

Unless otherwise expressly permitted by the terms of this Agreement or as other Sections of this Agreement may govern such matters (e.g., Section 2.17, Article V, and Sections 9.1-9.6), any material change or modification that Developer wishes to make to Exhibit C must be submitted to and approved by DHCD (which approval may be given in the sole discretion of DHCD) and Mortgagee. Minor changes or modifications not materially affecting the ownership, use, appearance, or operation of the Project or any Improvements, however, shall not be unreasonably withheld, it being recognized that any such matters of use and appearance are subject to reasonable discretion. The Project Plan does not describe the interior Improvements, so any modification of the interior Improvements will not require any modification of the Project Plan or (except as required by Applicable Law) approval by the City. Upon the issuance or deemed issuance of the Certificate of Completion, changes in ownership, use, appearance, or operation may require approval where expressly required elsewhere in this Agreement, but no modification of the Project Plan shall thereafter be required (although as a part of the City's review and

approval process for any such right of approval, the City may request a new Project Plan where the City's approval is required elsewhere in this Agreement).

"Public Authority" shall mean any federal, state, or local governmental or quasi-governmental subdivision, authority, agency, or other instrumentality thereof.

"Rent" shall mean all amounts payable by Developer to the City under this Agreement, including Participation Rent, minimum payments based upon Real Estate Taxes paid (as described in Section 4.8), and the Late Charge.

"State" shall mean the State of Maryland.

"State Lottery Commission" shall mean that commission that is known as the State Lottery and Gaming Control Commission and was established in the State Lottery Agency by §9-104 of the Maryland State Lottery Law, which commission (upon an award by the Video Lottery Facility Location Commission and satisfaction with the requirements of §9-1A-01 et seq. of the State VLT Law) shall issue the VLT License to Developer and shall regulate the operations of the VLT Facility, or any successor commission or authority established by Applicable Law and vested with regulatory authority over the VLT License.

"Sublease" shall mean the rental of portions of the VLT Facility that are ancillary to but exclude the area where the VLTs are located.

"Tenants" or "Tenant" shall mean the tenant under a Sublease.

"Video Lottery Facility Location Commission" shall mean that commission established by §9-1A-36 of the State VLT Law, which commission has awarded a VLT License to Developer.

"VLT" shall mean a video lottery terminal provided or permitted by the State for use in the VLT Facility.

"VLT License" or "License" shall mean the license and any amendment, modification, or restatement thereto, awarded by the Video Lottery Facility Location Commission of the State of Maryland and issued by the State Lottery Commission and any additional or supplemental license issued by the State Lottery Commission or other governmental agency or authority having the power to issue licenses to conduct gaming pursuant to legislation enacted after the date hereof – in all cases in accordance with the State VLT Law or other Applicable Law, as either may be hereafter amended, for the location in Baltimore City.

1.2 Additional Defined Terms.

The following terms are defined in the sections in this Agreement indicated below:

Term	Section
"Acknowledgement"	3.1
"Additional Tax-Based Rent"	4.8.4
"Annual Rent Payment Date"	4.1.2
"BCEG Litigation"	15.2(d)
"BDC"	2.4
"Certificate of Completion"	5.15
"City"	Opening Paragraph
"Conditions of Developer to Possession"	3.1.4
"Construction Contract"	5.11
"Construction Plans"	5.5
"CRC"	7.2
"Date of Possession"	3.1.2
"Default Rate"	14.2
"Design Plans"	5.1
"Designated Mortgagee"	13.3.4
"Developer"	Opening Paragraph
"DHCD"	Opening Paragraph
"Environmental Remediation Credit"	4.9
"Event of Default"	14.3
"First Payment Date"	4.12
"Funds"	2.16
"Generate Hazardous Substances"	8.4
"Grant Statute"	2.16
"Gross Gaming Proceeds"	4.1.2
"Hazardous Substance"	8.6
"Initial Ownership Disclosure"	9.1
"Initial Term"	3.1
"Inspection Period"	2.2
"Insurance Policy"	2.12
"Insurance Trustee"	10.7.1
"Land Records"	2.5
"Late Charge"	4.13
"LDA"	Recital F
"Lease Date"	Opening Paragraph
"Lease Term"	3.2
"Lease Year"	4.1.2
"Licensing Event"	9.10
"MDE"	2.4
"Mid-Year Rent Payment Date"	4.1.2
"Minor Amendment"	6.4
"MOED"	7.2
"Monetary Encumbrances"	2.3
"MOU"	7.2
"Net Proceeds"	10.7.4

"Non-Monetary Event of Default"	14.3.2
"Opening Date"	4.1.2
"Option Properties"	5.14
"Participation Rent"	4.1.2
"Payment Event of Default"	14.3.1
"Permits"	5.3
"Permitted Disposition"	9.3
"Permitted Exceptions"	2.3
"Planning Department"	5.1
"Plans"	5.2
"Prime Rate"	10.3
"Private Party Successor"	9.10
"Project Description"	1.1
"Project Participants"	2.12
"Property"	Recital A
"Purchase Offer"	9.11
"Purchase Offer Notice"	9.11
"Qualified Environmental Expenses"	2.2
"Qualified Expenses"	2.16
"RAP"	2.4
"Real Estate Taxes"	12.1
"Reconstruction Work"	10.7.2
"Renewal Notice"	3.2
"Renewal Plan"	Recital B
"Renewal Term"	3.2
"Rent Payment Date"	4.1.2
"Sale Property"	Recital F
"Schematic Plans"	5.1
"Settlement"	3.1.2
"SPRC"	4.10
"Standards"	8.1
"State VLT Law"	Recital E
"Subject Group"	9.10
"Subsequent Defect"	2.3
"Survey"	2.3
"Term"	3.2
"Title Company"	2.3
"Title Cure Period"	2.3
"Title Objection Period"	2.3
"Title Policy"	2.3
"UDARP"	5.1
"VLT Facility"	Recital D

1.3 Miscellaneous Definitions and Rules of Construction.

Words of any gender shall be deemed and construed to include correlative words of each other gender. Unless the context shall otherwise indicate, words importing the singular number include the plural number and vice versa. The verb forms of the term, e.g., "Disposition", whether or not spelled with an initial capital letter, shall be subject to the appropriate interpretation. "Including" shall mean "including, but not limited to." Any Exhibit referred to shall mean an Exhibit to this Agreement, and is intended to be incorporated in this Agreement. Any reference to a statute shall mean that statute as in effect on the Lease Date and as it may thereafter be amended.

ARTICLE II
GENERAL TERMS OF LEASE

2.1 Lease of the Property.

Subject to and upon the restrictions, covenants, conditions, terms, and provisions of this Agreement, effective on the Lease Date, the City hereby demises and leases the Property unto Developer, and Developer hereby takes and leases the Property from the City.

2.2 Condition of Property.

(a) The Property will be accepted by Developer in an "As Is" condition at the Date of Possession. The City makes no guaranty or warranty as to the suitability of the Property for any purpose, the physical or environmental condition of the Property, or the suitability of the Property under §9-1A-36(h)(1)(v) of the State VLT Law as such suitability may be determined by the Video Lottery Facility Location Commission. Developer specifically waives and releases, and the City expressly disclaims all warranties or representations, express, implied, statutory, or otherwise (including of fitness for any purpose intended by Developer) with respect to the Property or its condition, except for any representations or warranties that are expressly set forth in this Agreement or in the LDA. Developer specifically waives and releases, and the City expressly disclaims all warranties or representations, express, implied, statutory, or otherwise (including warranties of fitness for a particular purpose) with respect to the Property, or its condition. Developer specifically disclaims all rights, remedies, recourse, or other basis for recovery (including any rights, remedies, recourse, or basis for recovery based on negligence or strict liability) that Developer would otherwise have against the City in respect to the Property; provided, however, that this disclaimer does not waive, limit, admit, or impact any obligations that the City may or may not have to the United States Government, any Federal Agency, the State of Maryland, or any State authority under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.), or any other Applicable Law, as any such law may be amended from time to time, and any regulations promulgated thereunder. Subject to the terms of this Agreement, the disclaimers in this section specifically extend to (1) matters relating to hazardous materials and compliance with environmental laws, (2) geological conditions, including subsidence, subsurface conditions, water table underground streams and reservoirs (and other underground water conditions), limitations regarding the withdrawal of water, earthquake, floodway, or special flood hazard, (3) drainage, (4) soil conditions, including the

existence of instability, conditions of soil fill, susceptibility to landslides, and the sufficiency of any under-shoring, (5) zoning and subdivision and compliance with zoning and subdivision laws, (6) the value and profit potential of the Property, (7) design, quality, suitability, structural integrity, and physical condition of any improvements on the Property, and (8) compliance of the Property with any laws. Developer has not relied upon and will not rely upon, either directly or indirectly, any statement of the City or any of its affiliates or any officer, agent, employee or other person acting or purporting to act on behalf of the City except for the representations and warranties expressly made by the City in this Agreement. Developer acknowledges that it has conducted or will conduct such inspections and investigations as to the condition of the Property as it deems necessary to protect its interests. Developer acknowledges and agrees that the disclaimers, waivers, and releases set forth herein are an integral part of this Agreement and that the City would not have agreed to complete the lease on the terms provided in this Agreement without the disclaimers, waivers, and releases set forth herein.

(b) The Developer shall have the right, during the period beginning on the Lease Date and ending on the Date of Possession (the "Inspection Period"), to enter the Property to undertake, at its sole cost and expense, site, engineering, appraisal, soil tests, environmental, and such other inspection analyses and studies of the Property as Developer may deem reasonably necessary and to take such other actions as Developer deems reasonably necessary to satisfy itself that it wishes to proceed with the ground lease of the Property. Such investigations may be conducted by Developer or any designee of Developer, including, without limitation, engineers, accountants, architects, and Developer's employees, during normal business hours and upon reasonable notice to the City or its designated agents. The City shall (i) reasonably cooperate with Developer in the course of Developer's investigations and evaluations of the Property and (ii) make available to Developer such persons, agents, and representatives of the City who are involved with the operation, management, or maintenance of the Property. The City represents that it has heretofore provided Developer with copies of all material studies, reports, and surveys that it previously received from a developer to which BDC had provided a since terminated right of entry on or about March 16, 2007.

(c) If Developer's environmental consultant reasonably determines that Qualified Environmental Expenditures (as defined below) would likely exceed Four Million Dollars ($4,000,000), Developer may either (i) elect to cancel and terminate this Agreement pursuant to this Section 2.2(c) or (ii) reduce Developer's rental obligation pursuant to Section 4.9, as follows:

(i) If Developer's environmental consultant reasonably determines that the Qualified Environmental Expenditures (as defined below) would likely exceed Four Million Dollars ($4,000,000) and Developer elects to not to proceed with the lease of the Property, Developer, provided that it has submitted to the Video Lottery Facility Location Commission a request for a refund of its initial license fee (and such Commission subsequently approves the termination of the VLT License) may cancel and terminate this Agreement by notifying the City of such election in writing prior to thirty (30) days after the substantial completion of the excavation for the Improvements (as shown the Construction Plans for the VLT Facility under this Agreement and for the Garage under the LDA) and, upon such termination, neither party to this Agreement shall have any further obligation, liability, or responsibility to the other under

this Agreement, except as otherwise expressly provided in this Agreement. Any notice of termination pursuant to this Section 2.2(c) shall include evidence of all incurred Qualified Environmental Expenditures or the written determination of Developer's environmental consultant of the estimated Qualified Environmental Expenditures, together with supporting studies and reports of such estimated Qualified Environmental Expenditures and a copy of any and all submissions by Developer to the Video Lottery Facility Location Commission in regard to a request for a refund of the initial license fee and a termination of the VLT License. Notwithstanding anything in the foregoing to the contrary, in such event, Developer shall (A) diligently comply with all of its obligations under the RAP (as defined in Section 2.4) or as may be required by MDE to stabilize the Property in connection with a pre-completion cessation of construction, (B) return the Property graded and fenced, and (C) return the Property free and clear of any Mortgage or Developer-created liens, charges, encumbrances, or title defects. Each of the foregoing obligations shall be pre-conditions to the termination of the Term of this Agreement in accordance with this Section. In connection with such termination, upon the City's written request, Developer shall use commercially reasonable efforts, for a period of ninety (90) days following Developer's satisfaction of the foregoing conditions, to assign this Agreement to a third party designated by the City (instead of the Agreement being terminated), provided that such assignment is on an "as-is" basis, without representation or warranty, containing a release of claims against Developer (which release shall be substantially similar to the release in Section 2.2(a) that benefits the City), and otherwise on terms and conditions reasonably acceptable to Developer.

(ii) For the purposes herein, "Qualified Environmental Expenditures" are defined as any and all out of pocket costs, either incurred or reasonably estimated to be incurred, of the activities required to be undertaken by Developer to comply with the RAP as amended and approved by MDE and to secure an MDE-issued environmental certificate of completion. In any event, if Developer proceeds with environmental remediation of any nature or cost, Developer shall be responsible for developing and implementing any remediation plan or plans and funding the costs of such development and implementation (as well as the costs of any other remediation). Qualified Environmental Expenditures do not include costs associated with normal construction costs for construction of the VLT Facility or the Garage (which, for the purposes of this Section 2.2(c), shall not include any foundation costs whatsoever) and in no event shall include any environmental remediation costs, if any, arising from any improvements to the Sale Properties.

(d) From the Lease Date until and through the Date of Possession, the City shall: (i) without having first obtained the prior written consent of Developer in each instance, which consent may be withheld in Developer's sole and absolute discretion, not (A) convey or transfer the Property or any portion thereof or any interest therein or create on the Property or any portion thereof any easements, liens, mortgages, encumbrances, or other interests, or (B) enter into any contracts, agreements, or other commitments with any Person with respect to the Property (unless such contract, agreement, or commitment is not binding upon Developer and/or may be terminated by the City prior to or upon the Date of Possession); (ii) deliver notice to Developer of (Y) any suits or claims affecting the Property that the City has or receives knowledge of, or (Z) any actual or threatened condemnation of any portion of the Property that the City has or receives knowledge of; and (iii) pay all taxes, assessments, water and sewer service charges, and all other applicable public utilities with respect to the Property. For the purpose of this Section, "knowledge of the City" refers to the City Solicitor (who is the Person upon which service of process is made for suits against the City).

2.3 Condition of Leasehold Title and Property.

(a) The lease and demise of the Property by the City to Developer shall convey good and marketable leasehold title to the Property, free and clear of all liens and encumbrances created by the City, but subject, however, to the following (the "Permitted Exceptions"):

(i) those exceptions to the title of the Property set forth on Exhibit D and all other matters, if any, that affect the Property and are recorded among the Land Records as of the Lease Date;

(ii) the Renewal Plan;

(iii) the Middle Branch Master Plan (as adopted by the Baltimore City Planning Commission on September 20, 2007);

(iv) the terms, conditions, and covenants of this Agreement;

(v) any easements to which Developer consents in writing;

(vi) unrecorded easements, if any, on, above, or below the surface, and any discrepancies or conflicts in boundary lines or shortage in area or encroachments, in each case that a proper ALTA/ACSM survey or an inspection of the Property would disclose; and

(vii) to the extent affecting the Property, the LDA and any agreement to which the LDA refers.

(b) Developer has obtained a commitment for a leasehold policy of title insurance (including complete legible copies of all documents referred to therein) (the "Title Insurance Commitment") issued by a title agent selected by Developer (the "Title Company"). The Title Company has delivered to Developer a marked-up copy of the Title Insurance Commitment or a pro forma leasehold policy of title insurance in form and content that is reasonably acceptable to Developer. Neither the City, nor Developer shall do anything to cause a change in the title to the Property from the Lease Date through the Date of Possession and, after the Date of Possession, the City shall not cause any lien, encumbrance, or restriction to be placed upon Developer's leasehold interest in the Property (except as expressly set forth in this Agreement). Developer may cause the Title Company to deliver to Developer (with a copy to the City) a final ALTA leasehold policy of title insurance (together with all endorsements thereto) consistent with the marked-up Title Insurance Commitment or pro forma (and all endorsements thereto), that were requested by Developer prior to the Lease Date (the "Title Policy").

2.4 Remediation and Cost.

(a) As stated in Section 2.2 and subject to Section 2.2(c), Developer is taking the Property in its "as is" present condition. The City has prepared a Response Action Plan ("RAP") for the remediation of the Property. In the absence of a final development plan, City of Baltimore Development Corporation ("BDC") on behalf of DHCD, created a RAP that assumed

a large scale commercial development on the Property with building footprints likely compatible with a VLT Facility operation. The RAP was approved by the Maryland Department of the Environment ("MDE") on or about September 15, 2011 and it provides a blueprint for conducting the required environmental remediation of the Property. Developer (a) acknowledges the receipt of the RAP, (b) understands that Developer is required to submit its final development plan to MDE as an amendment to the RAP, and (c) covenants and agrees to (i) submit such final development plan, (ii) participate in MDE's Voluntary Cleanup Program, and (iii) if and as applicable, negotiate and enter into a certificate of completion with MDE under §7-512 of the Environment Article of the Annotated Code of Maryland (an "Environmental Certificate of Completion"). Any modifications to the RAP must be negotiated between Developer and MDE.

(b) To the extent required by MDE as a condition to acknowledging Developer's satisfaction of the RAP, as amended, or as a condition to issuance of a MDE-issued environmental certificate of completion at the request of Developer, City (as fee simple land owner) shall enter into any and all deed restrictions and customary documents reasonably required by MDE (to the extent required under Applicable Law and consistent with the RAP). To the extent so required by MDE, at the reasonable request of Developer, City shall cooperate with Developer in the recordation of such deed restrictions to ensure the same are binding upon City, and any other successor or assignee of the Property.

(c) All expense and risk of implementing the RAP shall be borne by Developer (which, in accordance with Section 4.9, has certain "reduction in rent" rights against its payment of Rent to the City). The City makes no representation or warranty concerning the RAP.

2.5 No Recordation before Date of Possession.

Developer shall record this Agreement among the real property records for Baltimore City, Maryland (the "Land Records of Baltimore City" or the "Land Records") at any time on or after, but not before, the Date of Possession. If Developer records this Agreement before the Date of Possession, that shall constitute an immediate Event of Default by Developer.

2.6 Use Restrictions.

Developer covenants and agrees for itself, and its successors and assigns, to comply with the following use restrictions (except as otherwise permitted under Section 6.3 of this Agreement):

(a) Developer shall develop and operate the Property solely for the uses set forth in the License and sublease space within the Improvements for the types of subtenants as generally described in the Project Plan and in accordance with Applicable Law.

(b) Developer shall not devote the Property to any uses that are not allowed in the applicable Zoning and Urban Renewal Ordinances, as may be amended from time to time, even if set forth in the Project Plan. Developer may operate the Property in accordance with any and all applicable variances, special exceptions, lawful non-conforming uses, and/or any and all other such lawful exceptions thereto.

(c) Except as shown on the Construction Plans (as hereinafter defined) and in accordance with Section 2.12 and Article V, no permanent building or structure shall be constructed over any existing public utilities or any recorded easements which preclude construction of improvements, without the prior written consent of the City, acting through the Commissioner of DHCD and the Director of the Department of Public Works, which consent may be withheld in its sole discretion.

(d) Upon final completion of the Project (subject to Section 5.10(c) and any events of force majeure, including, but not limited to, any severe weather-related conditions), all land not covered by structures, paved parking, loading or related service area, paved areas for pedestrian circulation, decorative surface treatment, or used or to be used for construction staging or other similar purposes for the Project, must (until such land is so covered) include planting of any, all, or a combination of the following: trees, shrubs, ground cover, grass, or flowers. The kind of landscape treatment required by this Section 2.6 shall be set forth in the Construction Plans which landscape treatment in this respect, shall be determined by the nature of the development, the impact of the development on the surrounding area and should serve to improve the utility of the site, soften and relieve the effects of structure and pavement, and provide a visual harmony. All screening and landscaping shall be maintained in good condition, subject, however, to reasonable periods for re-landscaping, reconstruction, further development, casualty, and events of force majeure. Notwithstanding anything to the contrary in this subsection, (i) any landscape treatment installed by Developer pursuant to the Construction Plans approved by the City (or the appropriate agency thereof) shall be deemed to satisfy the conditions of this subsection; and (ii) Developer's compliance with the Middle Branch Master Plan, as in effect as of the Lease Date shall constitute compliance with the provisions of this subsection (d) as of the Lease Date. For avoidance of any doubt, the City and Developer agree that if the City approved any Construction Plans (including, but not limited to, as to "visual harmony") and Developer constructs the Improvements in accordance with such Plans (and a Certificate of Completion is issued or deemed to be issued), the City cannot later (in the exercise of its rights under this Agreement) require alterations (e.g., to satisfy a later view of "visual harmony") unless Developer later proposes to make modifications to the Improvements of a nature that would require review and approval under Applicable Law.

(e) The Project must initially include off-street parking in the Garage to be constructed on the Garage Property, with the greater of (i) such number of parking spaces required by the Zoning Code for uses upon the Property and the Garage Property, or (ii) as shown on the Construction Plans for the Property and the Garage Property; provided, however, to the extent permitted by Applicable Law, Developer may provide parking in other locations or with a minimum of fewer parking spaces from time to time in the event of any damage or destruction to the Garage or if market conditions otherwise dictate.

(f) All signs on the Property shall comply with standards for signs (other than construction and other temporary signs) as set forth in the Baltimore City Zoning Ordinance and the Renewal Plan, each as may be amended from time to time, or any properly issued variance therefrom. Such standards regulate the size, types, placement, permanence, and nonconformance of signs.

2.7 Restrictive Covenants and Local Programs.

Developer covenants and agrees to develop the Property in accordance with this Agreement (including Section 2.6 and the Project Plan) and the Renewal Plan. This covenant shall bind on and run with the land for the term or terms of this Agreement. The anti-discrimination covenants in Section 2.8 of this Agreement shall bind on and run with the land forever. Any lease or other conveyance of all or any part of this Property is subject to Section 2.6 and 2.8, without limiting the application of the other covenants and agreements herein.

2.8 No Discrimination.

No covenant, agreement, lease, conveyance, or other instrument shall be effected or executed by Developer, or any of its successors or assigns, whereby the Property, or any portion thereof is restricted by Developer, or any successor in interest, upon the basis of race, color, religion, national origin, ancestry, sex, marital status, physical or mental disability, or sexual orientation in the sale, lease, use, or occupancy thereof. Developer will comply with Federal, State, and local laws prohibiting discrimination upon the basis of race, color, religion, national origin, ancestry, sex, marital status, physical or mental disability, or sexual orientation in the providing of public accommodations, the sale, lease, rental, use, or occupancy of the Property and the Improvements, and in the operation of the Project.

2.9 Changes in Covenants.

The City expressly reserves the right at any time and from time to time to annul, waive, change, or modify with the written consent of Developer and any Mortgagee, any of the above-mentioned restrictive covenants in this Agreement or which apply to the Property but not the anti-discrimination covenants contained in Section 2.8; provided, however, that any such annulment, waiver, change, or modification of any restrictive covenants contained in this Agreement or any other agreement shall be effective only if evidenced by a written instrument duly executed and acknowledged by the City and Developer and recorded among the Land Records of Baltimore City.

2.10 Beneficiary of Covenants.

The City, acting through DHCD or otherwise, shall be deemed the beneficiary of all the covenants and agreements contained in this Article and elsewhere in this Agreement. Such agreements and covenants shall run in favor of the City, for the entire period for which such covenants shall be in force and effect under this Article, without regard to whether the City has at any time been, remains, or is in ownership of any land or interest therein in the Renewal Area. The City, acting through DHCD or otherwise, shall, have the right, in the event of any breach of any such covenant of which it is a beneficiary and following the expiration of all applicable cure periods set forth in this Agreement, including, without limitation, all cure periods afforded to any Mortgagee pursuant to Article XIII hereof, to exercise all the rights and remedies, and to

maintain any action at law or other proceedings to enforce the curing of such breach of agreement or covenants to which it is a beneficiary.

2.11 City's Direct Enforcement Rights.

After the occurrence and during the continuance of an Event of Default and following the expiration of all cure periods afforded to any Mortgagee pursuant to Article XIII, the City shall have the right to enforce the requirements and limitations imposed upon Developer by Sections 2.6 (Use Restrictions), 2.7 (Restrictive Covenants and Local Programs), and 2.8 (No Discrimination) of this Agreement by legal proceedings filed directly against any Tenant (whether or not the lease, sublease, or other such agreement expressly provides for such direct right of enforcement). As a precondition to the City providing any non-disturbance, recognition, and attornment agreement with any Tenant (in accordance with Section 9.9 or otherwise), the City may require that such lease, sublease, or other such agreement with such Tenant shall expressly provide for such direct right of enforcement. If Developer fails to include such requirements and limitations in any such lease, sublease, or agreement, all Tenants, shall, nevertheless, be bound by such direct right of enforcement upon the recording of this Agreement. Notwithstanding anything to the contrary, Developer shall not have any liability or obligation whatsoever for any acts or omissions of (a) Tenants of the Property (provided that Developer's lease, license, or other agreement with such tenant expressly refers to Sections 2.6 - 2.11 herein or otherwise incorporates the provisions of such Sections) or (b) any other Person not affiliated with Developer, in violation of the foregoing Sections 2.6, 2.7, or 2.8 or another provision of this Agreement.

2.12 Easements And Other Rights.

(a) Grant of Rights by the City. The City grants unto Developer, subject to Applicable Law, for the benefit of, Developer, effective as of the Date of Possession, upon payment of only those usual and customary fees and upon a confirmatory written agreement, the following, the specific details of which will be incorporated into customary developer and other agreements between Developer and the City's Department of Public Works ("DPW") or other applicable City agency:

(i) Utility Rights. The perpetual, non-exclusive right and easement on behalf of Developer and, if granted by Developer, to third parties in contractual or legal relationships with Developer, including but not limited to utility companies and other service providers (collectively, the "Project Participants"), subject to Applicable Law and to existing agreements between the City and various utility companies, to install, maintain, repair, and replace all necessary or desirable underground utility facilities such as water, gas, electric, steam, chilled water, data and telephone lines, and storm and sanitary sewers serving the Property and Improvements thereon, in the locations shown therefor on the Construction Plans (which shall have been submitted and approved in accordance with Article III), or at such other locations on or off of the Property as may be approved by the City, in writing, such approval from time to time (A) not to be unreasonably delayed, conditioned or withheld if on the Property and (B) to be granted in the City's sole, but reasonable discretion if off the Property. All costs for installing and constructing such underground utility facilities and connections shall be borne by Developer.

The area provided to, and requirements upon Developer and Project Participants in the exercise of such right shall be determined, from time to time, by the appropriate Department of the City, consistent with this Agreement, upon the granting of each permit for such construction, modification, restoration, reconstruction, maintenance, or repair.

Upon completion of the Improvements, the City and Developer (or a Project Participant designated by Developer, as applicable) shall enter into one or more supplementary agreements confirming and showing the location of any such easements, which supplementary agreement shall be recorded, at Developer's cost, among the Land Records of Baltimore City. Any such supplementary agreement shall be subject to approval by the Board of Estimates, if so required by Applicable Law. In the event such supplementary agreement is subject to approval by the Board of Estimates, the City shall endeavor to place such supplementary agreement on the agenda for consideration by the Board of Estimates within two weeks following the finalization of such agreement and Developer's request therefor. In the event such supplementary agreement is not subject to approval by the Board of Estimates, the City shall execute and deliver to Developer any such supplementary agreement described in this Section within fifteen (15) days of Developer's request therefor. Nothing in this Section 2.10 (a)(i) shall transfer to Developer the responsibility to maintain any utilities which are owned by the City.

(ii) Construction Staging Easements. The exclusive, temporary right and easement on behalf of Developer (and, if granted by Developer, to Project Participants), subject to Applicable Law, without payment by Developer of any rent or other charge or fee in the nature of rent, to use any other City-owned or controlled areas that are immediately adjacent to, or across a public right-of-way from, the Property, for construction related staging, storage, offices, and the like, during the construction, modification, restoration, reconstruction, maintenance, and/or repair of the Improvements or other improvements to the Property, for such period of time reasonably required to perform such work. Prior to any use thereof, Developer must obtain written approval therefor from the appropriate department of the City. In any event, no approval shall be given unless and until such departments receive a detailed schedule showing the proposed location of such construction staging area and the probable duration for which such area would be needed. Upon the expiration of the construction-related rights set forth above, Developer's rights of possession of such areas shall terminate, and at Developer's cost, Developer shall restore such easement area to a condition substantially similar to the condition of such easement area immediately prior to Developer's possession thereof. The provisions of this Section are not intended to modify any of Developer's obligations hereunder concerning the construction and development of the Improvements.

(iii) Minor Privilege Easement. The City and Developer acknowledge that it may be necessary or desirable in connection with the development of the Project to construct minor projections or encroachments into or upon public rights of way adjoining the Property. Therefore, to the extent that minor encroachments into or onto surrounding walkways or other City-owned property, by signs, canopies, roofs, building overhangs, garage openings, or other like projections from the Improvements exist, Developer is hereby granted a non-exclusive right and easement to construct, install, maintain, repair, and replace the same into or upon adjoining City-owned property, subject to the normal minor privilege review-and-approval process and payment of all standard fees charged by the City for such minor privileges. The Department of

Public Works is hereby authorized and empowered on behalf of the City, pursuant to standard City procedures, to execute and deliver, from time to time, such instruments or documents as may be necessary or desirable for the confirmation of such rights and easements.

(b) Limitations on Easement Rights. The rights and easements granted and reserved herein shall be limited as follows:

(i) Cluster of Utility Lines. Developer and the City shall use commercially reasonable efforts to cluster underground utility lines and minimize construction below the surface of the easement area in the design and construction of any Improvements (or other conduit, utility, and sewer lines) located on or adjacent to the Property.

(ii) Notification Prior to Repair. Each party shall give at least thirty (30) days advance written notice with sufficient detail to the other party of its intention to carry on any construction, replacement, maintenance, or repair activity at any time in any easement area, except in the event of an emergency or except in connection with field conditions incurred in connection with construction activities in which event no advance notification shall be required (provided, however, that in such event notice shall be made as reasonably practicable). Developer, notwithstanding anything in the foregoing or in this Section 2.12 to the contrary, shall comply with the City's rules and regulations (including, but not limited to, any notice and bonding requirements) when engaged in the construction, replacement, maintenance, or repair of underground utilities in the public ways or on City-owned property.

(iii) Other Limitations. The City and Developer:

(A) shall carry on any construction, replacement, maintenance, or repair activity on the easement areas pursuant to the terms and provisions of this Agreement and shall use commercially reasonable efforts to complete the same in a reasonable time period given the circumstances and, to the extent practicable, shall not block or materially disrupt the easements and rights granted to the other hereunder;

(B) to the extent practicable, shall not carry on any construction, replacement, maintenance, or repair activity in the easement area in such a manner as to interfere unreasonably with the use and enjoyment of the other party's property; and

(C) to the extent practicable, take into account any reasonable concerns of tenants and Project Participants with respect to any construction, replacement, maintenance, or repair activity on the easement areas; provided, however, that this Section does not impose any obligation on either Developer or the City to construct, replace, maintain, or repair any utility lines (except as may be expressly set forth in this Agreement or in any other written agreements).

(c) Restoration of Surface. Promptly upon the completion of any such construction, replacement, maintenance, or repair activity, the party undertaking such work shall, at its sole cost and expense, restore the surface of the easement area and any improvements thereon as nearly as possible to their former condition, appearance, and quality (or, at such party's option, in better condition, appearance and quality).

2.13 City Joinder in Applications, Easements, and Zoning Approval.

Within ten (10) Business Days after receipt of written request from Developer, but subject to Applicable Law and to the extent not inconsistent with the Project Plan, City agrees to join in any and all reasonable applications for permits or Developer's agreements in connection with the construction, operation, and maintenance of the Improvements, and shall also join in any grants or easements for electric, telephone, gas, water, sewer, and other public utilities and facilities, or access roads, or other facilities useful or necessary to the operation of the Improvements or the construction thereof. The City shall do so only to the extent its joinder is required because the City is the landlord of Developer.

2.14 Indemnity by Developer.

Except to the extent caused by the negligence or willful misconduct of the City, Developer shall indemnify and save City harmless against and from, and shall reimburse City for, all liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments, and expenses, including reasonable attorney's fees, which may be imposed upon or incurred or paid by or asserted against City or City's fee, reversionary, or other interest in the Property by reason of or in connection with any of the following:

(a) Developer's use and occupancy of the Property, including any sublease;

(b) the conduct of Developer's business or any work or activity allowed or permitted by Developer to be done in or on the Property;

(c) any recording fees, recordation tax, or transfer tax that may be imposed upon the recordation of this Agreement; and

(d) any other acts or omissions of Developer, its agents, employees, invitees, or contractors in or on the Property.

2.15 Reports.

Developer shall provide the City with copies of any and all monthly, quarterly, annual, and other reports by which Developer reports Gross Gaming Proceeds to the State Lottery Commission and, subject to any limitations set forth in the License, the State VLT Law, or otherwise imposed in writing upon Developer by the State Lottery Commission, Developer will, upon the City's reasonable written request, provide to the City such other reports, statements, and information as the City may request in order for the City to monitor compliance by Developer with the provisions of this Agreement; provided, however, such reports, statements, and information shall be limited to those that are (i) expressly provided for under this Agreement (or as may reasonably requested in conjunction with a review or audit in accordance with Section 4.11), (ii) required to be delivered to the State Lottery Commission and that are publicly available, or (iii) generally required by the City of all business operators within the City or customarily required by the City from its lessees under leases of properties in urban renewal

areas. Developer shall respond to such requests within a reasonable time, not to exceed sixty (60) days. The City's requests for reports will be reasonable in respect of timing and the nature and amount of information requested. To the extent Developer provides the City any reports or information that is not generally available to the public, the City shall treat such reports and information as "confidential commercial information" and "confidential financial information" that is protected from disclosure under the Maryland Public Information Act, Title 10, Subtitle 6, Part III of the State Government Article to the extent permitted under such law.

2.16 Use of Local Impact Grants.

The City expects to receive local impact grant funds (the "Funds") from the State under §9-1A-31 of the State VLT Law (such provision is hereinafter called the "Grant Statute") which funds will be paid out of Gross Gaming Proceeds and are to be used for improvements in the communities in immediate proximity to the VLT Facility. (For purposes of this Section 2.16 only, the term "year" means the twelve-month period that begins on the Opening Date and each of the two twelve-month periods thereafter.) The City will include in the City's multi-year plan that the City will propose to the City's local development council and will recommend favorably to such council in respect to the expenditure of the Funds in accordance with the Grant Statute, payments to be made to Developer to reimburse Developer for Qualified Expenses (as defined below) incurred by Developer. The payment amount each year will be equal to all Qualified Expenses, but in no event in excess of Two Million Dollars ($2,000,000) with respect to each of the first three years and Six Million Dollars ($6,000,000) in the aggregate for the three years. The term "Qualified Expenses" means all costs and expenses incurred and paid by Developer, its managers or affiliates (during the period commencing with the Lease Date and terminating with the end of the third twelve-month period after the Opening Date) related to the Project, including, but not limited to, expenses for improvements related to the construction of the VLT Facility and the Garage, *provided that* such local impact grants shall only be used for improvements in the communities in immediate proximity to the VLT Facility and Garage and for the following purposes, all subject to §9-1A-31(b)(3) under the Grant Statute as determined by DHCD (on behalf of the City) in its reasonable discretion:

(a) infrastructure improvements;

(b) public facilities;

(c) public safety;

(d) sanitation;

(e) economic and community development, including housing;

(f) other public services and improvements; and

(g) such other purposes as may be authorized under the Grant Statute as amended from time to time.

The City will make one payment to Developer or as otherwise designated in writing by Developer for each of the three years, in an amount not to exceed Two Million Dollars ($2,000,000) per year, within forty-five days after the end of each year, but only to the extent that (1) the City has received before the end of such year at least Two Million Dollars ($2,000,000) of Grant Funds in respect to such year and (2) Developer has incurred Qualified Expenses in the amount of the payment for which the City has not previously made a payment to Developer under this Section attributable to such Qualified Expenses. To the extent that (y) the City is obligated under this Section 2.16 (and has received such funds from the State), but otherwise fails to pay Developer any Grant Funds pursuant to this Section 2.16, and (z) the local development council has recommended the reimbursement of a particular amount of Grant Funds to be paid to Developer, Developer (after at least thirty (30) days prior written notice) may offset the payment of any Rent due and payable under this Agreement by an amount equal to the Grant Funds otherwise payable to Developer. Notwithstanding anything in this Section 2.16 to the contrary, no Funds shall be considered, included in the calculations under this Section 2.16, or paid to Developer in accordance with this Section 2.16 to the extent that such Funds are required under §9-1A-31(a)(ii) to be distributed in the specific areas for which the Pimlico Community Development Authority acts as the local development council ("Pimlico Distributions"); provided, however, that if in a given year, the City has received less than Two Million Dollars ($2,000,000) in Grant Funds because of Pimlico Distributions, then the City will extend the three-year period to which this Section 2.16 refers for up to three (3) additional years to the extent that may be required for the City to distribute an aggregate of Six Million Dollars ($6,000,000) of Grant Funds to Developer with respect to Qualified Expenses incurred by Developer.

2.17 Gaming-related Lease Modifications.

To the extent permitted by Applicable Law, the Developer may operate any casino table games at the Project, including, without limitation, roulette, baccarat, blackjack, craps, big six wheel, minibaccarat, 12 poker, pai gow poker, or sic bo, or any variation and composites of such games, with the proceeds of such games being included within Gross Gaming Proceeds and without any adjustment in the percentage that determines the Participation Rent as set forth in Section 4.1.2(d). For the avoidance of doubt, (x) the foregoing sentence does not require the amendment of the Project Plan to permit the operation of casino table games at the Project, and (y) gross gaming revenue (defined for purposes of this section as wagers less payouts to patrons) shall be considered part of the Gross Gaming Proceeds for purposes of calculating the Participation Rent.

ARTICLE III
TERM OF LEASE

3.1 Term; Possession.

3.1.1 The initial term (the "Initial Term") of this Agreement shall commence on the Lease Date and continue until 11:59 p.m. on the sixth (6^{th}) anniversary of the Lease Date; provided, however, that the demise of the Property, and Developer's acceptance of the leasehold interest in the Property provided pursuant to this Agreement, shall not arise prior to the Date of Possession. This Agreement shall not terminate and the Term of this Agreement may be

extended from time to time if Developer exercises its rights for a Renewal Term provided to Developer pursuant to Section 3.2. On the Date of Possession, the City and Developer shall enter into an Acknowledgment ("Acknowledgement") commemorating the expiration date of the Initial Term, the Date of Possession, the Rent Payment Dates (as set forth in Article IV), and, if then applicable, the satisfaction of the Conditions of City to Possession (as defined below), which Acknowledgement shall be recorded by Developer among the Land Records of Baltimore City.

3.1.2 Subject to the satisfaction of the Conditions of City to Possession, or the waiver by the City of one or more of the Conditions of City to Possession, the City shall provide possession of the Property in accordance with and subject to this Agreement, by the Date of Possession. Subject to the satisfaction of the Conditions of Developer to Possession, or the waiver by Developer of one or more of the Conditions of Developer to Possession, Developer shall accept possession of the Property by the Date of Possession. Notwithstanding the commencement of this Agreement on the Lease Date, however, the City shall not give possession of the Property to Developer unless and until the Conditions of City to Possession have been satisfied or waived by the City and the Developer shall have no obligation to accept possession of the Property from the City unless and until the Conditions of Developer to Possession have been satisfied or waived by the Developer. The date on which Developer shall have the right to possession is herein called the "Date of Possession," which shall be April 29, 2013, i.e., the same date as the LDA Required Settlement Date as set forth in the LDA. Settlement for delivery of the leasehold estate provided by this Agreement to Developer, including, without limitation, payment by Developer of the Tax Equivalency Charge as provided in Section 12.5, shall take place in the offices of Developer's Baltimore, Maryland counsel on the LDA Required Settlement Date; provided, however, that Developer shall provide the City with not less than twenty (20) days' prior written notice of the Date of Possession.

3.1.3 The obligation of the City to give possession of the Property to Developer is subject to the satisfaction (or waiver by the City) of each of the following conditions precedent on or before the Date of Possession (the "Conditions of City to Possession"):

(a) Developer is not in default under this Agreement or the LDA at the time of the proposed Date of Possession (in respect to a default for which the City has provided notice to Developer in accordance with Section 14.3); *provided that* the Date of Possession shall be extended for no more than thirty (30) days to the date that is the later of (i) the last day on which Developer is entitled to cure such default (not exceeding thirty (30) days for the purposes of this Section), if Developer has not cured such default by such date and (ii) ten (10) days after the date on which Developer has cured such default;

(b) There shall be no action, suit, arbitration, claim, attachment, or proceeding, pending or threatened, against Developer, the City, the Video Lottery Facility Location Commission, or the State Lottery Commission which, if adversely determined to any of them, would materially adversely affect (i) the Property, (ii) the VLT License, or (iii) the operation of the Project; and the award of Developer's VLT License is final and in full force and effect, subject to subsequent issuance by the State Lottery Commission and there is no pending appeal or litigation challenging the manner, means, or methods by which either Commission

awarded the VLT License, including, in particular and without limitation, there has been the full and final resolution to a non-appealable judgment or binding settlement upon all parties to the following actions: (A) In the Appeal of Harborwest Partners, LLC, MSBCA Docket No. 2820, before the Maryland State Board of Contract Appeals; and (B) In the Appeal of Baltimore City Entertainment Group, LP, MSBCA Docket No. 2821, before the Maryland State Board of Contract Appeals; *provided, however, that* the City (in the absence of a court order prohibiting the City from giving possession of the Property to Developer) cannot refuse to provide possession of the Property to Developer due to the existence of the BCEG Litigation;

(c) DHCD shall have approved the Schematic Plans (as hereinafter defined) in accordance with and pursuant to Section 5.1; and

(d) Developer has closed on the purchase of the Garage Property under the LDA concurrently with the delivery of possession of the Property to Developer pursuant to this Agreement.

3.1.4 The obligation of Developer to take possession of the Property is subject to the satisfaction (or waiver by Developer) of each of the following conditions precedent, on or before the Date of Possession ("Conditions of Developer to Possession").

(a) The City is not in default under this Agreement or the LDA at the time of the proposed Date of Possession (in respect to a default for which Developer has provided notice to the City in accordance with Section 14.2); *provided that* the Date of Possession shall be extended for no more than thirty (30) days to the date that is the later of (i) the last day on which the City is entitled to cure such default (not exceeding thirty (30) days for the purposes of this Section), if the City has not cured such default by such date and (ii) ten (10) days after the date on which the City has cured such default;

(b) DHCD shall have approved the Schematic Plans (as hereinafter defined) in accordance with and pursuant to Section 5.1;

(c) Developer is satisfied in its sole discretion with the physical condition of the Property, including, but not limited to, the environmental condition of the Property;

(d) Developer is satisfied in its sole discretion with the RAP and/or has not delivered a termination notice to the City in accordance with Section 2.2(c) of this Agreement. Developer has received (A) the approval of the MDE of an amendment to the RAP for the remediation of the Property that is satisfactory in all respects to Developer and (B) any and all other MDE-granted letters, certificates, affidavits, instruments, and approvals that Developer deems necessary in connection with the remediation of the Property;

(e) The City has not breached its obligation under the LDA to sell the Garage Property to Developer and closing is being effectuated simultaneously therewith;

(f) There shall be no action, suit, arbitration, claim, attachment, or proceeding, pending or threatened, against Developer, the City, the Video Lottery Facility

Location Commission, or the State Lottery Commission which, if adversely determined to any of them, would materially adversely affect (i) the Property, (ii) the VLT License, or (iii) the operation of the Project; and the award of Developer's VLT License is final and in full force and effect, subject to subsequent issuance by the State Lottery Commission and there is no pending appeal or litigation challenging the manner, means, or methods by which either Commission awarded the VLT License, including, in particular and without limitation, there has been the full and final resolution to a non-appealable judgment or binding settlement upon all parties to the following actions: (A) In the Appeal of Harborwest Partners, LLC, MSBCA Docket No. 2820, before the Maryland State Board of Contract Appeals; and (B) In the Appeal of Baltimore City Entertainment Group, LP, MSBCA Docket No. 2821, before the Maryland State Board of Contract Appeals;

(g) There shall be no notice issued of any violation or alleged violation of any Applicable Law with respect to any portion of the Property which has not been corrected to the satisfaction of the issuer of the notice; *provided, however, that* any notice arising from any action by Developer or its agents under Section 2.2(b) of this Agreement shall not constitute a Condition of Developer to Possession;

(h) Bill no. 12-0144 (entitled "Urban Renewal – Carroll Camden – Amendment," permitting "hotel" and (if permitted by State Law) "table games" uses of the Property and enabling the Commissioner to grant the waivers set forth in Section 3.1.4(i)) has been enacted and no challenges to such Bill have been initiated in court;

(i) The Commissioner of DHCD, as will be permitted under the Renewal Plan if the above-referenced Bill is enacted, shall have granted variances or waivers for (A) the height of the Garage (up to 125 feet or such higher amount satisfactory in his sole discretion) and (B) signage (as preliminarily shown on the submitted Schematic Plans or as may be satisfactory in his sole discretion);

(j) Provided that Developer has submitted a written request for approval within thirty (30) days of the Lease Date, Developer has obtained from the State all required Critical Area Habitat Protection Area-related approvals relating to the site plan for the Project;

(k) There shall be no material lien, encumbrance, or title defect that (i) occurred after the Lease Date (expressly excluding any liens, encumbrances, or title defects occurring prior to the Lease Date, whether or not appearing on the Title Commitment and any liens, encumbrances, or title defects caused by Developer), and (ii) results in Developer's Title Company including in the Title Policy an adverse title exception to which Section 2.3 or Exhibit D do not refer;

(l) To the extent necessary to facilitate the eventual delivery of the Title Policy to developer, City has delivered to Developer's Title Company, the affidavit to which Section 17.12(a) refers;

(m) As set forth in Exhibit D, a Release of Rights Under Ordinance and Siding Agreement reasonably acceptable to Developer has been executed and delivered by CSX Transportation, Inc. and the City, and;

(n) If State law (in accordance with Chapter I of the Acts of the General Assembly of the 2012 First Special Session and subject to the referendum required by Section 6 of that Act) permits table games, an amendment to Baltimore City Zoning Code Section 6-306 permitting "Table Games" in the B-2 Zoning District shall have been enacted.

Developer and the City recognize that some of the Conditions in Sections 3.1.3 and 3.1.4 are unlikely to be satisfied (or, being construction-related, cannot occur) by the final adjourned Date of Possession (as set forth in Section 3.1.6) and that, if Developer were to take possession of the Property in the first quarter of 2013, it is likely that several Conditions would not have been satisfied by then.

3.1.5 City Conditions Precedent. In the event any one or more of the Conditions of City to Possession are not satisfied on or before the tenth (10^{th}) Business Day prior to the Date of Possession, then the City shall notify the Developer in writing of the particulars of each such unsatisfied condition within three (3) Business Days thereafter. Whether or not the Developer receives such a notice, the Developer shall have the option to adjourn the Date of Possession at any time prior to the Date of Possession upon notice to City until a date no later than one hundred eighty (180) days after the Date of Possession in order to attempt to satisfy any unsatisfied condition(s); provided, however, if the Developer commences and is diligently pursuing its cure within such one hundred (180) day period but the cure cannot be reasonably completed in that period of time, the Developer may adjourn the Date of Possession for up to an additional thirty (30) days after the expiration of such one hundred eighty (180) day period. Any adjournment of the Date of Possession pursuant to this Section 3.1.5, shall extend the time periods for completion of the VLT Facility pursuant to Section 5.4 (to the extent permitted by State VLT Law). If, by the final adjourned Date of Possession, the cause for the adjournment has not been removed, remedied, or cured, as applicable, then City shall, as City's sole and exclusive remedies within thirty (30) days after the final adjourned Date of Possession as the same may be extended, either (i) waive by written notice to Developer, compliance with any of the Condition(s) of City to Possession that has not been satisfied; or (ii) elect to cancel and terminate this Agreement upon written notice to the Developer, in which event, neither party hereto shall thereafter have any further liability, responsibility, or obligation to the other under this Agreement, except with respect to any provision hereof which expressly survives the termination of this Agreement. If City waives all such remaining Conditions of City to Possession which have not then been satisfied, then the City shall deliver possession of the Property to Developer within thirty (30) days after City gives the Developer such notice and Developer will settle and take possession of the Property. If the City elects under clause (ii) to terminate the City's obligations under this Agreement, Developer shall have no further right to take possession of the Property and/or to purchase the Garage Property or the other Sale Properties, whether or not the Conditions of Developer to Possession have been satisfied.

3.1.6 Developer Conditions Precedent. If any one or more of the Conditions of Developer to Possession are not satisfied on the tenth (10^{th}) Business Day prior to the Date of

Possession, then Developer shall notify the City in writing of the particulars of each such unsatisfied condition within three (3) Business Days thereafter. Whether or not the City receives such a notice, the City shall have the option to adjourn the Date of Possession at any time prior to the Date of Possession upon notice to Developer until a date no later than one hundred eighty (180) days after the Date of Possession in order to attempt to satisfy any unsatisfied condition(s); provided, however, if the City commences and is diligently pursuing its cure within such one hundred (180) day period but the cure cannot be reasonably completed in that period of time, the City may adjourn the Date of Possession for up to an additional thirty (30) days. Any adjournment of the Date of Possession pursuant to this Section 3.1.6, shall extend the time periods for completion of the VLT Facility pursuant to Section 5.4 (to the extent permitted by State VLT Law). If, by the final adjourned Date of Possession, the cause for the adjournment has not been removed, remedied, or cured, as applicable, then Developer shall, as Developer's sole and exclusive remedies within thirty (30) days after the final adjourned Date of Possession, either (i) waive compliance with any such Condition(s) of Developer to Possession that has not been satisfied by written notice to the City; or (ii) elect to cancel and terminate this Agreement upon written notice to the City, in which event, neither party hereto shall thereafter have any further liability, responsibility, or obligation to the other under this Agreement, except with respect to any provision hereof which expressly survives the termination of this Agreement. If Developer waives all such remaining Conditions of Developer to Possession which have not then been satisfied, then the City shall deliver possession of the Property to Developer within thirty (30) days after Developer gives the City such notice. If Developer elects under clause (ii) to terminate its obligations, then Developer shall have no further right to take possession of the Property and/or to purchase the Garage Property or the Sale Properties.

3.2 Extension; Renewal Options.

Developer shall have nine (9) separate, successive options to extend the Term of this Agreement. Each such extension period after the Initial Term shall be referenced in this Agreement as a "Renewal Term". The first Renewal Term shall be for six (6) years. The second Renewal Term shall end upon the fifteenth (15^{th}) anniversary of the earlier of (a) the Opening Date and (b) that date which is thirty (30) months after earlier of (i) the License Award Date or (ii) July 31, 2013. The third, fourth, fifth, sixth, seventh, and eighth Renewal Terms shall be for five (5) years each. The ninth and final Renewal Term shall end upon the fiftieth (50^{th}) anniversary of the License Award Date. In the event Developer elects to extend the Term of this Agreement for any Renewal Term, Developer shall give the City written notice of the Developer's election to further extend the Term of this Agreement for any Renewal Term at least one hundred eighty (180) days prior to the expiration of the Initial Term or any then-current Renewal Term. At any time, Developer may simultaneously issue one or more Renewal Notices with respect to one or more Renewal Terms notwithstanding the fact that the Initial Term or any future Renewal Term has not yet expired. All provisions of this Agreement shall apply during such Renewal Term, and the Term of this Agreement shall terminate, without notice, at 11:59 p.m. on the last day of any Renewal Term subject to a Renewal Notice. As used in this Agreement, the "Lease Term" and "Term" of this Agreement shall mean and include the Initial Term and each and every Renewal Term unless otherwise earlier terminated by Developer. If Developer fails to deliver a Renewal Notice pursuant to this Section 3.2 for a Renewal Term, the City may notify the Developer and any Mortgagee identified to the City pursuant to the terms

and conditions of Article XIII hereof of the Developer's failure to deliver a Renewal Notice pursuant to this Section 3.2 If the City provides such notification during the one hundred eighty (180) day-period preceding such expiration and requests a pre-expiration confirmation of such expiration, Developer shall have thirty (30) days after the sending of such notice within which Developer may provide a tardy Renewal Notice or shall confirm its intention for the Initial Term or the then-current Renewal term to expire. If Developer continues to possess the Property following the expiration of the Initial Term or then-current Renewal Term, the Term shall be deemed to have been renewed by virtue of Developer's continued possession into the succeeding Renewal Term. If neither Developer nor any Mortgagee elects to extend the Term in accordance with this Agreement, then Developer shall have no further option to renew this Agreement. Except for the foregoing Renewal Term options, Developer has no other unilateral right to renew or extend the Lease Term. Developer and the City agree that in no event shall the Lease Term exceed fifty (50) years from the License Award Date, and any further extension of the Lease Term beyond such fifty (50) year period (and the terms, rents, and provisions of any such extension) shall be subject to the negotiations and agreement between the parties in their respective sole and absolute discretion (with no obligation to ever enter into any such negotiations or agreement).

3.3 Covenant of Quiet Enjoyment and Use.

The City covenants and agrees that Developer, upon and after the Date of Possession, upon paying the Rent and performing the covenants and agreements set forth herein on the part of Developer to be paid, kept, and performed, subject to the restrictions, covenants, conditions, terms, and provisions of this Agreement and subject to any applicable notice and/or cure periods set forth in this Agreement, shall and will peacefully and quietly hold and enjoy the Property during the Term.

3.4 Ownership of Improvements.

During the Term of this Agreement, title to the Improvements upon the Property shall not vest in the City by reason of its fee simple ownership of the Property, but title shall vest in Developer, and without limiting the foregoing, Developer shall be entitled to claim any depreciation on the Improvements for all taxation purposes.

3.5 No Redemption.

Developer does not have any right whatsoever to redeem the rent, fee, or charge reserved or to be paid by Developer or (except as set forth in Section 9.11) to acquire the fee simple interest in the Property and Developer expressly disclaims any such right to which it may be entitled, now or hereafter, to the full extent permitted by Applicable Law. Without limiting the generality of the foregoing, the parties stipulate that the Property is being leased exclusively for business, commercial, manufacturing, mercantile, or industrial purposes within the meaning of §8-110(a) of the Real Property Article of the Annotated Code of Maryland, and that the provisions of §8-110(b) of such Article (or any future statute) pertaining to the redemption of reversionary interests under leases shall be inapplicable to this Agreement.

3.6 Termination of Agreement.

Upon the expiration of the Term of this Agreement, or its earlier termination for any reason expressly set forth herein, Developer shall vacate and surrender the Property together with the Improvements and fixtures (other than Developer's trade fixtures, if removed without damage to the Property)) then existing on the Property to the City, free and clear of (a) any Mortgage and (b) any leases, occupancy agreements, liens, or encumbrances (other than as expressly set forth in Section 2.3). Developer shall continue to comply with all of its obligations under this Agreement (other than the last sentence of Section 6.3(a), Section 8.1(b) and, for so long as demolition is proceeding with all deliberate speed and except in respect to periods prior to the termination, Sections 4.1-4.10) until it has vacated and surrendered the Property in accordance with this Agreement. In the event that Developer fails to satisfy the preceding obligation in this Section 3.6 and (at the time of termination of this Agreement) the Improvements are not in a condition which is consistent with the terms of this Agreement (ordinary wear and tear excepted), at the City's option (but only if so instructed in writing by the City), within thirty (30) days of the expiration of the then-current Term of this Agreement or its earlier termination, Developer shall commence with the demolition of the VLT Facility at the sole cost and expense of Developer and continuously and diligently pursue such demolition until completion. Developer's obligations under this Section 3.6 shall not include the removal of any subsurface elements and Developer's obligation under this Section 3.6 shall require Developer to leave the Property in acceptable back-filled, graded, and stabilized condition. Notwithstanding such expiration or termination, the parties shall perform their respective obligations to each other that arose prior to the effective date of such termination, or that are expressly stated to remain in effect after such expiration or termination.

Developer shall remove its personal property, equipment, trade fixtures and signage utilized in connection with the Project that is located upon the Property (but excluding such mechanical, electrical, and plumbing equipment as is necessary for the proper operation of the Improvements, all of which Improvements and related equipment shall become the property of the City, unless Developer is required to and does demolish the Improvements, in which case Developer may remove such items) and shall surrender to the City complete plans and specifications for the Improvements then in Developer's possession. Developer shall deliver to the City all operating manuals, computer programs and software, and other personal property, tangible or intangible, in its possession necessary to operation of the mechanical, electrical, and plumbing portion of the Improvements or the systems within the Improvements without cost to the City and free of any security interest. Without limiting the foregoing, Developer shall have the right to remove all computers, VLTs (other than VLTs owned or leased by the State Lottery Commission), furniture, trade fixtures, equipment, signage and all other personal property used in operating the VLT Facility.

Upon the expiration or earlier termination of this Agreement, and provided that Developer or Mortgagee (or their successors or assigns) is not formally contesting the termination of this Agreement by the City, the City may execute a "Notice of Termination" of this Agreement and record it among the Land Records of Baltimore City. For the purposes of this Section 3.6, an expiration or earlier termination is being formally contested only if (a) Developer or the Designated Mortgagee has provided written notice to the City within thirty (30)

days of written notice being given of such termination or early expiration and (b) if possession has not been restored and this Agreement has not been reinstated within one hundred twenty (120) days following such termination or expiration, a civil action has been initiated against the City in this respect. Thirty (30) days following such recording, in the absence of any formal contest by Developer or Mortgagee, the Notice of termination will conclusively evidence the termination of this Agreement and shall be binding upon Developer and its successors and assigns.

3.7 Early Termination for Loss of VLT Operation License.

Developer may terminate this Agreement prior to the end of the Initial Term or any Renewal Term (upon at least ninety (90) days prior written notice) if (a) Developer's VLT License is terminated by the State Lottery Commission or (b) prior to the Opening Date, the Video Lottery Facility Location Commission or State Lottery Commission, for any reason, permits Developer to not proceed with the Project. In respect to the provisions in clause (b), the City recognizes that Developer and the Video Lottery Facility Location Commission have conditioned the award of the VLT License upon Developer having certain rights to terminate such License in the event of either Developer being unable to secure financing (notwithstanding certain efforts required by such Commission) or certain environmental-related criteria being met, and the City further acknowledges and agrees that any such State Lottery Commission-authorized termination of the VLT License would permit a termination of this Agreement in accordance with this Section 3.7. Upon any such termination (whether in accordance with clause (a) or clause (b) of this Section 3.7), the terms and conditions of Section 3.6 shall apply.

ARTICLE IV
RENT

4.1 Participation Rent.

4.1.1 In general, the intention of the parties concerning Participation Rent is that Developer will pay the minimum amounts set forth in this Article IV to the City if the Participation Rent (as hereinafter defined) is less than that minimum amount. As set forth in this Article IV, a payment will be due on the Mid-Year Rent Payment Date based on Gross Gaming Proceeds for the first six (6) months of any Lease Year and a payment will also be due on the Annual Rent Payment Date based on Gross Gaming Proceeds for the preceding Lease Year, taking into account the payment made on the preceding Mid-Year Rent Payment Date. Except to the extent expressly prohibited by the VLT License and the State VLT Law, upon each Rent Payment Date, Developer shall provide the City with a detailed report setting forth the Gross Gaming Proceeds for the period for which Participation Rent is being paid in the form and substance required to be delivered to the State Lottery Commission pursuant to the VLT License and the State VLT Law.

4.1.2 Certain terms used in this Article IV have the following definitions:

(a) The term "Opening Date" means the first date on which Gross Gaming Proceeds are bet in the VLT Facility.

(b) The term "Gross Gaming Proceeds" means any and all amounts included in the definition of "Proceeds" as set forth in §9-1A-01(u) of the State VLT Law and that are required by §9-1A-26 of the State VLT Law to be transferred to the State Lottery Fund.

(c) The term "Lease Year" means each twelve-month period during the Lease Term commencing upon either (i) the Opening Date (in respect to Lease Year 1) or (ii) upon the annual anniversary of the Opening Date, if the Opening Day is the first day of a calendar month, or the first day of the month following the annual anniversary of the Opening Date, if the Opening Day is not the first day of a calendar month (in respect to Lease Year 2 and subsequent Lease Years), as follows: Lease Year 1 means the time from and including the Opening Date of the VLT Facility through the last day of the month in which the anniversary of the Opening Date occurs (for example, if the Opening Date is September 15, 2013, then Year 1 shall begin on September 15, 2013 and end on September 30, 2014). Lease Year 2 means the next twelve-month period and so forth (until the last Lease Year, which will be abbreviated). For example, if the Opening Date is September 15, 2013, then Lease Year 1 ends on September 30, 2014; Lease Year 2 ends on September 30, 2015; Lease Year 3 ends on September 30, 2016, and the last Lease Year ends on the expiration date of the Lease Term.

(d) The term "Participation Rent" means an amount equal to the greater of (i) Two and Ninety-Nine Hundredths percent (2.99%) times the Gross Gaming Proceeds for the applicable period of time, and (ii) the minimum amounts set forth in Sections 4.2 – 4.7, as applicable.

(e) The term "First Payment Date" means the first day of the first month which is at least seven (7) full calendar months after the Opening Date. For example, if Opening Date is between September 2 and October 1, 2013, then the first full calendar month shall be October 2013, and the first day of the first month which is at least seven (7) full calendar months after the Opening Date would be May 1, 2014.

(f) The term "Rent Payment Dates" means each of the following: (i) the First Rent Payment Date, (ii) the first day of the month that is six (6) months after the First Rent Payment Date (e.g., November 1, 2014 in the example set forth in clause (e) of this Section 4.1.2), and (iii) the anniversaries of each such Rent Payment Date thereafter (i.e., on each and every May 1 and November 1 thereafter in the forgoing example). The Rent Payment Date that falls within each Lease Year (i.e., the May 1st Rent Payment Date in the forgoing example) shall relate to the first six (6) months of such Lease Year and shall be known as the "Mid-Year Rent Payment Date"; the Rent Payment Date that follows any Lease Year shall relate to the entire Lease Year and shall be known as the "Annual Rent Payment Date."

4.2 Lease Year 1.

For Lease Year 1 only, Developer shall pay to the City Participation Rent as follows:

(a) On the First Payment Date, Developer shall pay either Four Million Dollars ($4,000,000) or, if greater, 2.99% times the Gross Gaming Proceeds for the period from Opening

Date through the last day of the month which is at least six (6) full months after the Opening Date; and

(b) Six (6) months after the First Payment Date (i.e., on the first Annual Rent Payment Date), an amount equal to (i) minus (ii):

(i) an amount equal to the greater of (A) 2.99% times the Gross Gaming Proceeds for the entire preceding Lease Year, and (B) an amount equal to Eight Million Dollars ($8,000,000) times a fraction, with the number of days in Lease Year 1 as the numerator and three hundred sixty-five (365) as the denominator;

(ii) the amount of the payment that was made on the First Payment Date, pursuant to Section 4.2(a).

4.3 Lease Year 2.

For Lease Year 2 only, Developer shall pay to the City Participation Rent as follows:

(a) Twelve (12) months after the First Payment Date (i.e., on the second Mid-Year Rent Payment Date), Developer shall pay either Five Million Dollars ($5,000,000) or, if greater, 2.99% times Gross Gaming Proceeds for the six-month period beginning at the start of Lease Year 2; and

(b) Eighteen months after the First Payment Date (i.e., on the second Annual Rent Payment Date), an amount equal to (i) minus (ii):

(i) an amount equal to the greater of (A) 2.99% times Gross Gaming Proceeds for the entire preceding Lease Year, and (B) Ten Million Dollars ($10,000,000);

(ii) the amount of the payment that was made pursuant to Section 4.3(a).

4.4 Lease Year 3.

For Lease Year 3 only, Developer shall pay to the City Participation Rent as follows:

(a) On the Mid-Year Rent Payment Date that falls within Lease Year 3, Developer shall pay either Six Million Dollars ($6,000,000) or, if greater, 2.99% times the Gross Gaming Proceeds for the six-month period beginning at the start of Lease Year 3; and

(b) On the Annual Rent Payment Date that relates to Lease Year 3, an amount equal to (i) minus (ii):

(i) an amount equal to the greater of (A) 2.99% times Gross Gaming Proceeds for the entire Lease Year 3, and (B) Twelve Million Dollars ($12,000,000);

(ii) the amount of the payment that was made on the Mid-Year Rent Payment Date for Lease Year 3, pursuant to Section 4.4(a).

4.5 Lease Year 4.

For Lease Year 4 only, Developer shall pay to the City Participation Rent as follows:

(a) On the Mid-Year Rent Payment Date that falls within Lease Year 4, Developer shall pay either Six Million Five Hundred Thousand Dollars ($6,500,000) or, if greater, 2.99% times the Gross Gaming Proceeds for the six-month period beginning at the start of Lease Year 4; and

(b) On the Annual Rent Payment Date that relates to Lease Year 4, an amount equal to (i) minus (ii):

(i) An amount equal to the greater of (A) 2.99% times Gross Gaming Proceeds for the entire Lease Year 4, and (B) Thirteen Million Dollars ($13,000,000);

(ii) the amount of the payment that was made on the Mid-Year Rent Payment Date for Lease Year 4, pursuant to Section 4.5(a).

4.6 Lease Year 5 and Thereafter.

For Lease Year 5 and each Lease Year thereafter, Developer shall pay to the City Participation Rent of at least Fourteen Million Dollars ($14,000,000) as follows:

(a) On the Mid-Year Rent Payment Date within each Lease Year, Developer shall pay either Seven Million Dollars ($7,000,000) or, if greater, 2.99% times Gross Gaming Proceeds for the six-month period beginning at the start of such Lease Year; and

(b) On the Annual Rent Payment Date that relates to each Lease Year, an amount equal to (i) minus (ii):

(i) an amount equal to the greater of (A) 2.99% times Gross Gaming Proceeds for the entire preceding Lease Year, and (B) Fourteen Million Dollars ($14,000,000);

(ii) the amount of the payment that was made on the Mid-Year Rent Payment Date for such Lease Year, pursuant to Section 4.6(a).

4.7 Final Lease Year.

If this Agreement expires or is terminated other than on the end of a twelve-month Lease Year, then Developer shall pay to the City as the Participation Rent that is to be paid upon the Annual Rent Payment Date for such final Lease Year an amount equal to (a) minus (b) set forth below. Developer will pay such amount to City by the date (the "Final Payment Date") which is

thirty (30) days after the date on which this Agreement expires or is terminated (the "Final Payment Date"):

(a) An amount equal to the greater of (i) Fourteen Million Dollars ($14,000,000) times a fraction, the numerator of which is the number of days in such Lease Year and the denominator of which is three hundred sixty-five (365) or (ii) 2.99% times Gross Gaming Proceeds for the Lease Year, minus

(b) the amount of Participation Rent paid with respect to such Lease Year prior to the Final Payment Date.

4.8 Minimum Payment Based Upon Real Estate Taxes Paid.

4.8.1 Real Estate Taxes are payable for a "tax year" that begins July 1 and ends the following June 30. Real Estate Taxes for a tax year beginning July 1 are payable in full by the following September 30. For the tax year in which the Opening Date occurs and each tax year thereafter, Developer shall pay on September 30 of each year an amount equal to the difference, if any, between the following amounts: (i) Three Million Two Hundred Thousand Dollars ($3,200,000), minus (ii) the amount of Real Estate Taxes on the Property which is payable to the City for such year (i.e., disregarding the portion paid to the State) and has been paid by Developer to the City by September 30 of such tax year. By way of example, if the amount of such Real Estate Taxes paid by Developer to the City for a tax year is Two Million Six Hundred Thousand Dollars ($2,600,000) that amount shall be paid as Real Estate Taxes and the amount of Six Hundred Thousand Dollars ($600,000) will be paid as additional rent. However, the following provisions apply with respect to the tax year in which Opening Date occurs and the next tax year: if the first September 30 occurs after an Opening Date that occurs on or prior to the immediately preceding June 30, Developer on the first September 30 shall pay for not only the short year ending on such June 30, but also the full tax year during which such September 30 falls and, in respect to the short year, the amount in clause (i) shall be equal to $3,200,000 times a fraction of which the numerator is the number of days from the Opening Date to the June 30 that immediately precedes such September 30, inclusive, and the denominator is 365. If the Opening Date occurs between July 1 and September 30, the amount in clause (i) which is payable on that September 30 shall be equal to $3,200,000 times a fraction of which the numerator is the number of days from the Opening Date to the June 30 that immediately follows such September 30, inclusive, and the denominator is 365. Developer may apply for and avail itself of property tax credits granted against Real Estate Taxes under the Tax-Property Article of the Annotated Code of Maryland (e.g., §9-229 of such Tax-Property Article in respect to qualified brownfields sites), but no such credits shall serve to reduce the $3,200,000 minimum annual payment that shall be due in accordance with this Section.

4.8.2 Developer shall pay such additional rent, if any is due, on or before November 1 of each year after the preceding September 30.

4.8.3 Whether or not such additional rent payment is due, Developer shall submit to the City by each such November 1 a statement setting forth the calculation showing that such additional rent payment is either due or not due, as the case may be, together with a copy of the real estate tax bill on which Developer relied in making such calculation.

4.8.4 The additional rent that may be due under this Section 4.8 may be referred to as the "Additional Tax-Based Rent."

4.9 Reduction in Rent for Certain Environmental Remediation Costs.

In the event that the Qualified Environmental Expenditures exceed Two Million Dollars ($2,000,000), and Developer has not elected to terminate this Agreement pursuant to Section 2.2(c), Developer may reduce the Participation Rent that Developer otherwise would have paid to the City in accordance with this Article IV by up to One Million Dollars ($1,000,000). The reduction shall be one-half (½) of the Qualified Environmental Expenditures that exceed Two Million Dollars ($2,000,000) but such reduction in the Percentage Rent may not exceed One Million Dollars ($1,000,000) in the aggregate (the "Environmental Remediation Credit"). To avail itself of this right, Developer shall advise the City in writing (within fifteen (15) days after the issuance of the MDE-issued environmental certificate of completion) of the amount of the proposed Environmental Remediation Credit and provide supporting reports, evidence of payment, affidavits, and the like. Such costs shall include only those hard construction costs that were required under the MDE Response Action Plan for the removal of any Hazardous Substance or remediation of any environmental condition on the Property and/or the Garage Property (but not the Sale Properties) and, for avoidance of doubt, shall not include any foundation or flooring costs. Such Environmental Remediation Credit, as so proposed by Developer, shall be reviewed by the City. Developer's proposed Environmental Remediation Credit shall be approved or rejected by the City thirty (30) days of delivery of Developer's notice pursuant to this Section 4.9 (during which time the City may request additional materials and supporting information). If the City rejects Developer's proposed Environmental Remediation Credit and Developer and the City cannot reach an agreed upon amount for the Environmental Remediation Credit within thirty (30) days of the City's rejection, Developer and the City shall thereupon engage a mutually-agreed upon environmental consulting or engineering firm to determine the Environmental Remediation Credit. Absent fraud, the determination of the Environmental Remediation Credit by such environmental consulting or engineering firm shall be binding upon the parties. The costs of such environmental consulting or engineering firm shall be equally divided between Developer and the City. Once determined, one-tenth (1/10) of the Environmental Remediation Credit may be applied by Developer against each of the first ten (10) semi-annual Participation Rent payments otherwise payable under Section 4.2 – 4.6.

4.10 Reduction in Rent for Full Condemnation of Garage.

In the event that the Garage Property is condemned in its entirety (or is substantially condemned such that the number of parking spaces, after rebuilding, is reduced by more than fifty percent (50%) of the original number of parking spaces), then (a) the Minimum Annual Rent set forth in Sections 4.2 – 4.7 (e.g., $4,000,000 in Section 4.2 and $14,000,000 in accordance with Section 4.6) shall no longer apply and (b) notwithstanding anything in this Article IV to the contrary, all obligations to pay rent shall be abated for the period of three hundred sixty-five (365) days following the date of transfer of title pursuant to the condemnation proceedings. This Section 4.10 shall apply only to condemnations by exercise of "public purpose" eminent domain power by the City or the State and shall not apply to any "abandoned

or distressed property" condemnation proceeding under Public Local Law §21-17 (or any similar statute).

4.11 Records.

Developer shall maintain complete business records or be capable of generating electronic copies thereof respecting the Participation Rent at the Project or an office of Developer in the Baltimore Metropolitan area. The City may, at any time (but not more frequently than twice per Lease Year) and on reasonable advance notice, inspect, copy, and audit on a non-contingency basis such records at the City's expense (except that if the City's audit discloses that Participation Rent for any one Lease Year of more than five percent (5%) of the amount paid is owed, then (y) the reasonable cost of such audit and (z) interest of ten percent (10%) per annum upon such unpaid Participation Rent from the applicable Rent Payment Date until the date paid, shall be paid to the City by Developer. Developer shall also provide the City, on at least a monthly basis (to the extent applicable), with copies of all public reports relating to proceeds from the operation of video license terminals, payment confirmations, and accountings that Developer provides to the State Lottery Commission in accordance with the State VLT. Any such reports and information shall be treated as "confidential commercial information" and "confidential financial information" that is protected from disclosure under the Maryland Public Information Act, Title 10, Subtitle 6, Part III of the State Government Article (to the extent permitted under such law). Absent a showing of fraud, any Lease Year shall be considered closed and not open to any such audit after the first (1st) anniversary of the date upon which the City received the annual report for such Lease Year.

4.12 Triple Net Lease.

As further set forth in this Agreement (including Section 12.1) and subject to Section 4.9, Developer shall bear all costs relating to the development of and the use and occupancy of the Property, including all utility charges, taxes which may be due and payable, insurance, and costs of repair and maintenance.

4.13 Late Charge.

In the event any payment of Participation Rent or any other amount payable to the City under this Agreement shall be past due for more than fifteen (15) days following the written notice to Developer of the late payment, Developer shall pay to City as additional rent a sum equal to eight percent (8%) per annum of the amount due, calculated from the due date of such payment until the date paid (the "Late Charge") to cover City's cost for the collection and the loss of income; provided, however, the Late Charge shall not apply to any interest accruing on Participation Rent pursuant to Section 4.9 of this Agreement. The due date of a payment is the date specified in this Agreement, whether or not Developer has a period of time in which to make such payment before an "Event of Default" occurs.

4.14 General.

Wherever it is provided in this Agreement that Developer is required to make any payment to City (including, but not limited to, the Participation Rent and the Additional Tax-Based Rent), such payment shall be deemed to be rent and all remedies applicable to the non-payment of rent shall be applicable thereto. All rent due hereunder, and all sums enforceable as rent by the terms hereof, shall be paid without the necessity of notice or demand at such place as City may specify in writing from time to time. A place once specified shall continue as the place at which such payments are to be made until such place of payment is changed by notice given in the manner hereinafter prescribed for the giving of notices. All amounts payable hereunder shall be paid in current legal tender of the United States as the same is then by law constituted. The extension, indulgence, or change by City of the mode or time of payment of any such payment upon any occasion shall not be construed as a waiver of the provisions of the Agreement, or as requiring a similar extension, indulgence, or change by City on any subsequent occasion. Developer shall pay all rent to the City when due and, except as otherwise set forth in Section 2.16 of this Agreement, without any set-off for any amount that Developer claims is owed to it by the City. Without limiting the generality of the foregoing, except as set forth in Section 4.9, Developer expressly and specifically waives any right to reduce any payment of rent by an amount that the City owes to Developer for any claim arising or not arising under this Agreement.

ARTICLE V
CONSTRUCTION OF IMPROVEMENTS

5.1 Design and Construction Plans.

(a) Subject to Section 5.12 and Section 17.1, the following procedures and time frames shall apply for submission and approval of Developer's design and construction plans:

(i) As of the date of this Agreement, Developer has submitted conceptual plans for the VLT Facility and other Improvements on the Property (the "Schematic Plans") for review and approval by DHCD, acting through its agent, BDC. The submitted Schematic Plans consist of, at a minimum, a site plan showing the massing of all proposed new construction and conceptual drawings of each principal elevation, a narrative describing each of the components of the development, and a preliminary projected project budget. The VLT Facility shall have an attractive and distinctive design which highlights the VLT Facility as a premier entertainment and gaming venue. If the Schematic Plans, in the opinion of BDC (reasonably exercised) and subject to the provisions of Section 5.1(a)(ii), substantially conform with the Project Description and this Agreement, BDC shall approve the same.

(ii) As of the date of this Agreement, Developer has submitted the Schematic Plans to the City's Urban Design and Architectural Review Panel ("UDARP") for UDARP's review and comment and Developer has made design presentations to UDARP. While UDARP itself does not have approval rights, it is recognized that the City's Department of Planning will consider UDARP's recommendations and may not approve plans that have not satisfied UDARP. Upon UDARP's input, BDC shall promptly request revisions to such Plans. Developer, in such event, shall submit new or corrected Schematic Plans within thirty (30) days

after BDC's written notification to Developer of the comments or rejection. The procedure and time periods for rejection and resubmission of corrected Schematic Plans hereinabove provided shall continue to apply until the Schematic Plans have been approved or deemed approved by BDC; provided, that in any event, Developer shall submit Schematic Plans which substantially conform to the provisions of the Project Description, Applicable Law (including the Zoning Code), and this Agreement no later than one hundred twenty (120) days after the date of the original submission of the Schematic Plans.

(iii) Within thirty (30) days after BDC approves or is deemed to have approved the Schematic Plans, community outreach meetings shall be held, a stormwater management concept plan shall be submitted, and a meeting shall be held with the Site Plan Review Committee ("SPRC").

(iv) Within ten (10) days after UDARP approval of or comments upon the Schematic Plans and prior to beginning the preparation of design development drawings for the VLT Facility ("Design Plans"), Developer and BDC shall confer on the functional and aesthetic aspects of the Design Plans.

(v) Following this initial conference, Developer shall promptly start to prepare the Design Plans, and shall thereafter diligently and continuously work to complete their preparation (and shall endeavor to comply with UDARP's recommendations). Developer agrees to attend periodic conferences called by BDC (but no more often than one such conference in any 30-day period) to review the Design Plans. Design Plans will be prepared in a timely manner, consistent with the progress achieved in the periodic conferences with BDC. Developer will submit Design Plans for review and approval by BDC as soon as reasonably practicable after the BDC's approval or deemed approval of the Schematic Plans. Design Plans shall consist of plans, elevations, sections, outline specifications, and material samples all in sufficient detail to fix and describe the design scope and character of all architectural, major structural, mechanical, electrical, and engineering aspects of such Improvements (including all work relating to the outside areas of the Property, and all major structural components of the Improvements). Four (4) copies of the Design Plans shall be delivered to BDC as soon as reasonably practical after the approval of the Schematic Plans. If the Design Plans are a logical progression of the Schematic Plans and substantially conform with the Project Description (subject to any modifications approved as part of the approval of the Schematic Plans), and this Agreement, BDC shall approve the same. The Design Plans shall, in any event, be deemed to have been approved by BDC unless rejected, in whole or in part, in writing, within thirty (30) days after their submission, as not being in substantial conformity with said criteria, specifying (with detail sufficient to permit Developer to modify the Design Plans) the reasons for the rejection. Developer, in such event, may submit new or corrected Design Plans within thirty (30) days after written notification to it of the rejection. The procedure and time periods for rejection and resubmission of corrected Design Plans hereinabove provided shall continue to apply until the Design Plans have been approved or deemed approved by BDC; provided, that in any event, Developer shall submit Design Plans which are a logical progression of the Schematic Plans and substantially conform with the Project Description (subject to any modifications approved as part of the approval of the Schematic Plans), and this Agreement no later than one hundred twenty (120) days after the date of the original submission of the Design Plans.

(vi) Developer will submit the Design Plans to UDARP and to the Planning Department within ten (10) days after BDC approves or is deemed to have approved the Design Plans.

(vii) Developer shall submit Construction Plans to BDC within one hundred eighty (180) days after BDC's approval of the Design Plans for review and approval. If the Construction Plans are a logical progression of the Design Plans, then BDC shall approve the same. The Construction Plans shall, in any event, be deemed to have been approved by BDC unless rejected, in whole or in part, in writing, within thirty (30) days after their submission, as not being a logical progression of the Design Plans, specifying (with detail sufficient to permit Developer to modify the Construction Plans) the reasons for the rejection. Developer, in such event, may submit new or corrected Construction Plans within thirty (30) days after written notification to it of the rejection. The procedure and time periods for rejection and resubmission of corrected Construction Plans hereinabove provided shall continue to apply until the Construction Plans have been approved or deemed approved by BDC.

(b) If Developer desires to make material changes in the Construction Plans after their approval or deemed approval by BDC, Developer shall submit the proposed changes to BDC for its approval. If the Construction Plans, as modified by the proposed changes, substantially conform with the Project Description and this Agreement, BDC shall approve the proposed changes and notify Developer in writing of its approval. Any such changes in the Construction Plans shall, in any event, be deemed approved by BDC unless rejection thereof, in whole or in part, by written notice thereof specifying (with detail sufficient to permit Developer to modify the Construction Plans) the reasons for the rejection, shall be made within fifteen (15) days following submission for approval.

(c) "Green" Construction. Developer shall design the Project so that it substantially complies with the Baltimore City Green Buildings Law, Chapter 37, Building Fire and Related Codes (2010 Edition), as amended; provided, however, that, to the extent and as permitted under Applicable Law, if compliance is impractical or unduly burdensome, the City shall cooperate with Developer to secure appropriate waivers.

5.2 Conformity of Design and Construction Plans.

The Construction Plans and all work by Developer with respect to the Property and the construction of the Improvements thereon shall be in substantial conformity with this Agreement, the Building Code of Baltimore City, and all other Applicable Laws and shall be carried out in a first-class and workmanlike manner.

5.3 Building Permits.

(a) Within a reasonable time after completion of the Design Plans, Developer shall submit such plans as may be required from time to time to apply for all necessary building permits to initiate the preparation of the construction of the Improvements to which such

Construction Plans pertain, and thereafter Developer shall diligently pursue such application and pay all fees and costs associated therewith.

(b) BDC shall use its customary and reasonable efforts to assist Developer with the City's review and processing of all permits, applications, approvals, consents and similar requirements ("Permits") so that same are delivered to Developer in a timely and efficient manner as reasonably requested.

(c) Notwithstanding anything else in this Agreement to the contrary, in order to expedite the development of the Project, subject to the City's usual and customary requirements (including, without limitation, indemnification of the City and proof of insurance), Developer shall have the right to obtain the requisite permits (as may be required by Applicable Law) for, and, prior to the Date of Possession, to commence to (i) perform any and all demolition of existing improvements on the Property, (ii) remediate any and all environmentally hazardous conditions on the Property, (iii) grade the Property, (iv) install utilities (including, but not limited to, any and all necessary vaults, conduits, tunnels, pipes, mains, etc.) upon the Property, and/or (v) otherwise prepare the Property for the construction of the Improvements, all prior to the completion of the processes set forth in this Article V.

5.4 Overall Schedule.

Developer shall undertake the planning and construction process on a schedule designed to enable it to open the Improvements for betting on or before twenty four (24) months after the License Award Date, which period, upon the approval of the State Lottery Commission in accordance with the State VLT Law, shall be extended for six (6) months, to a date which is thirty (30) months after the License Award Date.

5.5 Right of Entry.

(a) Developer shall have access to, and the right to enter, any and all undeveloped or otherwise vacant portion of the Property and, subject to Section 2.12(a)(ii), adjacent open space owned by the City, at any time during the term of this Agreement, for the purpose of conducting engineering, percolation, soil compaction tests, surveys, appraisals, water and sewer availability tests, verifying utility existence and such other examinations or investigations for such other purposes as Developer shall deem appropriate.

(b) Developer, upon reasonable prior notice, shall permit access to the Property to the City, or any agent thereof, at reasonable times, to the extent necessary to carry out the provisions of this Agreement; provided, however, that such access shall (i) be at the sole risk of the City (and agents thereof), (ii) not interfere with, or in any way delay, Developer's work or the operation of the Project (unless reasonably necessary), and (iii) be subject to such safety or security related rules as Developer or its contractors may require.

5.6 Construction Period.

Subject to Section 17.1, within sixty (60) days from the date of issuance of necessary Permits, Developer shall commence and thereafter continuously and diligently proceed to construct the Improvements to which such Permits pertain. Developer shall thereafter cause such Improvements to be completed substantially in accordance with the Permits. Developer shall use diligent, good-faith efforts to complete construction of all the Improvements required to be constructed, in accordance with the Permits and the schedule set forth in the Construction Plans for such Improvements. Developer agrees to keep the City advised of any material delays or changes to the schedule.

5.7 Cost of Construction.

The cost to construct the Project including all costs of the Garage and other costs permitted by the State VLT Law to be counted toward the required investment by Developer, shall be not less than One Hundred Eighty-Seven Million Five Hundred Thousand Dollars ($187,500,000). For purposes of this Section 5.7, to the extent permitted by the State VLT Law, the cost to construct the Project and the cost to construct the Garage shall include hard and soft construction costs and fees, and land acquisition costs.

5.8 Construction Contract and Other Requirements.

Prior to the construction of any Improvements, Developer shall furnish to the City with respect to such Improvements:

(a) An executive summary of the terms and conditions of the construction contract ("Construction Contract") which shall be deemed "confidential commercial information";

(b) certificates of insurance evidencing compliance with the insurance requirements of this Agreement;

(c) copies of all Permits requisite to enable Developer to commence construction of the Improvements; and

(d) a construction progress schedule reflecting the expected completion date for the construction of the Improvements.

DHCD, in its sole discretion, is authorized by the City to waive any of the above requirements.

5.9 Progress Reports.

Developer, until issuance of a Certificate of Completion, shall make, in such detail as may reasonably be required by BDC, a report in writing to BDC, every thirty (30) days as to the actual progress of Developer with respect to the development and construction; provided, however, that Developer (upon a Mortgage being in place) shall only be obligated to provide

BDC such reports as it is required to provide to its Designated Mortgagee, at the same time as it provides such reports to such Mortgagee. During such period, also, the work of Developer shall be available for inspection by representatives of the City, so long as no such inspection shall impede or delay Developer's work.

5.10 Certificate of Completion.

(a) DHCD, on behalf of the City, promptly after substantial completion of the Improvements, in accordance with the provisions of this Agreement, shall furnish Developer (and if requested, any Mortgagee) with an appropriate instrument so certifying (the "Certificate of Completion"), which will be in such form as will enable it to be recorded among the Land Records of Baltimore City. The Certificate of Completion shall be a final and conclusive determination of full and complete satisfaction of the agreements and covenants in this Agreement with respect to the obligations of Developer, and every successor in interest to the Property, to construct the Improvements on the Property and dates for the beginning and completion thereof, provided that such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any Mortgagee.

(b) If DHCD shall refuse or fail to provide such certification in accordance herewith, within thirty (30) days after written request therefor by Developer, then DHCD shall within said thirty (30) day period provide Developer with a written statement indicating in adequate detail in what respects Developer has failed to complete the Improvements in accordance with the provisions of this Agreement or is otherwise in material default, and what measures and acts, in the opinion of DHCD, Developer must take or perform in order to obtain such Certification of Completion. No Certificate of Completion shall be unreasonably delayed, conditioned or withheld by DHCD. If DHCD shall refuse or fail to provide any such Certificate of Completion or notice required above within the time set forth above, then DHCD shall be conclusively deemed to have issued said Certificate of Completion.

(c) The Improvements shall be deemed substantially completed hereunder even though site improvements non-structural in nature, such as landscaping or paving, or punch-list items are not fully completed. If Developer requests the issuance of a Certificate of Completion from DHCD for any Improvements under the circumstances that such site improvements are not fully completed, said Certificate of Completion shall be issued provided that all other requirements of this Section have been substantially met and provided further that DHCD may, as a condition precedent to the Issuance of the Certificate of Completion, require suitable assurances of Developer, including but not necessarily limited to, a written agreement addressing and assuring the completion of the site improvements by a date certain.

5.11 Compliance with Law.

Developer will comply in all material respects with any and all Federal, State, and municipal laws, ordinances, rules, regulations, orders, and notices now or hereafter in force or issued which may be applicable to the Improvements; provided, however, that nothing in this Agreement shall be construed to limit Developer's right to challenge the applicability of any

such laws, ordinances, rules, regulations, orders, and notices and/or to pursue its rights in furtherance thereof through appropriate judicial proceedings.

5.12 Extension of Time.

(a) At Developer's request, all time frames in this Article V may be extended by DHCD in its sole but reasonable discretion and without necessity of such extension being approved by the Board of Estimates, and upon good and sufficient cause shown for such period of time as DHCD reasonably deems advisable. Any such extension of time shall be in writing and in such form as will enable it to be recorded among the Land Records of Baltimore City.

(b) All time periods set forth in this Article V shall be subject to Section 13.3 and Section 17.1. Upon reasonable written request by either party, Developer and the City shall confirm in writing any extensions dictated by Section 17.1.

(c) The terms and conditions of the LDA address Developer's submission of plans for the design and construction of the Garage. Notwithstanding the foregoing, all time frames set forth in this Article V for Developer's preparation and submission of construction plans for the VLT Facility (but not schematic or design plans for the VLT Facility, which are presently on an accelerated schedule) shall be extended on a day-for-day basis to equal any corresponding extension or delay in the corresponding time frame set forth in the LDA for Developer's submission of such construction plans for the Garage.

5.13 Restriction on Alterations.

After completion of Construction of any Improvements, unless included in the Project Plan or unless Developer obtains DHCD's prior approval, which approval shall not be unreasonably delayed, conditioned, or withheld, Developer shall not make any material alterations, additions, or improvements to the exterior of the Improvements, including any major structural exterior components of any building, construct additional material exterior Improvements on the Property, or demolish the exterior elements of the Improvements on the Property or demolish the Improvements in their entirety, and all work must be done in conformity with the requirements of the Project Plan and this Agreement, especially Article V; however, Developer shall have the right to make any non-material alterations, additions, or improvements to the exterior elements of the Improvements, and make any non-structural alterations, additions, or improvements to the interior of any Improvements, but such work shall be performed in a first-class and workmanlike manner with materials, parts, and equipment of a quality equal to the original.

5.14 Scope.

This Article V relates solely to the construction of the VLT Facility and the other Improvements on the Property. Developer's obligations in respect to the construction of improvements on the Parking Garage and Option Properties are set forth in the LDA.

ARTICLE VI
GENERAL PLAN OF DEVELOPMENT

6.1 Project Plan.

The Project Plan establishes the general plan pursuant to which Development shall occur in accordance with and subject to this Agreement.

6.2 Developer's Obligations.

In addition to the other obligations of Developer set forth in this Agreement, Developer, subject to the restrictions, covenants, conditions, terms, and provisions of this Agreement and at Developer's sole cost and expense, shall:

(a) fund the transportation improvements, realignments, and construction indicated by the traffic impact study as directed by the Video Lottery Facility Location Commission and as such improvements, realignment, and construction may be approved by the City;

(b) prior to the Opening Date and for at least one (1) year after such Date, participate with the City in an open and transparent engagement and education process with the community that explains the impacts of the VLT Facility on residential communities surrounding the Property;

(c) work with the City to provide information necessary to enable the City to receive the local impact grants to which Section 2.16 refers;

(d) submit to DHCD, a Developer's Budget for the completion of the Improvements as described in the Project Plan, and submit supplements or amended Budgets in the event of any substantial variance in such Budget after such submittal; and

(e) with the cooperation of the City and subject to the provisions of Section 2.4, be responsible for obtaining any environmental and other similar approvals, consents, or permits necessary for the development and operation of the Property, any Improvements, and any aspect of the Project.

6.3 Permitted Use of the Project.

(a) Developer covenants and agrees to use the Property solely for (a) the operation of the VLT Facility under and pursuant to the State VLT Law and the Project Plan; (b) subject to any requirements and space limitations mandated by Applicable Law or set forth on Exhibit C, such restaurants, nightclubs, hotels, retail uses, VLT Facility-related management offices, Department of State Police offices, entertainment, hospitality services, and warehousing and storage that are ancillary and related to the VLT Facility; and (c) to the extent permitted by Applicable Law (and provided that Developer has a license for same), the operation of a gaming facility offering table games to customers of the VLT Facility. The VLT Facility shall contain and Developer shall operate at least three thousand seven hundred fifty (3,750) VLT's at all times, except to the extent that the State Lottery Commission permits Developer to operate fewer

machines and except that some machines may be out of operation for temporary periods during their required repair, maintenance, or replacement.

(b) Notwithstanding anything contained in Section 2.6 or Section 6.3(a) above or elsewhere in this Agreement to the contrary, following the Opening Date (and provided that the Certificate of Completion has been issued or deemed to have been issued),

(i) if (A) a VLT License is not in effect with respect to the Property for any reason other than Developer's violation of State VLT Law, its breach of the terms of its VLT License, or Developer's voluntary surrender of its VLT License and (B) the State and the City are not diligently pursuing the award of a VLT License for the Property to another Person, then the Property and the Improvements may be used for any purpose permitted by Applicable Law for the remainder of the Term by Developer, its successors or assigns (it being recognized for the avoidance of any doubt, however, that such waiver of Section 2.6 and Section 6.3(a) shall not continue into any subsequent Renewal Term even if a such renewal had already been exercised in accordance with Section 3.2);

(ii) if a VLT License is not in effect with respect to the Property for any reason, the requirements of Section 2.6 or Section 6.3(a) shall not apply to a Mortgagee, a purchaser of the Developer's interest in this Agreement from a Mortgagee, or a purchaser thereof at a foreclosure sale, and their successors and assigns, in which case (provided that the requirements of Article XIII have been satisfied) Mortgagee, such purchaser, and their successors and assigns may use the Property and the Improvements for any purpose permitted by Applicable Law; and

(iii) all other terms and conditions of this Agreement, including the Rent payable by Developer, shall remain in full force and effect whether or not the Property is used for a VLT Facility.

6.4 Liquor License.

Provided that Developer shall have applied for all permits, applications, approvals, consents, and similar items in a timely fashion and such applications comply in all material respects with State and City laws and regulations, BDC shall cooperate and provide all reasonable assistance to Developer for Developer (or, to the extent permitted by Applicable Law, its concessionaire) to secure a license or licenses to sell alcoholic beverages within the VLT Facility and its bars and restaurants.

ARTICLE VII
MBE AND OFFICE OF EMPLOYMENT DEVELOPMENT PROGRAMS

7.1 MBE.

In connection with the initial construction of the Improvements, Developer shall comply with the MBE requirements as described in Title 14, Subtitle 3 of the State Finance and Procurement Article (and the guidelines and requirements established by the Governor's Office of Minority Affairs) and shall satisfy the State's minimum certified MBE participation goal for expenditure related to the VLT License, including, but not limited to, design, construction,

development, and operational expenditures. Developer shall meet or exceed the overall goal and any sub-goals established in the VLT License with the participation of the Maryland Department of Transportation-certified MBEs. Developer shall complete, execute, and deliver all forms, certifications, and reports that may be required from time to time by the Governor's Office of Minority Affairs or any other State agency, office, board, or department. Developer shall promptly and regularly provide the City's Minority & Women's Business Opportunity Office with copies of all such forms, certifications, and reports (which, as of the execution of this Agreement, has the following address: c/o Baltimore City Law Department, City Hall, Room 101, 100 North Holliday Street, Baltimore, Maryland 21202).

7.2 Employ Baltimore.

Developer shall make a good faith effort to adhere to the hiring preference provisions set forth in the "Employ Baltimore" Executive Order issued by the Mayor of Baltimore dated June 9, 2011 and, as of the Lease Date and shall have executed and delivered the Certification Statement that is set forth within such Executive Order. Within sixty (60) days of the Lease Date, Developer and the City shall enter into a Memorandum of Understanding ("MOU") between Developer and the Mayor's Office of Employment and Development ("MOED") regarding the process for the promotion of the hiring of Baltimore City residents and for monitoring compliance. The MOU will address, at a minimum, the hiring of a Community Recruitment Coordinator (the "CRC") by the City to be funded by Developer up to a maximum of Eighty Thousand Dollars ($80,000.00) for a period of twelve (12) months (eight (8) months prior to the opening of the Project and four (4) months after the opening); the duties of the CRC; supervisory duty over the CRC which will require the agreement of both parties to dismiss the CRC; the types of employees for which the MOU shall be applicable; and bi-annual reporting requirements. Should the parties fail to reach agreement on the MOU within the sixty (60) days of the Lease Date after good faith negotiations, such failure shall not give rise to an Event of Default under this Agreement.

ARTICLE VIII
OPERATIONAL STANDARD

8.1 Operation Of Project.

Upon completion of construction of the Project (or any portion thereof, with respect to such portion), Developer shall cause the Project (or applicable portion thereof) to be operated in accordance with not only adherence to the requirements of the State VLT Law (and any regulations, rules, or policies established by the State Lottery Commission) for so long as the VLT License is in effect for the VLT Facility, but also the following standards:

(a) Developer shall not permit, commit, or suffer waste or impairment of the Project (or applicable portion thereof), or the Improvements thereon or any part thereof;

(b) Developer shall not knowingly permit any portion of the Project to be used for any "adult-entertainment business", "adult book or video store", or "peep show establishment", as such terms are defined by the Baltimore City Zoning Ordinance, as in effect from time to time.

(c) Developer shall at all times comply with the Renewal Plan, the Middle Branch Master Plan, liquor license requirements and laws, and the Baltimore City Zoning Ordinance, as such are in effect from time to time.

8.2 Repairs and Maintenance.

The Improvements located on the Property shall be kept and maintained, at Developer's sole cost and expense, with no lessening of efforts in the latter years of the Term, in a state of repair and appearance, reasonable wear and tear excepted, consistent with such standards as are in place either (i) brand-wide for gaming facilities owned or managed by Developer or its Affiliates which are comparable in size, character, and location to the Project or (ii) if not branded with any national brandname, for gaming facilities nationwide which are comparable in size, character, and location (collectively, the "Standards") or shall cause to be made, regular, necessary, and prudent repairs and replacements, as appropriate, to the exterior and interior Improvements on the Property (including the HVAC systems) consistent with the Standards. Parking areas, walkways, trees and shrubs, and landscapes and other open and paved areas constructed, erected, or installed on the Property shall be kept by Developer in a neat, clean, orderly, and sanitary condition, including the removal of refuse, rubbish, snow, and ice, reasonable periods for renovation, repair, reconstruction, further development, casualty, and events of force majeure excluded. If the Project is not in operation (but Developer is otherwise satisfying its obligation under this Agreement, including but not limited to the payment of rent) and recognizing the City's right to require demolition of the Improvements under some circumstances under Section 3.6, the requirements of this Section 8.2 shall not apply to the interior, non-structural Improvements during any such period of non-operation.

8.3 Refuse.

Developer shall at all times provide and maintain facilities on the Property for the storage and collection of garbage and refuse, none of which shall at any time be stored outside or visible from outside the Property, unless suitably screened.

8.4 Environmental Covenants.

Developer covenants and agrees with the City that regarding the future use of the Property:

(a) that it shall not "Generate Hazardous Substances" as defined herein at, to, or from the Property unless the same is (i) permitted in accordance with Applicable Law and (ii) either (A) customary in small amounts for Developer's intended use, (B) authorized by a government permit, or (C) specifically approved in advance by the City in writing;

(b) to comply with all obligations imposed on Developer by Applicable Law, and regulations promulgated thereunder, and all other restrictions and regulations upon the Generation of Hazardous Substances by Developer (whether or not at, to, or from the Property);

(c) to deliver promptly to the City true and complete copies of all written notices received by Developer from the Maryland Department of the Environment or any other governmental authority with respect to the Response Action Plan to which Section 2.4 refers, and any agreement into which Developer and the Maryland Department of the Environment may enter; and

(d) to complete fully and promptly any reasonable questionnaires sent by the City with respect to Developer's use of the Property and Generation of Hazardous Substances.

8.5 Indemnification.

Developer covenants and agrees to indemnify and defend the City (with legal counsel reasonably acceptable to the City) from and against any reasonable costs, fees, or expenses (including, without limitation, environmental assessment, investigation, and environmental remediation expenses, third party claims, environmental impairment expenses, and reasonable attorneys' fees and expenses) ("Claims") incurred by the City in connection with Developer's Generation of Hazardous Substances at, to, or from the Property in violation of Applicable Law or in connection with Developer's failure to comply with its covenants set forth in this Section or in Section 2.4. Developer shall obtain prior approval from the City (which approval shall not be unreasonably delayed, conditioned, or withheld) before retaining counsel for the City's defense in connection with any matter set forth in this Section. This indemnification obligation by Developer shall survive the termination or expiration of this Agreement.

8.6 Definitions.

The term "Hazardous Substance" means (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.), as amended from time to time, and regulations promulgated thereunder; (c) any "oil, petroleum products, and their by-products" as defined by The Annotated Code of Maryland, Environment, Title 4, Subtitle 4 (2007 Replacement Volume) as amended from time to time, and regulations promulgated thereunder; (d) any "controlled hazardous substance" or "hazardous substance" as defined by The Annotated Code of Maryland, Environment, Title 7, Subtitle 2 (2007 Replacement Volume), as amended from time to time, and regulations promulgated thereunder; (e) any "infectious waste" as defined by The Annotated Code of Maryland, Environment, Title 9, Subtitle 2 (2007 Replacement Volume), as amended from time to time, and regulations promulgated thereunder; (f) any substance the presence of which on the Property is prohibited, regulated, or restricted by any law or regulation similar to those set forth in this definition; and (g) any other substance which by law or regulation requires special handling in its Generation. The term "to Generate" means to use, collect, generate, store, transport, treat, or dispose of; provided, however, that the term "to Generate" expressly excludes the mere ownership, occupancy, or use by Developer, its successors and assigns, of the Property, and/or any part thereof, on or from which Hazardous Substances were Generated by third parties prior to the commencement of such ownership, occupancy, or use. It is the intention of the

parties that Developer does not, by this Agreement, assume any liability whatsoever for the acts or omissions of any other party whatsoever except as provided in any agreement with MDE.

8.7 Effect of Operational Standards.

The covenants of this Article VIII are in addition to, and not in lieu of, any similar or other provisions of Applicable Law.

ARTICLE IX
ANTI-SPECULATION, ASSIGNMENT, AND SUBLEASE PROVISIONS; TRANSFER BY CITY

9.1 Policy Against Speculation.

(a) Developer represents and agrees that its lease of the Property and its other undertakings pursuant to this Agreement are, and will be used, for the purpose of the development of the Project and not for speculation in landholding. Developer further recognizes that, in view of: (i) the importance of the development of the Project to the general welfare of the community; and (ii) the efforts of BDC on behalf of the City for the purpose of making such development possible; the qualifications and identity of Developer are of particular concern to the City and are two of several criteria influencing the City to enter into this Agreement with Developer.

Accordingly, Developer has provided to the City contemporaneously with its execution of this Agreement, a disclosure of the identity of all individuals and entities who are owners, directly or indirectly, of an ownership interest in Developer as of the Lease Date (the "Initial Ownership Disclosure"). City shall treat such information and any additional information provided pursuant to this Section as "Confidential Commercial Information" and "Confidential Financial Information" that is protected from disclosure under the Maryland Public Information Act, Title 10, Subtitle 6, Part III of the State Government Article to the extent permitted under such law. In the event that, prior to the issuance or deemed issuance by the City of a Certificate of Completion for all the Improvements, there is an Ownership Transfer of an ownership interest in an amount which does not require the City's prior consent as required in Section 9.2, to the extent disclosure of the same is required under the VLT License, Developer will provide to City a certified statement describing the changed ownership interests in Developer (and evidence of Developer's satisfaction of any transfer requirements that may be imposed by the State Lottery Commission and/or the Video Lottery Facility Location Commission) within thirty (30) days after the managing member of Developer has actual knowledge of such Ownership Transfer. No such certified statement is required for any Ownership Transfer after the issuance or deemed issuance of a Certificate of Completion for all the Improvements.

(b) (i) The term "Ownership Transfer" means a sale or other disposition by a Person that is an owner, directly or indirectly, of an ownership interest in Developer, with or without consideration.

(ii) The term "Disposition" means a sale, lease, assignment, grant, conveyance, or other disposition (including the grant of a mortgage, deed of trust, or security interest) by Developer (or any successor in interest) of Developer's leasehold interest in the Property or of its rights under this Agreement.

(iii) The term "Transferee" means a person who receives a Disposition or Ownership Transfer.

9.2 Restriction Against Disposition and Ownership Transfer.

Except as provided in Sections 9.3 and 9.6, prior to the issuance or deemed issuance of the Certificate of Completion pursuant to this Agreement, Developer shall not make or permit to be made (i) any Disposition of its interest in the Property (or portion thereof, as applicable) or Developer's rights under this Agreement, or (ii) any Ownership Transfer, without first obtaining the prior written consent of the City to the proposed Disposition or Ownership Transfer, which consent shall not be unreasonably delayed, conditioned, or withheld.

9.3 Permitted Dispositions and Ownership Transfers.

(a) Notwithstanding Section 9.2 or anything else herein to the contrary, the following Ownership Transfers and Dispositions (each, a "Permitted Disposition") shall not require the prior written consent of the City:

(i) the grant of a Mortgage that secures only a loan permitted under Section 13.1;

(ii) a sublease to a prospective subtenant of space in the Improvements on the Property (provided that such Sublease complies with the provisions of Sections 6.3 and 9.9);

(iii) an Ownership Transfer that does not, either by itself or in combination with one or more other Ownership Transfers, either:

(A) result in a change in day-to-day management control of Developer pursuant to the terms of either Developer's organizational documents (as are in force as of the Lease Date) or other contract among Developer's owners (provided that, if approved by the Video Lottery Facility Location Commission, either Caesars Entertainment Corporation or DG Mothership LLC, but not both may assign all of its respective interest in Developer) or

(B) other than any Ownership Transfer of either (1) any publicly-held shares in Caesars Entertainment Corporation or (2) if approved by the Video Lottery Facility Location Commission, Ownership Transfers by Caesars Entertainment Corporation or DG Mothership, LLC to either each other or (if not exceeding an eighteen percent (18%) in Developer, in the aggregate) to another member of Developer (each of which shall constitute a Permitted Disposition), constitute a change in more than fifty percent (50%) of the ownership interests in Developer as a whole as set forth in the Initial Ownership Disclosure;

(iv) any Ownership Transfer of any direct or indirect interest in CR Baltimore Holdings, LLC to any entity owned by one or more shareholders of Caesars Entertainment Corporation or DG Mothership LLC; provided, however, that following such Ownership Transfer, the day-to-day management of Developer shall be directly or indirectly controlled by one or more subsidiaries or affiliates of Caesars Entertainment Corporation or DG Mothership LLC, pursuant to the terms of either Developer's organizational documents (as are in force as of the Lease Date) or other contract among Developer's owners;

(v) any Ownership Transfer pursuant to which CR Baltimore Holdings, LLC, Caesars Entertainment Corporation, or DG Mothership, LLC, or their respective wholly-owned subsidiaries acquire additional ownership interests in Developer;

(vi) a contract for the management of the VLT Facility between Developer and a third-party or between Developer and an affiliate of a direct or indirect owner of any ownership interest in Developer (it being recognized that any such management agreement would have to be approved by the Video Lottery Facility Location Commission and that such Commission has approved Caesars Baltimore Management Company, LLC);

(vii) if the VLT License is terminated, a Disposition to any Person issued a license to contract and operate a VLT Facility at the Property;

(viii) any Disposition or Ownership Transfer permitted under or otherwise contemplated by Section 9.6 below;

(ix) any Disposition to a Transferee who has been approved by the State as a transferee of the VLT License;

(x) a transfer of Developer's rights and obligations under this Agreement to an entity (hereinafter called a "Successor Developer") for the purpose of such entity taking title to, and developing Improvements on, all or any portion of the Property, provided that such entity is initially owned by the same owners set forth in the Initial Ownership Disclosure and that each such owner has the same ownership interest in such entity as it does in Developer, as set forth in the Initial Ownership Disclosure (other than changes in such ownership may be otherwise permitted by this Section 9.3(a));

(xi) a Disposition in accordance with Section 13.3.3 or upon a foreclosure sale under a Mortgage permitted under Article XIII;

(xii) any assignment of this Agreement or other Disposition to a Mortgagee and any subsequent assignment of this Agreement or other Disposition by a Mortgagee pursuant to any Mortgage; and

(xiii) any Transfer required to secure a Mortgagee in accordance with Article XIII, including, without limitation, the Transfer to a wholly-owned subsidiary of Developer; provided that following such Transfer, the direct or indirect owner(s) of Developer remain

substantially as existing as of the Lease Date or as otherwise permitted pursuant to this Agreement.

(b) For the avoidance of doubt, (i) to the extent permitted by State VLT Law and any applicable VLT License requirements and (ii) to the extent required by State VLT Law, approved by the Video Lottery Facility Location Commission or the State Lottery Commission, in no event shall the provisions of this Article IX or elsewhere in this Agreement impose or be construed as imposing any limitation on any Ownership Transfer of any interest in Caesars Entertainment Corporation or DG Mothership, LLC, or with regard to either of the foregoing entities, to a successor, by merger, consolidation, sale of assets, or otherwise, of all or a substantial portion of the assets or business of Caesars Entertainment Corporation or DG Mothership, LLC.

9.4 Conditions to the Approval of Assignment or Transfer.

Without limiting the right of the City to give or withhold its consent to a Disposition or Ownership Transfer to the extent such consent is required pursuant to Section 9.2, the City shall be entitled to require, as conditions to the consent required in Section 9.2 above, that:

(i) Any proposed Transferee shall have received the approval of the State Lottery Commission and/or the Video Lottery Facility Location Commission, to the extent required by Applicable Law;

(ii) To the extent any Disposition constitutes the assignment of this Agreement, any proposed Transferee, by instrument in writing, shall have, for itself, its successors and assigns and expressly for the benefit of the City expressly assumed all of the obligations of Developer not previously performed under this Agreement and shall have confirmed that Transferee is subject to the terms and conditions under this Agreement hereunder with respect to the Property, or a portion thereof, which is the subject of the Disposition (the "Subject Property");

(iii) There has been submitted to City the conveyance instrument effecting the Disposition or Ownership Transfer; and

(iv) The consideration payable for the Disposition of the Property by the Transferee or on its behalf, shall not exceed an amount representing the actual cost to Developer, including without limitation, carrying charges and all actual out-of-pocket expenditures attributable to the Subject Property, certified by Developer and reasonably approved by City, made thereon prior to the Disposition. It is the intent of this provision to preclude assignment of this Agreement or any other Disposition of the Property for profit prior to the issuance or deemed issuance of the Certificate of Completion pursuant to this Agreement and to provide that in the event the City's consent is required pursuant to Section 9.2 in connection with any Disposition made prior to the issuance or deemed issuance of the Certificate of Completion pursuant to this Agreement and such Disposition is made without the City's prior written consent and is not canceled, the City shall be entitled among other remedies, to demand and receive a payment from Developer equal to the amount of the consideration payable by the Transferee in excess of the amount authorized in this sub-paragraph.

9.5 Procedure for Approval.

In the event that pursuant to the provisions of this Article IX the approval of the City is required for a Disposition or Ownership Transfer and a request for the City's approval of a Disposition or Ownership Transfer is made, the City shall approve or deny such request for approval within forty-five (45) days of the City's receipt of such request. Such Disposition or Ownership Transfer shall, in any event, be deemed to have been approved by City unless rejected, in whole or in part by the City, within forty-five (45) days after Developer's request for approval, provided that at the time of such request Developer submitted, if applicable, written evidence of the State's approval of such transfer. City may disapprove of any such request, but any approval may only be given by the Board of Estimates of the City. If the City disapproves such request, the City must give its reasons in writing, it being acknowledged that such approval shall not be unreasonably delayed, conditioned, or withheld.

No such Disposition with respect to the Property or any portion thereof or approval by the City thereof shall be deemed to relieve Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Improvements on the Property or any portion thereof, from any of its obligations with respect thereto, and no such Disposition shall limit any of the remedies of the City hereunder, except as specifically provided herein; provided, however, that if the City approves a Disposition of all of the Property, Developer shall be relieved of all further liability except for defaults under the Agreement arising prior to such Disposition.

9.6 Disposition After Issuance of Certificate of Completion.

Notwithstanding anything contained in this Agreement to the contrary, the City agrees that, upon or any time after the issuance or deemed issuance by DHCD of the Certificate of Completion for all the Improvements Developer may thereafter, without the prior consent of the City, make or create, or suffer to be made or created, any (i) Disposition of the Property, or (ii) Ownership Transfer and the provisions of Section 9.1 through and including 9.5 shall no longer be applicable.

9.7 Effect of Prohibited Disposition.

Any Disposition or Ownership Transfer which is not a Permitted Disposition or otherwise permitted pursuant to Section 9.6, or which is made without the City first having given its consent, shall be null, void, and of no effect whatsoever.

9.8 Confirmation of Permitted Dispositions.

Upon request of Developer from time-to-time, the City shall issue a certificate to Developer and any Transferee (or potential Transferee) confirming, if true, that a Disposition or Ownership Transfer is a Permitted Disposition. Within thirty (30) days of Developer's submission to the City of such a request, together with such details of the Disposition or Ownership Transfer in question as the City may reasonably require to issue such a certificate, with a copy of same to the City Law Department, the City shall execute and deliver to Developer

such a certificate, which certificate shall be in a form and substance that are reasonably acceptable to the City. The Commissioner of DHCD is authorized to execute and deliver such a certificate under this Section.

9.9 Permitted Subleases; Related Non-Disturbance Agreements.

(a) Notwithstanding anything contained in this Agreement to the contrary, Developer may enter into Subleases for portions of the Improvements without restriction for any use authorized by Section 6.3(a) of this Agreement provided such Subleases do not encompass the sublease of any area in which Developer operates VLTs (the "Additional Space") (except as limited in Section 6.3 and the Project Plan). Developer shall notify the City by giving it ten (10) days prior written notice before entering into any Sublease with a non-affiliate of Developer with respect to the lease of twenty-five percent (25%) or more of the square footage of the VLT Facility that is not being used for the VLTs or for VLT operations (e.g., a restaurant) or for any equipment associated with the VLTs. Notwithstanding anything contained in this Agreement to the contrary, it is acknowledged and agreed by the City that (i) any provision of office space to members of the State Lottery Commission, State Department of Police or other agency of the State shall not otherwise require any consent or approval from the City, (ii) Subleases for portions of the Property are not to be deemed Ownership Transfers or Dispositions for purposes of this Agreement, and (iii) any management agreement entered into with respect to the Property shall not be deemed to be a lease or sublease, or other Ownership Transfer or Disposition, for purposes of this Agreement, and shall not otherwise require any consent or approval from the City. The City shall have the right to review and comment to Developer as to any concerns it may have with respect to the proposed Sublease (if Developer receives such comments within ten (10) days after it has sent the proposed sublease to the City), and the City shall send a copy of such written comment to the State Lottery Commission.

(b) All subleases shall be subordinate to this Agreement regardless of any consent the City gives to such sublease, provided, however, if also provided by Developer's Mortgagee and for so long as a gaming operation is maintained upon the Property, the City agrees, upon prior written request of at least thirty (30) days, to enter into a customary non-disturbance, recognition, and attornment agreement with any Tenant, on the following conditions: the Tenant must agree that the Sublease is subordinate to this Agreement; the obligation of the City to not disturb the tenancy of the Tenant will expire if and when the Property is not being used for gaming; Developer must give the City a copy of the non-disturbance agreement between the subtenant and the Mortgagee; the City must be satisfied with the terms and conditions of the agreement but will not unreasonably withhold its consent to the proposed terms and conditions; and the City will sign and deliver such agreement with in thirty (30) days after the City and the Tenant agree on its terms. The Commissioner is authorized to sign and deliver such agreement without the approval of the Board of Estimates unless he or she is advised by the City Law Department to request such approval.

9.10 Transfer of Fee Ownership by the City.

Subject to the rights afforded Developer pursuant to Section 9.11, nothing contained in this Agreement shall prevent the City from transferring or otherwise disposing of its fee simple interest in the Property following issuance of a Certificate of Completion; provided, however, (i) so long as

no Event of Default by Developer has occurred and is continuing, the City shall not transfer, mortgage, or otherwise pledge any of its interest in the Property prior to the issuance of a Certificate of Completion; (ii) the City shall not transfer, mortgage, or otherwise pledge any of its interest in the Property to any casino operator other than Developer; and (iii) the City shall not create on the Property or any portion thereof any easements, liens, encumbrances, or other interests at any time. In the event that the City transfers its reversionary fee simple interest during the Term of this Agreement,

(a) the City shall retain its municipal rights as set forth in Section 2.7 – 2.11, Section 2.12, Section 2.16, and in Article V (which, in turn, is referenced in Sections 2.6(b) and 2.6(c)) and such rights shall not be transferred to any non-governmental Person; and

(b) the following gaming regulation-related provisions shall apply:

(i) Upon request from Developer, the Private Party Successor (as hereinafter defined) and such Private Party Successor's affiliates, officers, directors, and shareholders holding more than a five percent (5%) equity ownership interest in such Private Party Successor (or such other percentage interest as may be specified under Applicable Law) (the "Subject Group"), shall promptly provide information reasonably requested by Developer concerning the Subject Group to allow Developer and its affiliates to perform due diligence and gaming suitability and background checks of the Subject Group (as may be required by Applicable Law or any Public Authority overseeing a gaming license held by Developer or its affiliates, including, without limitation, any compliance program maintained and administered by Developer's affiliates as required by such Public Authority).

(ii) Upon the occurrence of a Licensing Event (as defined below), Developer shall notify the Private Party Successor as promptly as practicable. In such event, the Private Party Successor shall use commercially reasonable efforts to assist Developer and its affiliates in resolving such Licensing Event. If, despite these efforts, such Licensing Event cannot be resolved to the satisfaction of the applicable Public Authorities within the time period required by such Public Authorities, Developer shall have the right to terminate this Agreement.

(iii) For purposes of this Agreement, a "Licensing Event" shall constitute (i) a written communication by or from a Public Authority with jurisdiction over Developer or its affiliates that indicates that such Public Authority may find that the association of any member of the Subject Group with Developer or any of its affiliates is likely to (A) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application, or license or any other rights or entitlements held or required to be held by Developer or any of its affiliates under any gaming law, (B) violate any gaming law to which Developer or any of its affiliates is subject, or (ii) in order for this Agreement to remain in full force and effect, any member of the Subject Group is required by such Public Authorities to be licensed, registered, qualified or found suitable under any gaming law, and such Person is not or does not remain so licensed, registered, qualified or found suitable or, after becoming so licensed, registered, qualified, or found suitable, fails to remain so.

The terms and conditions of this Section 9.10(b) shall only apply during the Term of this Agreement for those periods of time in which the Property is owned by a non-governmental person (each a "Private Party Successor"). For the avoidance of doubt, this Section 9.10(b), including all subsections thereto, shall not apply at any time if the Property is owned by the City, any person wholly owned by the City, the State of Maryland or any person wholly owned by the State of Maryland.

9.11 Developer's Right of First Refusal.

(a) The City agrees that if, at any time during the Term of this Agreement, the City receives (or makes) a bona fide offer to purchase the fee simple title of the Property (or any interest therein) which it intends to accept (the "Purchase Offer"), the City shall deliver a copy of the Purchase Offer to Developer and any Mortgagee and notify Developer of its intention to accept (or, as applicable, offer) the Purchase Offer on the exact terms and conditions contained in the Purchase Offer. To the extent the terms and conditions of the transaction are not contained in the Purchase Offer, such terms and conditions shall be as set forth in Section 9.11 hereof. Developer shall, within thirty (30) days after receipt of the Purchase Offer, notify the City in writing whether or not it desires to accept the Purchase Offer (the "Purchase Offer Notice"). If Developer accepts the Purchase Offer, the City shall become obligated to sell, and Developer, or any designated affiliate of Developer, shall become obligated to purchase, the Property on the same terms and conditions contained in the Purchase Offer.

(b) The failure of Developer to deliver the Purchase Offer Notice to the City within thirty (30) days after Developer's receipt of the Purchase Offer shall constitute an election not to accept the Purchase Offer. If the Purchase Offer is not accepted by Developer, the City may sell the Property to the person or entity which submitted the Purchase Offer, but only upon the same terms and conditions set forth in the Purchase Offer. If the Purchase Offer is consummated, the acquisition of the Property shall be subject to this Agreement and Developer's rights hereunder. If the Purchase Offer is not consummated upon the same terms and conditions set forth in the Purchase Offer within one hundred eighty (180) days after the election of Developer not to accept the Purchase Offer, this Section 9.11 shall remain applicable to all subsequent offers with respect to the Property received by the City, including, but not limited to, any subsequent Purchase Offer received from such person or entity.

ARTICLE X
INSURANCE

10.1 Required Types of Coverage.

Developer shall, at its cost and expense, from and after the Date of Possession, at all times, procure and maintain, or cause to be procured and maintained, the following insurance:

(a) On all Improvements, including furniture and fixtures, fire and extended coverage insurance, with a deductible clause in an amount not to exceed One Million Dollars ($1,000,000), in an amount of not less than 100% of the full replacement cost thereof; such insurance shall provide that any and all loss be adjustable with and payable to Developer in accordance with the provisions of this Agreement; and

(b) Commercial General Liability Insurance at limits of not less than Three Million Dollars ($3,000,000) per occurrence for claims arising out of bodily injuries or death, and damages, with aggregate limits of a minimum of Five Million Dollars ($5,000,000).

Any insurance carried by Developer hereunder, at Developer's option, may be carried under insurance policies or pursuant to a master policy of insurance or so-called blanket policy of insurance covering other properties of Developer's affiliates, or any combination thereof. Without limiting the foregoing, Developer may satisfy its obligations under this Article X through one or more insurance policies also covering the Garage, one or more of the Sale Properties, and Developer's operations upon the Property and the Sale Properties.

10.2 Company and Certificate Requirements.

All insurance prescribed by Section 10.1 shall (a) be procured from financially sound and reputable insurers qualified to do business in the State of Maryland and have an A.M. Best rating of not less than A/VIII or, if not rated with A.M. Best, the equivalent of A.M. Best's surplus size of A/VIII (or otherwise approved by DHCD), (b) be in such form and with such provisions as are generally considered standard provisions for the type of insurance involved, and (c) be evidenced by a certificate of insurance naming the City as an additional insured or loss payee in accordance with industry standards and on applicable policies delivered to the City.

10.3 Deficiencies in Coverage and Failure to Maintain Insurance.

If Developer becomes aware of any material reduction in the coverage provided under such insurance, Developer shall promptly notify the City. If Developer fails to maintain any insurance as provided in this Agreement, upon the occurrence and during the continuance of an Event of Default, the City may, upon at least fifteen (15) days prior written notice to Developer (during which period Developer may obtain such insurance), procure and maintain such insurance at the expense of Developer. All amounts of money paid therefor by the City shall be repaid to the City on demand with interest thereon at the "Prime Rate" as in effect from time to time, as published in the Wall Street Journal (the "Default Rate"), but in no event in excess of the maximum legal rate, from the date paid by the City to the date of payment by Developer. The City shall notify Developer in writing of the date, purposes, and amounts of any such payments made by it, which shall be payable by Developer to the City within thirty (30) days of such notification.

10.4 Other Insureds - Notice to the City of Cancellations.

The City, by endorsement, must be named as an additional insured, in respect to liability arising out of the activities of Developer in connection with this Agreement. All insurance policies may contain a mortgagee and loss payee clause in favor of a Mortgagee. All insurance policies shall provide that they cannot be canceled, modified, or terminated until at least thirty (30) days after written notice thereof is given the City. Each policy shall contain an endorsement to the effect that no act or omission of the City shall affect the obligation of the insurer to pay the full amount of any loss sustained. To the extent of Developer's negligence, Developer's insurance coverage shall be primary insurance as respect to the City, its elected/appointed

officials, employees, departments, agents, and representatives. Any insurance or self-insurance maintained by the City shall not contribute with Developer's insurance or benefit Developer in any way.

10.5 Insurance Does Not Waive Developer's Obligations.

No acceptance or approval of any insurance agreement or agreements by the City shall relieve or release or be construed to (a) relieve or release Developer from any liability, duty, or obligation assumed by, or imposed upon, it by the provisions of this Agreement or (b) impose any obligation upon the City (except as expressly set forth in this Agreement), it being recognized that this Agreement is a triple-net lease which imposes all operational obligations upon Developer.

10.6 Proof of Loss.

Whenever any part of the Property is damaged or destroyed, Developer shall promptly make proof of loss and shall proceed promptly to endeavor to collect all valid claims which may have arisen against insurers or others based upon any such damage or destruction.

10.7 Application of Fire and Extended Coverage Insurance Proceeds and Obligation to Reconstruct.

10.7.1 Except as otherwise provided in Subsections 10.7.2 and 10.7.3 of this Section 10.7 and subject to the rights of any Mortgagee of Developer under all agreements and documents entered into between Developer and such Mortgagee or any other agreements relating to any loan(s) relating to the Project made by such Mortgagee to Developer (and the terms and provisions provided therein), all sums payable for loss and damage arising out of the casualties covered by the fire and extended coverage policies shall be used to restore and, if necessary, rebuild any Improvements (or, if covered under the same policy and if applicable, and the Garage) existing or being constructed prior to such casualty, and, upon prior written notice to the City, shall be payable as follows:

(a) directly to Developer, if the total recovery is Fifty Million Dollars ($50,000,000) or less, which funds shall be placed in a segregated account of Developer (or Mortgagee) and for which Developer shall provide DHCD with a monthly accounting; and

(b) to an "Insurance Trustee", if the total recovery (including Developer's deductible) is in excess of Fifty Million Dollars ($50,000,000), to be held by such Insurance Trustee pending establishment of reconstruction, repair, or replacement costs and shall be disbursed to Developer pursuant to the provisions of this Section 10.7.1.

The dollar amount contained in clauses (a) and (b) above shall be increased by ten percent (10%) on January 1, 2020, and every five (5) years thereafter (i.e., on January 1, 2025, said amount shall equal $60,500,000 on January 1, 2030, said amount shall equal $66,550,000, etc.)

The Insurance Trustee shall be such bank or trust company (or other Person) as shall be appointed by the Mortgagee (or, in the absence of such appointment, as may be selected by Developer and approved by DHCD, which approval shall not be unreasonably delayed, conditioned or withheld); it being agreed that any then existing institutional Mortgagee that is authorized to act in the capacity as an insurance trustee is hereby approved for service as the Insurance Trustee.

10.7.2 All amounts received upon such policies, and any interest thereon, shall be used, to the extent required, for the reconstruction, repair, or replacement of the damaged Improvements (and, if applicable, the Garage), (hereinafter referred to as "Reconstruction Work") so that such Improvements (and, if applicable, the Garage) shall be restored to a condition comparable to the condition prior to the loss or damage. In the event that any of the Improvements (and, if applicable, the Garage) are completely destroyed (or are damaged to a degree that Developer reasonably determines that it is not practicable to restore same), Developer (provided that the design approval process of Article V and the requirements of this Article are satisfied) may construct new improvements comparable to the destroyed Improvements (and, if applicable, the Garage). From the insurance proceeds received by the Insurance Trustee, there shall be disbursed to Developer such amounts as are required, from time to time, to pay requisitions for the Reconstruction Work, as approved by a competent architect or inspector designated by Mortgagee, and if no Mortgagee, designated by Developer. Such architect or inspector must certify that the amount so certified represents his or her best estimate of the cost of the Reconstruction Work to the date of requisition, and Developer agrees that such amount will be applied to the payment of the cost of such Reconstruction Work to the extent required.

10.7.3 In the case that Developer shall have authorized any Mortgagee on Developer's behalf or in its stead to enter upon the Property (and/or the Garage Property, as the case may be) and undertake or prosecute the reconstruction or repair of any Improvements (and, if applicable, the Garage) damaged or destroyed by fire or other casualty, and to have and receive for Developer or such Mortgagee's use for such purpose such insurance proceeds, then in that case said insurance proceeds shall be equally available to such Mortgagee as to Developer as provided in Subsection 10.7.2 of this Agreement, and it shall in like manner and to like extent at the request of any such Mortgagee, be applied to the reconstruction or repair of any such Improvements so damaged or destroyed.

10.7.4 If (i) a total or substantially complete destruction of all Improvements occurs, (ii) some or all of the Improvements or Garage are destroyed to such extent that Developer determines that it would be uneconomical to cause the same to be repaired, restored or replaced and/or to continue operations of the Project, (iii) the cost of the repairs, restoration, or replacement after a casualty loss affecting the Property or Garage is estimated by Developer (notwithstanding the obligation to maintain "full replacement cost" insurance coverage) to exceed the insurance proceeds to be made available to Developer for repairs, restoration, or replacement (after all required payments of such proceeds are made to all Mortgagees), or (iv) a casualty occurs that damages the Property or Garage during the last ten (10) years of the Term, (unless the City agrees to extend the Term so at least thirty (30) years would remain on the Term to provide Developer the ability to finance reconstruction) then, in any of such events Developer may elect to terminate this Agreement upon written notice to the City. If such termination

occurs, (a) the Improvements damaged by such casualty, at the election of the City, which election shall be exercised within thirty (30) days after notice from Developer to the City of such termination, shall be completely razed (with the site cleared, graded, and seeded) and put in a clean, safe and stabilized condition, as soon as reasonably practicable; if the City fails to make any such election within such thirty (30) day period, then the City shall be deemed to have not made any such election, and (b) if the City elects to have the Improvements damaged by such casualty razed and stabilized, upon the completion of such razing and stabilization, unless sooner required by a Mortgagee, all insurance proceeds (net of any amount due all Mortgagees, with respect only to any monies directly or indirectly due or owing with respect to the Garage Property or the Option Properties but not with respect to funds due a mortgagee with respect to other projects of Developer, or any of Developer's affiliates, and due Tenants), net of the cost of razing and stabilizing the damaged Improvements and net of all other bona fide, out of pocket casualty-related expenses of Developer, including the cost of adjusting the insurance claim arising from such casualty) (such net proceeds as so calculated the "Net Proceeds") shall be distributed to Developer.

10.7.5 Notwithstanding anything contained in this Agreement to the contrary, the terms and provisions of this Section 10.7 are in all events subject to the rights of any Mortgagee of Developer under any and all documents and agreements entered into between such Mortgagee and Developer and the terms and provisions contained in any such documents and agreements shall in all events supersede the terms and provisions of this Section 10.7 to the extent there is any conflict with the same.

10.8 Covenant for Commencement and Completion of Reconstruction.

Unless Developer has elected to terminate this Agreement pursuant to Section 10.7.4, Developer covenants and agrees to commence the Reconstruction Work as soon as practicable, but in any event within twelve (12) months after the casualty, subject to Section 17.1 of this Agreement, and to complete fully such Reconstruction Work as expeditiously as possible, consistent with the nature of the damage but in any event, within twenty-four (24) months from the start of such Reconstruction Work, subject to Section 17.1 of this Agreement; provided, however, that if it is not practicable to commence such Reconstruction Work within such twelve (12) month period, or to complete such Reconstruction Work within such twenty-four (24) month period, then such Reconstruction Work may be commenced and completed within a longer period, provided that such period shall be approved in writing by the City (which approval shall not be unreasonably delayed, conditioned, or withheld) after written request from Developer.

10.9 Modification of Coverage.

The City shall have the right to review the policy limits outlined in this Article X and discuss whether Developer should increase any such limits, but the City shall have no right to require Developer to increase the amount of the insurance coverage or decrease any deductible amount. Developer shall (a) regularly review such limits or and the types of coverage to reflect then currently acceptable, commercially reasonable policy limits and types of coverage for coverage for similar uses and operations and (b) at least every five (5) years shall provide the

City with Developer's analysis of the amount of "full replacement cost" coverage that is appropriate.

10.10 Indemnity.

10.10.1 Indemnification. Notwithstanding any policy or policies of insurance required of Developer, Developer shall indemnify, defend (at Developer's cost), and save harmless the City, its elected/appointed officials, employees, departments, agents and representatives (collectively, the "City Indemnitees") from and against any and all Claims, due to any breach by Developer of any one or more of its obligations under this Agreement, or due to the negligence or intentional wrongful acts of Developer, the Tenants, their respective officers, employees, sub-lessees, agents, contractors, subcontractors, or servants except to the extent caused by any negligence or willful misconduct of the City Indemnitees in connection with the operation of the Project.

10.10.2 Scope of Indemnification. By way of clarification and not in limitation of the provisions of this Section 10.10, Developer shall indemnify, defend and save harmless the City Indemnitees, against and from any and all liabilities, suits, actions, claims, demands, damages, losses, expenses, and costs of every kind and nature incurred by, or asserted or imposed against, the City Indemnitees, or any of them, by reason of any accident, injury (including death), or damage to any person or, however caused, resulting from any negligent or intentional wrongful act of commission or omission of Developer, the Tenants, or any of their respective officers, employees, sub-lessees, agents, contractors, subcontractors, or servants in connection with the operation of the Project, including any negligent use, non-use, possession, occupation, condition, operation, service, maintenance, or management of, or on, or in connection with, the Project (or its obligations hereunder), or any part thereof (except to the extent caused by any intentional wrongful act or negligence of the City Indemnitees, and regardless of whether such liabilities, suits, actions, claims, demands, damages, losses, expenses, and costs be against or be suffered or sustained by the City Indemnitees, or be against or be suffered or sustained by other persons, or legal entities to whom the City Indemnitees, may become liable therefor. Developer may, and if so requested by the City shall, undertake to defend, at its sole cost and expense, any and all suits, actions, or proceedings brought against the City Indemnitees, in connection with any of the matters covered by Developer's indemnity, provided that the City shall give Developer timely notice of and shall forward to Developer, or inform Developer of, every written demand, notice, summons, or other process received with respect to any claim or legal proceeding within the purview of this Section 10.10.

10.10.3 Payment Obligations. Pursuant to the provisions of this Section 10.10, Developer shall promptly pay any and all costs, expenses, and judgments that may be incurred by, or rendered against, the City, its elected/appointed officials, employees, departments, agents and representatives at any time or times which under said preceding paragraphs Developer is obligated to pay. To the extent that the City shall recover insurance payments from Developer's insurer for any such reasonable and documented costs, expenses, and judgments paid by Developer under this Article, the City shall reimburse Developer.

10.10.4 Survival. The provisions of this Section 10.10 shall survive the termination of the insurance required by this Article X and shall survive the Term of this Agreement.

10.10.5 Governmental Indemnity. Nothing in this Section 10.10 shall be deemed a waiver by the City of any sovereign or governmental immunity.

ARTICLE XI
PROTECTION AGAINST MECHANICS' LIEN AND OTHER CLAIMS

11.1 Developer to Discharge Mechanics' Liens.

If any mechanics' lien shall at any time be filed against the Property (or any interest therein) by reason of any work or materials supplied by or on behalf of Developer or any Tenant, Developer shall promptly take and diligently prosecute appropriate action to have the same bonded or discharged. Upon Developer's failure to do so within thirty (30) days after written notice that any such lien is filed, the City, upon at least five (5) Business Days prior written notice (during which period Developer may bond or discharge such lien), in addition to any other right or remedy that it may have, may take such action (including payments) as may be reasonably necessary to remove such liens, and Developer shall pay the amount paid by the City in connection with such action, and all reasonable legal and other costs and expenses incurred by the City in connection therewith (including reasonable counsel fees, court costs, and other necessary disbursements). Any such amounts paid by the City and the amount of any such expenses or costs incurred by the City (plus interest upon such amounts at the Prime Rate) shall be payable by Developer to the City not later than thirty (30) days after the date Developer receives written notice from the City of the amount thereof and demand for payment of the same, and if not paid by Developer to the City within thirty (30) days after the date of such written demand, shall be treated as a lien upon the Property.

11.2 Payment of Materialmen and Supplies.

Developer shall make, or cause to be made, prompt payment of all money due and legally owing to all persons doing any work performed by Developer (or caused to be performed by Developer) in connection with the construction, repair, or reconstruction of any Improvements.

11.3 Right to Dispute.

Nothing in this Article XI shall limit the right of Developer to contest, in good faith, by legal proceedings or otherwise, whether any amount claimed or alleged to be due and owing to any such person is legally due and owing and to withhold payment of such amounts pending resolution of such dispute; provided, however, any mechanics liens must be bonded (or otherwise addressed in accordance with Applicable Law) in accordance with Section 11.1.

11.4 City's Interest Not Subject to Mechanics' Liens.

There shall be no mechanics' liens upon the City's interest in the Property or any part thereof, arising through Developer, and no person who furnished work, labor services, or materials, to the Property or any Improvements, and claiming directly or indirectly through or

under Developer, or through or under any act or omission of Developer, shall ever become entitled to a lien which is superior to the City's interest in the Property. Nothing contained in this Agreement constitutes any consent or request by the City, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect to the property, or any Improvements, nor as giving Developer any right, power, or authority to contract for or permit the rendering of any labor or services or the furnishing of any materials or other property that would give rise to any claim against the City.

ARTICLE XII
REAL ESTATE TAXES

12.1 Real Estate Taxes.

12.1.1 Subject to Section 12.2, Developer shall pay by September 30 of each year after the Date of Possession all Real Estate Taxes levied, assessed, or imposed against the Property that are then due and payable. Developer shall pay such amount by September 30 despite any Applicable Law which may allow Developer to pay all or part of such Real Estate Taxes at a later time during the tax year in which they become due; but this provision does not limit Developer's rights under Section 12.2. Notwithstanding anything in the foregoing to the contrary, any special assessments that may be paid in periodic installments may be so paid, to the extent permitted by Applicable Law.

12.1.2 "Real Estate Taxes" shall include: all general and special assessments; any other municipal or governmental charges levied or paid on an annual basis and included in Real Estate Tax bills; and any governmental imposition in lieu of or in substitution for Real Estate Taxes.

12.1.3 Any Real Estate Tax relating to a fiscal period of the Public Authority making the tax a part of which period is included within the Term and a part of which is included in a period of time before the Date of Possession or after the expiration of the Term, shall be adjusted (whether or not such tax shall be assessed, levied, confirmed, imposed or become a lien upon the Project, or become payable during the Term) so that Developer shall pay only that portion of such tax which that part of such fiscal period included in the period of the Term bears to such fiscal period.

12.1.4 Subject to Section 4.8.1, Developer may be eligible for State Enterprise Zone tax credits and Brownfields tax credits in connection with the State's Voluntary Cleanup Program, both of which are credits against the City portion of Real Estate Taxes due on the Property, but which shall not reduce the minimum amount payable in accordance with Section 4.8.1.

12.2 Deferral or Contest.

Developer shall be entitled to contest in good faith the validity or allocation (in whole or in part) of any Real Estate Taxes which Developer is obligated to pay under Applicable Law and, if and only if the payment of the Real Estate Taxes would extinguish the right to contest such taxes, defer the payment (provided that any such deferment shall continue only so long as the validity or amount thereof shall be contested by Developer in good faith and by appropriate proceedings). The City agrees to consent to and/or formally join in any such proceedings, if and

to the extent such consent and/or joinder is required by law for the prosecution thereof provided such contest is conducted at Developer's sole expense, the City does not have to take any position as to any assessment, and the City is held harmless as to any cost, expense, liability, or penalty resulting therefrom.

12.3 Evidence of Payment.

By November 1 of each year, Developer shall furnish to the City, copies of the official receipts of the appropriate taxing authority, or other proof satisfactory to the City, evidencing the payment of any Real Estate Taxes which were due and payable pursuant to Section 12.1.

12.4 Taxes During Construction.

Developer acknowledges that the State assesses real property in Baltimore City for the purpose of establishing its value for Real Estate Taxes. However, City will support Developer in its efforts to base the assessment of the Property during the initial Construction of the Improvements on its value as unimproved property.

12.5 Tax Equivalency Charge.

Upon the Date of Possession, Developer shall pay the City a tax equivalency charge, as required by law, for the tax year ending June 30, 2013 if the Date of Possession occurred after June 30, 2012 or for the tax year ending June 30, 2014 if the Date of Possession occurred after June 30, 2013. Developer's obligation to pay a tax equivalency charge is separate and apart from its obligations to pay Real Estate Taxes as they may be assessed and imposed. The tax equivalency charge on the Property shall be calculated as follows:

(a) the assessed value of the Property will be divided by $100.00 which sum shall be multiplied by the combined City and State of Maryland property tax rates to determine what the combined Real Estate Taxes would be for a full year, and

(b) the amount thereby determined will be pro-rated on a daily basis so that the amount payable will only represent the pro-rated amount from and including the Date of Possession until the end of the 2012-2013 tax year or the end of the 2013-2014 tax year, as the case may be. Such payment by Developer will satisfy any Real Estate Taxes payable for such year, but not for any subsequent period.

ARTICLE XIII
MORTGAGE FINANCING

13.1 Right to Mortgage.

13.1.1 Except in strict accordance with this Section 13, Developer shall not create any Mortgage or other encumbrance or lien upon Developer's leasehold interest in the Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to Developer's leasehold interest in the Property; provided, however, that any Permitted Disposition, any Sublease permitted under Section 9.9 of this Agreement, and any

management agreement entered into by Developer with respect to the Property or any portion thereof, shall be expressly permitted and shall not be deemed encumbrances for the purposes of this Section 13.1; and provided further that no encumbrance or lien shall attach upon Developer's leasehold interest in the Property until on or after the Date of Possession.

13.1.2 On or after the Date of Possession but prior to the issuance or deemed issuance of the Certificate of Completion, Developer may place a Mortgage secured by Developer's leasehold interest in the Property solely to secure a loan or loans for the purpose of financing (a) the construction of the VLT Facility and Improvements thereon, the Garage, and the Sale Properties (to the extent owned by Developer or any permitted assignee), (b) the purchase of the Garage Property, and (c) related, commonly recognized soft costs, such as, without limitation, commitment fees, points, interest, closing fees, reserve funds required by the lender, fees and expenses of consultants, architects, engineers, and contractors, broker's or leasing fees, and legal fees. The loan may also include an amount needed to pay the estimated initial costs of pre-opening, operating, and start-up costs.

13.1.3 After the Certificate of Completion is issued or deemed issued, Developer may encumber its leasehold interest in the Property without any restriction except that any encumbrance may only be for the purpose of either (a) obtaining financing or refinancing of all the hard and soft costs required to build, operate, refurbish, and/or improve the VLT Facility, the Garage, and permitted ancillary facilities and/or (b) refinancing excess equity. Developer may not encumber its leasehold interest in the property to secure the debt of affiliates or otherwise support an obligation of affiliates or others if such obligation is not related to the Project.

13.1.4 Prior to the issuance or deemed issuance of the Certificate of Completion for the Improvements, Developer shall promptly notify the City of any encumbrance or lien that has been created on or attached to the Property (or Developer's leasehold interest therein), whether by voluntary act of Developer or otherwise. Such notices shall be in writing and, in the event of a voluntary act, in advance of such act.

13.1.5 Upon request and subject to the City's reasonable approval of the terms and conditions of the same, the City shall enter into such confirmations of this Article XIII of this Agreement as may be reasonably requested by any existing or proposed Mortgagee. Such confirmations shall not require approval of the Board of Estimates.

13.2 Mortgagee Not Obligated to Construct or Operate.

Notwithstanding any of the provisions of this Agreement to the contrary, including those that are intended to be covenants running with the land, the holder of any Mortgage authorized or permitted by this Agreement (including any such holder who obtains title to the Property, any ownership interest in Developer or any part of the Property or any part ownership interest in Developer as a result of foreclosure proceedings, or action in lieu thereof or an assignment in lieu of foreclosure, and also including (a) any other party who thereafter obtains title to the Property, any ownership interest in Developer or any part of the Property or any part ownership interest in Developer from or through such holder or (b) any other purchaser at foreclosure sale, or other assignee under an assignment in lieu, other than the holder of the Mortgage itself) shall

in no way be obligated by the provisions of this Agreement to construct or complete the Improvements, or to guarantee such construction or completion, or to operate the Project; nor shall any covenant or any other provision in this Agreement be construed to so obligate such holder, designee or assignee; provided, however, that except as set forth in Section 6.3, nothing in this Section or other provision of this Agreement shall be deemed to authorize any Person to devote the Property or any part thereof to any uses, or to construct any Improvements thereon, other than those uses or Improvements provided or permitted in this Agreement.

13.3 Rights of Mortgagee.

13.3.1 City's Acceptance. City agrees to accept performance and compliance by any Mortgagee of and with any term, covenant, agreement, provision, or limitation on Developer's part to be kept, observed, or performed by Developer hereunder.

13.3.2 Cure of Default. Following an Event of Default by Developer, the City will take no action to terminate this Agreement or the Term of this Agreement as provided in Article XIV, nor to re-enter and take possession of the Property, or exercise any of its other default remedies, unless it shall first give Mortgagee notice after the occurrence of any such Event of Default and stating the intention of City, on a date specified in such notice, to re-enter and take possession of the Property. Regardless of such notice, this Agreement and the Term shall not be terminated nor shall City re-enter and take possession of the Property or exercise any of its other default remedies, if:

(a) such Event of Default can be cured by the payment of a fixed monetary amount and Mortgagee shall make such payment within thirty (30) days after the date such notice is given; or

(b) such Event of Default can be cured with the exercise of reasonable diligence by Mortgagee after obtaining possession of the Property and the Project, and Mortgagee (or Mortgagee's designee), within one hundred eighty (180) days after the date of such notice, obtains such possession and upon obtaining such possession (or promptly upon its designee obtaining such possession) thereupon promptly commences (or its designee commences), and thereafter diligently pursues, the curing of such Event of Default (and such Event of Default is cured within sixty (60) days after obtaining such possession); or

(c) such Event of Default is not capable of being cured by Mortgagee, even if possession of the Property were obtained by Mortgagee or its designee, and Mortgagee, within one hundred eighty (180) days after the date such notice is given, obtains title to all of Developer's right, title, and interest in and to this Agreement (or Mortgagee's designee obtains such interest) (except that if Mortgagee is precluded from instituting or proceeding with such foreclosure by reason of a bankruptcy or insolvency proceeding filed by or against Developer, said one hundred eighty (180) day period shall be extended by a period of time equal to the period during which Mortgagee is so precluded from instituting or proceeding with such foreclosure), then such Event of Default, to the extent that the same shall have occurred prior to such acquisition of Developer's interest in this Agreement by Mortgagee or its designee, shall thereupon be deemed to have been waived.

Notwithstanding the foregoing, the curing of any Default(s) by any one or more persons or entities, by the latter of (x) the expiration of the Mortgagee's cure period noticed hereinabove and (y) the deadline for the Developer to cure the same Default as provided in this Agreement shall constitute a curing of Default hereunder with the like effect as if Developer had cured the same within its applicable cure period.

After any Event of Default referred to in this Section 13.3 that is cured by any Mortgagee, such Mortgagee shall have the right, at its option, to add the cost of curing such Event of Default to the Mortgage debt and the lien of the Mortgage.

13.3.3 Agreement Termination; New Agreement.

(a) In the event of any termination of this Agreement or in the event that this Agreement is rejected by Developer in any bankruptcy, receivership, liquidation or similar proceeding, the City shall give Mortgagee notice of such termination and shall enter into a new lease of the Property with Mortgagee (or, at the request of Mortgagee, with an assignee, designee, or nominee of Mortgagee) for the remainder of the Term of this Agreement effective as of the date of such termination, and upon the same covenants, agreements, terms, provisions and limitations as are herein contained, provided that all requirements under the State VLT Law have been satisfied and provided further that:

(i) Mortgagee makes written request upon City for such new lease agreement within ninety (90) days after the giving of such notice of termination and such written request is accompanied by payment to City of all amounts then due to City of which the City shall have given Mortgagee notice;

(ii) Mortgagee pays or causes to be paid to City at the time of the execution and delivery of such new lease agreement any and all additional sums which would at the time of the execution and delivery thereof be due under this Agreement but for such termination and pays or causes to be paid any and all expenses, including reasonable attorneys' fees, court costs, and disbursements, incurred by the City in connection with any such termination or in connection with the execution and delivery of such new lease agreement; and

(iii) Mortgagee agrees to cure, within forty-five (45) days after the execution and delivery of such new lease agreement, all uncured Events of Default of which City shall have given Mortgagee notice (except any Event of Default which is not capable of being cured by Mortgagee, even if possession of the Property or the Project were obtained, which Event of Default, if any, to the extent that the same shall have occurred prior to the execution and delivery of such new lease shall be deemed to have been waived), or if any such Event of Default cannot be cured within such period, Mortgagee agrees to commence, within such period, to cure such Event of Default and thereafter pursues the same with due diligence it being recognized that monetary Events of Default are always capable of being cured.

(b) Any new lease agreement made pursuant to this subsection 13.3.3 shall (i) have the same relative priority in time and in right as this Agreement, (ii) have the benefit of all

of the right, title, powers and privileges of Developer hereunder in and to the Property and the Project, (iii) provide that Mortgagee shall not be personally liable under the new lease and its liability shall be limited to its interest in the new lease, and (iv) provide that Mortgagee will be released from all liability under the new lease upon an assignment of the new lease to a third-party. At Developer's request, City will enter into an agreement with Mortgagee granting to Mortgagee the rights set forth in this Section 13.3.

(c) If a Mortgagee or a Mortgagee's Tenant or assignee (a "successor") succeeds to Developer's leasehold interest in the Property pursuant to a foreclosure transfer or an assignment in lieu of a foreclosure, then such successor (subject to the requirements of the State VLT Law) shall have the right to use the Property for continued operation of the Project as a VLT Facility.

13.3.4 Notice to City and Mortgagee. If Developer or Mortgagee shall furnish City with a written notice setting forth the name and address of Mortgagee, upon request of any Mortgagee, City shall thereafter send to Mortgagee all notices required under this Agreement, including, without limitation all copies of any notice of default given to Developer under this Agreement, and no such notice of default shall be deemed to be effective against Mortgagee unless and until a copy thereof shall have been sent to Mortgagee at the address specified in such notice. Provided the terms and conditions of Section 13.3.4 have been satisfied, City acknowledges and agrees that there may be more than one "Mortgagee" for purposes of this Agreement and that each such Mortgagee shall be entitled to all of the notices to be delivered pursuant to Section 13.3.4. Notwithstanding the foregoing or anything in this Article XIII to the contrary, in the event more than one then-current Mortgagee shall give notice to City in accordance with Section 13.3.4, (a) in no event shall the time periods provided to a Mortgagee to exercise the rights afforded a Mortgagee under this Article XIII or otherwise under this Agreement be extended by virtue of the existence of more than one Mortgagee, and (b) it shall be the obligation of such Mortgagees to (1) establish between themselves, by inter-creditor agreement or otherwise, appropriate terms and provisions regarding default and cure of Developer's duties and obligations under this Agreement, and (2) agree upon and notify City in writing of the designation of one Mortgagee who shall have the authority to communicate directly with City concerning all matters arising out of this Agreement to which a Mortgagee's action is permitted, including all curative actions permitted under this Agreement or in which a Mortgagee's consent, approval, or direction is required (the "Designated Mortgagee"). The City may rely upon and act upon any such communication, action, or grant by the Designated Mortgagee without regard to any conflicting or additional instructions from any other Mortgagee. In the event the multiple Mortgagees fail to identify a Designated Mortgagee, the Mortgagee identified to City pursuant to Section 13.3.4 that has advanced the largest principal amount to Developer shall constitute the Designated Mortgagee. Under no circumstances shall it be the duty or obligation of City to evaluate, consider or reconcile overlapping, redundant or conflicting curative acts or measures or notices other than from the Designated Mortgagee, or to inquire , investigate or analyze the correctness, completeness or authority of any action other than from the Designated Mortgagee. The identification of a Designated Mortgagee may be changed at any time upon written notice to City signed by the current Designated Mortgagee and the successor Designated Mortgagee.

13.3.5 Performance by Mortgagee. No Mortgagee shall have any liability for the performance of any of the covenants, conditions, or obligations of Developer under this Agreement unless and until such time as Mortgagee acquires title to the leasehold estate created by this Agreement.

13.3.6 Consent of Mortgagee. Except as set forth in Section 3.1.1, Section 3.2, Article XIV, or Article XVI, there shall be no termination, cancellation, surrender, acceptance of surrender, amendment, or modification of this Agreement without the prior written consent of Mortgagee.

13.3.7. Condemnation Proceedings. The City (in its capacity as landlord under this Agreement and without any additional requirement placed upon the City in its exercise of its police powers) and Developer shall give Mortgagee written notice of any condemnation proceedings affecting the Property. Mortgagee shall have the right to intervene and be made a party to any such condemnation proceedings and the City (in its capacity as landlord under this Agreement and without any additional requirement placed upon the City in its exercise of its police powers) and Developer hereby consent that Mortgagee may be made such party or intervenor. Developer's interest in any award or damages for such taking may be set over, transferred and assigned by Developer to Mortgagee to the extent of the balance of any principal, interest, or other payment due or which shall thereafter accrue or become due to Mortgagee.

13.3.8 Tax Proceedings. Mortgagee may be granted the right to contest the validity of any taxes agreed to be paid by Developer; if Mortgagee shall become tenant hereunder, Mortgagee shall not be required to pay same under protest or to post any security or bond for any liability for any taxes except as may be required by Applicable Law. In the event of such contest, the City shall not pay, remove or discharge any such taxes thereby contested without the consent of Developer and Mortgagee, except that the City and/or the Mortgagee may pay the same under protest and with full reservation and protection of the rights of the City, Developer and Mortgagee under this Agreement, if such nonpayment or delay shall expose the Property or any portion thereof to sale or expose the City or the Developer to criminal liabilities.

13.3.9 Exercise of Renewal Options. Notwithstanding anything provided in this Agreement to the contrary, the options to renew this Agreement set forth in Section 3.2 hereof shall not terminate or expire, or be waived, unless the City shall first give Mortgagee (i) written notice that Developer has elected not to, or has waived its right to, or has failed to, exercise its option to renew this Agreement for a Renewal Period, and (ii) a thirty (30) day period within which Mortgagee may elect, at its option, to exercise such option to renew this Agreement for the Renewal Period.

13.3.10 Project Financing Agreement. The City shall within twenty (20) days after written request by Developer duly execute in recordable form and deliver to Developer or Mortgagee a Project Financing Agreement substantially in the form that is attached to this Agreement as Exhibit E (a "Project Financing Agreement") with commercially reasonable modifications requested by a Mortgagee (so long as such modifications do not constitute a material amendment or modification of the City's rights or obligations under this Agreement,

particularly this Article XIII), provided, however, that the City shall not be limited to a twenty (20)-day turnaround if any modifications are requested to the attached form.

13.4 Non-subordination.

Nothing contained in this Article XIII or in any other section of this Agreement shall be deemed to allow or to create a subordination of the City's reversionary estate in any part or portion of the Property leased to Developer. In no event will such subordination be made. Developer may mortgage, grant a deed of trust, or create a lien only on its leasehold interest in the Property and only in accordance with the limitations set forth in this Article XIII.

13.5 Mortgagee Estoppel Certificate.

Upon request of Developer from time-to-time, the City shall execute an estoppel certificate for the benefit of any Mortgagee (or potential Mortgagee) of Developer, for the purposes of confirming the status of this Agreement, and the rights of such Mortgagee (or potential Mortgagee) hereunder. Within thirty (30) days of Developer's submission to the City, with a copy to the City Law Department, of a proposed draft of such a estoppel certificate, the City shall either (i) execute and deliver to Developer such estoppel certificate benefiting the identified Mortgagee (or potential Mortgagee), or (ii) shall execute such estoppel certificate benefiting the identified Mortgagee (or potential Mortgagee) with such modifications as the City may in its reasonable judgment require so as to conform such estoppel certificate to the requirements of this Section (including, without limitation, that such estoppel certificate be consistent with the terms and provisions of this Agreement that apply to Mortgagees and mortgages) and containing such other information reasonably requested by Mortgagee. The Commissioner of DHCD is authorized to sign and deliver such an estoppel certificate after it is approved as to form and legal sufficiency by the City Law Department.

13.6 Reimbursement for Expenses.

Developer agrees to reimburse the City on demand for all costs and expenses, including without limitation all reasonable legal fees, incurred by the City (1) in the preparation and negotiation of any amendment to or waiver of this Agreement requested by the Developer, and (2) in the preparation and negotiation of any document, agreement, or instrument that Developer requests the City to sign or approve, including documents, agreements, or instruments related to a Mortgage financing such as an estoppel certificate, a confirmation of a new lease, or related to a Tenant of Developer. As a precondition to the Developer's obligations under this Section 13.6, prior to incurring any costs subject to reimbursement pursuant to this Section 13.6, the City shall provide Developer with an estimate of such agreed upon out of pocket costs and expenses that will be reimbursable pursuant to this Section 13.6. Developer also agrees to pay any costs or expenses incurred by the City to collect any such amounts and interest on overdue amounts at the rate of ten percent (10%) per annum from the date which is forty five (45) days after reimbursement is demanded until the date paid.

ARTICLE XIV
DEFAULT

14.1 City Default Limitation.

The City is a municipal corporation and can exercise only those powers granted it by law, and in the event the City is prevented, restricted, or delayed in any of the duties and obligations imposed upon it or assumed by it under the terms and provisions of this Agreement as a result of any legal proceedings, unless instituted by the City, it shall not be liable for any costs, damages, injuries, or liabilities caused to or suffered or incurred by Developer, in connection with, or as a result of any such legal proceedings or any such prevention, restriction, or delay.

14.2 City Default.

(a) The failure of the City to perform, observe, or comply with any material covenant, term, or condition of this Agreement to be performed, observed, or complied with by the City shall constitute a default of this Agreement only if not cured within ninety (90) days after written notice is given to the City (which notice shall specify the respects in which Developer contends that the City has failed to perform any such covenant, term, or condition).

(b) If an Event of Default by the City shall occur, Developer, to the fullest extent permitted by law, shall have the right to maintain any and all actions at law or suits in equity or other proceedings to enforce the curing or remedying of such default, it being recognized that the right to a writ of mandamus, injunction, or other similar relief may be available to Developer under Maryland law against the City (including its Mayor and its officials and agents). Accordingly, except in the event of an Event of Default by the City arising from the material breach of the terms and conditions of Section 9.11, Developer hereby expressly waives any right to sue for and collect damages of any sort (actual, special, consequential, or punitive) resulting from such default. In connection with an Event of Default by the City arising from the material breach of the terms and conditions of Section 9.11, Developer shall have the right to maintain any and all actions at law or suits in equity or other proceedings to remedy such default, including, without limitation, the commencement of any action to sue for and collect damages from the City arising from such breach; provided, however, that in no event shall Developer be entitled to collect any special, consequential, or punitive damages arising from such default.

14.3 Developer Default.

Upon the occurrence of any one of the following defaults by Developer that is not cured within the time specified as to each (the term "Event of Default" shall mean such an occurrence after the expiration of any permitted cure periods), subject to Article XIII, Section 13.3 (Rights of Mortgagees), (any Mortgagee shall have the same rights and periods of time within which to cure any default as are available to Developer plus the additional time, if applicable, as provided in Section 13.3), then the City may immediately terminate all rights of Developer in and to this Agreement and exercise any remedies provided in this Agreement, or at law or in equity:

(a) Failure of Developer to pay rent on the date due under this Agreement which is not cured within thirty (30) days after City has sent Developer written notice of such failure specifying the amount of rent not paid; or

(b) Failure of Developer to perform, observe, or comply with any covenant, term, or condition of this Agreement to be performed, observed, or complied with by Developer, which is not cured within ninety (90) days after City has sent to Developer written notice thereof; or

(c) Failure of Developer to perform, observe, or comply with any covenant, term, or conditions of the State VLT Law to be performed, observed, or complied with by Developer which is not cured within ninety (90) days after City has sent to Developer written notice thereof; or

(d) If any representation or warranty of Developer given to the City in writing shall not have been correct in all material respects as of the date it is given; or

(e) Failure of Developer to make any payment or payments due under the LDA, which nonpayment is not cured within thirty (30) days after the City has sent the Developer written notice of such failure.

No notice under this Agreement by the City shall be deemed to have been given to Developer unless a copy of such notice is served and given by certified mail, postage prepaid, return receipt requested, to each Mortgagee that, by written notice to the City, has requested notice of such default by written notice to the City and who has submitted its address to the City. Any of the foregoing entities may, by notice to the City, designate a different address and/or method of delivery for notice to it.

The cure periods set forth in this Section 14.3 for any default other than the defaults set forth in Section 14.3(a), Section 14.3(d), and Section 14.3(e) shall be extended if the default is not susceptible of cure within such period and Developer commences with such cure efforts within the foregoing cure period and proceeds with reasonable diligence to complete such cure; provided, however, that in no event shall the cure period extend beyond 180 days; and provided further that any default to which Section 14.3(b) or Section 14.3(c) refers, if such default can be cured by the payment of money to a third party, shall be deemed for the purposes of this Section 14.3 to be susceptible of cure within ninety (90) days.

The curing of any default(s) within the above time periods by any one or more persons, parties or entities shall constitute a curing of defaults hereunder with like effect as if Developer had cured same within its applicable cure periods.

14.4 City's Right to Complete Construction.

Upon the occurrence of an Event of Default by Developer and the termination of this Agreement prior to the issuance or deemed issuance of a Certificate of Completion for any Improvements then under Construction, the City shall have the right to:

(a) negotiate an arrangement with any construction lender or funding agency by which the City is permitted to complete any Improvements with the proceeds of the construction loan being available for such purposes;

(b) exercise the rights of Developer under its contracts with contractors and architects, to the extent permitted by such contractors and architects;

(c) obtain all necessary plans, studies, and reports within the possession of Developer, necessary or desirable for the completion of the Improvements, subject only to legal availability thereof; and

(d) obtain an assignment from Developer of all other licenses, permits, approvals, and authorizations held by or in the name of Developer, necessary or desirable to permit the completion of such Improvements.

14.5 City's Right to Institute Proceedings and Take Action to Cure.

(a) In the case of an Event of Default by Developer, subject to Article XIII, the City shall have the right to institute such actions or proceedings it may deem desirable for effectuating the purposes of this Article.

(b) Upon a termination of this Agreement by the City, Developer shall then immediately quit and surrender the Property to the City, and the City may enter upon the Property, by force, summary proceedings, or otherwise. In any of such events, the City shall be entitled to the benefit of all provisions of the ordinances and Public Local Laws of Baltimore City and of the Public General Laws of the State of Maryland dealing with the speedy recovery of lands and tenements held over by tenants or proceedings in forcible entry and detainer. Upon any such re-entry by the City, the City shall also have the right (but not the obligation) to relet all or any part of the Property, from time to time. No re-entry by the City with or without a declaration of termination shall be deemed to be an acceptance or a surrender of this Agreement or as a release of Developer's liability for damages under this Section.

(c) Developer further agrees (i) notwithstanding re-entry by the City with or without termination pursuant to the provisions above, or (ii) if this Agreement is otherwise annulled or terminated by reason of an Event of Default, or (iii) if the City retakes possession with process of law or re-enters with or without a declaration of termination, or (iv) if the City, following any of the aforegoing events, elects to let or relet the Property (whether once or more than once during the remainder of the Term, and upon such conditions as are satisfactory to the City), that Developer shall, nevertheless, in each instance, remain liable for the performance of any covenant of this Agreement then in default, together with the cost of seizure and repossession of the Property and reasonable attorney's fees incurred by the City as a result of the breach of this Agreement.

(d) After the occurrence and during the continuance of an Event of Default, the City shall have the right to take action to perform any obligation which Developer has failed to perform, at Developer's cost and expense.

14.6 Cumulative Remedies.

Except as expressly limited by this Agreement, the specified remedies to which the parties to this Agreement may resort under this Article are cumulative and are in addition to, and not in lieu of, all other remedies to which the parties hereto may be lawfully entitled at law or in equity in case of any default or threatened default by the other party of any provision of this Agreement. The initiation of any remedy by any party to this Agreement shall not constitute or be deemed an election of remedies by it and such party may invoke two or more remedies hereunder concurrently or consecutively.

14.7 Waiver.

Failure of either party to exercise any right or remedy hereunder shall not impair any of its rights nor be deemed a waiver thereof and no waiver of any of its rights shall be deemed to apply to any other such rights, nor shall it be effective unless in writing and signed by the waiving party.

14.8 Developer Liability Limitation.

Anything herein contained to the contrary notwithstanding, none of Developer's partners, stockholders, officers, directors, employees, members, principals, or agents, or any partner, stockholder, officer, director, employee, member, principal, or agent thereof, disclosed or undisclosed, shall have any personal liability for the performance of any of the covenants, terms, and conditions contained in this Agreement, including any expenses incurred by the City or deficiencies in any insurance proceeds in the event of a casualty. This provision does not limit the rights of the City pursuant to a separate guarantee or other assurance of payment or performance given by any Person (including any guarantor or any bonding company).

ARTICLE XV
REPRESENTATIONS

15.1 Developer.

Developer represents and warrants that, as of the Lease Date and as of the Date of Possession:

(a) Developer (i) is a limited liability company duly formed under the laws of the State of Delaware and is authorized and in good standing to engage in business in the State of Maryland, and (ii) and has been duly authorized by all proper and necessary member action as may be required, to execute and deliver this Agreement;

(b) this Agreement, when executed and delivered on behalf of Developer, will constitute the legal, valid, and binding obligation of Developer enforceable in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights, or, to the extent that certain remedies hereunder require or may require enforcement by a court of equity such principles of equity as the court having jurisdiction may apply;

(c) the execution, delivery, and performance by Developer of this Agreement will, to Developer's knowledge, not violate any provision of Applicable Law, rule, or regulation pertaining to Developer's ability to enter into this Agreement, or any judgment, order, or decree binding upon it;

(d) there are no actions, suits, or proceedings pending against Developer or, to the knowledge of Developer, threatened against Developer before or by any court, governmental body or agency, or other tribunal or authority, which is reasonably likely to be adversely determined against Developer, and if so adversely determined, would have a materially adverse effect on the authority or ability of Developer to perform its obligations under this Agreement, or which question the legality, validity, or enforceability hereof or thereof;

(e) neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflicts with or would result in a breach of any of the terms, conditions, or provisions of any restriction or any agreement or instrument to which Developer is now a party or by which it is bound, or constitutes a default under the terms of any of the foregoing;

(f) Developer is not a "foreign person" as such term is defined in Section 897 of the Internal Revenue Code of 1986, as amended (it being agreed that, in furtherance of this representation and warranty Developer will deliver to the City at each Settlement an affidavit, given under penalty of perjury, (i) providing Developer's taxpayer identification number, and (ii) stating Developer is not a foreign person);

(g) Neither Developer, nor any entity which is a member of Developer, is a party or a potential party to any pending or, to Developer's knowledge, threatened or contemplated bankruptcy or similar proceeding under any law which has resulted or may result in alteration of or grant of relief from claims of creditors against Developer, or such entity; and

(h) Developer is in compliance with all requirements that are imposed upon it by the State VLT Law.

15.2 City.

The City represents and warrants that, as of the Lease Date and as of the Date of Possession:

(a) the City is a political subdivision of the State of Maryland and a body politic and corporate, duly organized and validly existing under the constitution and laws of the State of Maryland, with full legal right, power, and authority to enter into and perform its obligations under this Agreement;

(b) the City has duly authorized the execution and delivery of this Agreement, and this Agreement has been duly executed and delivered by the City and constitutes legal, valid, and

binding obligations of the City, enforceable in accordance with their terms, but subject to applicable bankruptcy laws, insolvency, reorganization, moratorium or similar laws affecting creditors' rights, or, to the extent that certain remedies require enforcement by a court of equity, such principles of equity as the court having jurisdiction may apply. All persons whose signatures or consents are required as a condition to the City's execution of this Agreement and consummation of the transactions contemplated hereby have also signed this Agreement, thereby ratifying same;

(c) the execution, delivery, and performance by the City of this Agreement will not violate any provision of Applicable Law, rules, or regulations pertaining to the City's ability to enter into this Agreement, or any judgment, order, or decree binding upon the City, the violation of which might have a materially adverse effect upon the City; and

(d) other than the following civil actions: (1) *Baltimore City Entertainment Group, L.P., et al* v. *Maryland Video Lottery Facility Location Commission,* No. 814, September Term 2011, and (2) *Baltimore City Entertainment Group, L.P., et al* v. *Mayor and City Council of Baltimore,* No. 48, September Term 2011 (collectively, the "BCEG Litigation"), there are no actions, suits, or proceedings pending against the City, or to the knowledge of the City's City Solicitor, threatened in writing against the City, before or by any court, governmental body or agency, or other tribunal or authority that would, if adversely determined, have a materially adverse effect on the authority or ability of the City to perform its obligations under this Agreement, or which question the legality, validity, or enforceability hereof.

ARTICLE XVI
EMINENT DOMAIN

16.1 Entire Property Taken by Eminent Domain.

If the fee simple title in, or permanent possession of all of, the Property is taken by a governmental or other authority under the power of eminent domain, then this Agreement shall terminate (or be suspended for the duration of the temporary taking) as of the taking date. The award of damages (including all damages received in such proceedings by Developer and the City) shall be paid as follows, in the following order of priorities:

First: to Developer an amount equal to the unamortized cost of the Improvements constructed upon the portion of the Property that has been taken;

Second: to the City any amount of the award allocable to taking of the land constituting the Property (as encumbered by this Agreement and excluding the value of the Improvements);

Third: to apply and be distributed to the payment of any indebtedness secured by all Mortgages; and

Fourth: to Developer.

Each party shall pay its own expenses incurred with respect to any condemnation. Notwithstanding anything contained in this Section 16.1 to the contrary, the application of the portions of the condemnation proceeds that are to be paid hereunder to Developer shall be subject to the terms and conditions of any Mortgage, the rights of any Mortgagee thereunder, and any other requirements of Mortgagee in connection therewith.

16.2 Partial Taking of Property by Condemnation.

(a) In the event that less than all of the Property (or only an interest therein) is taken for any public use or purpose by the exercise of the power of eminent domain, or shall be conveyed by the parties acting jointly to avoid proceedings of such taking, then (i) this Agreement and all the covenants, conditions, and provisions hereunder shall be and remain in full force and effect as to all of the Property not so taken or conveyed, and (ii) Developer shall remodel, repair, and restore the Improvements to a comparable condition as existed prior to condemnation, taking into consideration the fact of the condemnation; provided, however, that in so doing Developer shall not be required to expend more than the amount of any such award actually received by Developer; less all costs and expenses (including reasonable attorneys' fees) incurred in the collection of same.

The award of damages (including all damages received in such proceedings by Developer and the City) shall be paid as follows, in the following order of priorities:

First: to Developer the sum of (1) the amount required to enable Developer to remodel, repair, and restore any Improvements so that they will be comparable to the improvements prior to condemnation, taking into consideration the fact of the condemnation and (2) the amount, if any, equal to the unamortized cost of the Improvements constructed upon the portion of the Property that has been taken;

Second: to the City any amount of the award allocable to taking of the portion of the Property subject to the taking (as encumbered by this Agreement and excluding the value of the Improvements);

Third: the balance, if any, remaining shall be applied and distributed to the payment of any indebtedness secured by all Mortgages; and

Fourth: to Developer.

Each party shall pay its own expenses incurred with respect to any condemnation. Notwithstanding anything contained in this Section 16.2 to the contrary, the application of the portions of the condemnation proceeds that are to be paid hereunder to Developer shall be subject to the terms of any Mortgage, the rights of any Mortgagee thereunder, and any other requirements of Mortgagee in connection therewith.

(b) Notwithstanding anything contained in this Section 16.2 to the contrary, if reconstruction is not feasible, or the Project remaining after such taking is no longer

economically viable, in each case as determined by Developer in its reasonable judgment (however Developer's judgment shall be deemed "reasonable" if it is following the directives of a Mortgagee) and with the consent of the State Lottery Commission (to the extent Developer is subject to the jurisdiction of the State Lottery Commission), then this Agreement shall terminate as of the date of such taking and the award or awards of damage shall be paid as follows, in the following order of priorities:

First: to Developer the amount equal to the unamortized cost of the Improvements;

Second: to the City any amount of the award allocable to taking of the land constituting the Property (as encumbered by this Agreement and excluding the value of the Improvements);

Third: to apply and be distributed to the payment of any indebtedness secured by all Mortgages that constitute liens on the leasehold estate of Developer; and

Fourth: to Developer.

Each party shall pay its own expenses incurred with respect to any condemnation. Notwithstanding anything contained in this Section 16.2 to the contrary, the application of the portions of the condemnation proceeds that are to be paid hereunder to Developer shall be subject to the terms of any Mortgage, the rights of any Mortgagee thereunder, and any other requirements of Mortgagee in connection therewith.

16.3 Taking for Temporary Use or of Leasehold Estate.

If, by the exercise of the power of eminent domain, or under threat thereof, the whole or any part of the Property, the Project, or any Improvements shall be taken for temporary use for a period shorter than the remaining term of this Agreement, or the whole or any part of the leasehold estate created by this Agreement shall be taken for any such period, this Agreement shall continue and all awards or other payments shall be paid to Developer alone, except that,

(a) if any portion of any such award or payment on account of a taking for temporary use is made by reason of any damage to or destruction of any portion of any Improvements, such portion shall, to the extent permitted by the Mortgagee, be applied to pay the cost of restoration, and

(b) if any portion of an award or payment on account of a taking for temporary use is applicable to a period beyond the date of expiration of the term of this Agreement such portion shall be paid to City.

ARTICLE XVII
MISCELLANEOUS

17.1 Force Majeure.

(a) For the purpose of any of the provisions of this Agreement (regardless if the provisions of this Section 17.1 are mentioned), neither the City nor Developer, as the case may be, nor any successor in interest, shall be considered in breach of or default of its obligations under this Agreement, including, without limitation, the beginning and completion of construction of the Improvements, or progress in respect thereto, in the event of a delay in the performance of such obligations due to acts of God, acts of the public enemy, terrorism, acts of government (including government shutdown), acts of the other party, fires, floods, epidemics, quarantine, restrictions, strikes, boycotts, freight embargoes, unusually severe weather, acts of sabotage, malicious mischief, vandalism, insurrection, mob violence, civil commotion, inability to procure or general shortage of labor, equipment, facilities, materials, or supplies in the open market upon commercially reasonable terms (notwithstanding good faith and diligent efforts), delays of contractors, subcontractors, or suppliers due to such causes, defaults of independent (i.e., not affiliated with Developer) contractors, independent subcontractors, or independent suppliers (provided that remedies are being diligently pursued against the same); it being the purpose and intent of this Section that in the event of the occurrence of any such delays, the time or times for the performance of the obligations of the parties with respect to construction of Improvements shall be extended for the period of the delay; provided, however, that the party seeking the benefit of the provisions of this Section must, as a condition precedent to obtaining the benefit of this Section, within fifteen (15) days after said party has actual knowledge of the beginning of any such delay, have first notified the other party in writing of the cause or causes thereof, which entitles such party to an extension of time. For the purpose of this Section, any notice from Developer shall be given to DHCD, and any such extension of time shall be in writing and in such form as will enable it to be recorded among the Land Records of Baltimore City. A party may not rely on its own acts or omissions as grounds for its delay of performance.

17.2 No Partnership or Joint Venture.

It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstances whatsoever as creating or establishing the relationship of co-partners or a joint venture between the City and Developer or as constituting Developer as the agent or representative of the City for any purpose or in any manner under this Agreement, it being understood that Developer is an independent contractor hereunder.

17.3 Notice.

A notice, communication, or request under this Agreement by either the City or DHCD to Developer or by Developer to the City or DHCD shall be in writing and sufficiently given or delivered if dispatched by either (a) certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight delivery service, or (c) hand-delivery (if receipt is evidenced by a signature of the addressee or authorized agent), and addressed:

(a) in the case of a notice, communication, or request to the City or DHCD, as follows:

Department of Housing and Community Development
417 East Fayette Street, Room 1346
Baltimore, Maryland 21202
Attn: Commissioner

with copies to:

City of Baltimore Development Corporation
1600 Charles Center South
36 South Charles Street
Baltimore, Maryland 21201
Attn: President

and

City Law Department
100 City Hall
100 North Holliday Street
Baltimore, Maryland 21202
Attn: City Solicitor

(b) in the case of a notice, communication, or request to Developer, as follows:

CBAC Gaming, LLC
t/a Harrah's Baltimore
c/o Caesars Entertainment
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attn: Corporate Counsel

with copies to:

Caesars Entertainment
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attn: W.H. Allen Shelden, Esq.

and

Honigman Miller Schwartz and Cohn LLP
2290 First National Building
660 Woodward Avenue
Detroit, Michigan 48226
Attn: Howard N. Luckoff, Esq.

and

Rosenberg Martin Greenberg, LLP
25 South Charles Street, 21st Floor
Suite 2115 Allfirst Building
Baltimore, Maryland 21201
Attn: Stanley S. Fine, Esq.

or addressed in such other way in respect to any of the foregoing parties as that party may, from time to time, designate in writing, dispatched as provided in this Section. Any such notice, communication, or request shall include a copy of the particular Section of this Agreement to which such notice, communication, or request relates and, if any specific time period has been established for action, review, and approval, or other response, such time period shall be stated in capital letters.

Copies of any insurance-related notices to the City shall also be sent to: Office of Risk Management, Department of Finance, Suite 512, MECU Building, 401 East Fayette Street, Baltimore, Maryland 21202.

The submission of plans and other design-related communications in accordance with Article V may be delivered directly and only to DHCD or BDC, as Developer may be instructed from time-to-time.

17.4 Recording Costs and Documentary Stamps.

If this Agreement, any modification thereof, and any additions thereto is recorded (subject to Section 2.5) among the Land Records of Baltimore City, the cost of any such recordation, and the cost of the applicable Baltimore City and State recordation and transfer taxes, shall be paid in full by Developer.

17.5 Executed in Maryland.

The Agreement shall be taken and deemed to have been fully made and executed by the City and Developer in the State of Maryland for all purposes and intent.

17.6 Conflicts of Interest.

No member, official, representative, or employee of the City, DHCD, or BDC shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, representative, or employee participate in any decision relating to this Agreement which affects such person's personal interest or the interests of any corporation, partnership, or association in which such person is, directly or indirectly, interested.

17.7 City Representatives Not Individually Liable.

No member, official, representative, or employee of the City, DHCD, or BDC shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City for any amount which may become due to Developer or successor or on any obligations under the terms of this Agreement.

17.8 Beds of Streets.

The City (except as expressly set forth in the LDA and, for the avoidance of doubt, excluding the beds of any Closed Street Areas, as defined in the LDA) reserves unto itself all of its right, title, and interest in and to the beds of all streets, alleys, or lanes herein mentioned and referred to and in all adjacent public sidewalks. All references herein to any street, alley, or lane are for purposes of description only and are not intended to dedicate same to public use, and any implied intent of dedication or dedication of the streets, alleys, or lanes by reference to them is hereby denied and revoked.

17.9 Titles of Articles and Section.

Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

17.10 Counterparts.

This Agreement is executed in six (6) copies, each of which shall be deemed to be an original. In the event of any conflict between the copy that is recorded in the Land Records and any other copy, the recorded copy shall control.

17.11 Approvals and Consents.

Wherever in this Agreement the approval, certification, or consent of any party is required, such approval shall not be unreasonably delayed, conditioned, or withheld unless otherwise specified.

17.12 Ancillary Documents.

Any Authorized Officer for the City each is hereby authorized to execute any and all other documents necessary or appropriate to effectuate this transaction, provided such documents do not materially alter the relationship of the parties or the principal elements of the Project, and to grant such approvals and consents on behalf of the City as are provided in any Section of this Agreement. Specifically, without limiting the foregoing, the Commissioner of DHCD is hereby authorized to execute and deliver the following agreements and instruments without further approval by the Board of Estimates:

(a) a customary affidavit and a customary "gap" indemnity agreement as to the title to the Property, as reasonably requested by Developer's Title Company and in such form as may be approved by the Commissioner of DHCD and the City's Law Department in their reasonable discretion;

(b) the Release Rights Under Ordinance and Siding Agreement to which Section 3.1.4(m) and Exhibit D refers;

(c) one or more agreements in accordance with Section 13.3.10 relating to and with a Mortgagee, provided that such agreement does not materially adversely affect the rights and obligations of the City under this Agreement, particularly Article XIII, and is in such form as may be approved by the Commissioner of DHCD and the City's Law Department in their reasonable discretion; and

(d) such other documents, instruments, and agreements to which this Agreement refers to be signed and delivered by the City after the date hereof, provided that such document, instrument, or agreement does not materially adversely affect the rights and obligations of the City under this Agreement, in such form as may be approved by the Commissioner of DHCD and the City's Law Department in their reasonable discretion.

17.13 Broker.

The City and Developer each represent and warrant for itself that it has not dealt with any broker in connection with this Agreement or the LDA and each covenants and agrees to indemnify and hold the other harmless from and against any claim, cost, liability, or expense (including reasonable attorney's fees) arising or resulting from a breach of this warranty.

17.14 Third Party Beneficiary.

Nothing contained in this Agreement shall be construed to confer upon any other party the rights of a third party beneficiary, except as may be otherwise specifically provided for in Article XIII.

17.15 Payment or Performance on Saturday, Sunday, or Holiday.

Whenever the provisions of this Agreement call for any payment or the performance of any act on or by a date that is not a Business Day, including the expiration date of any cure periods provided herein, then such payment or such performance shall be required on or by the immediately succeeding Business Day.

17.16 Amendments.

Any amendment to this Agreement must be duly authorized by all necessary action and signed by both parties. Developer recognizes that Applicable Law requires any new or modified obligation imposed upon the City must be approved by its Board of Estimates to be enforceable.

17.17 Incorporation into Agreement.

The recitals, and all exhibits, and schedules referred to in this Agreement form a part of this Agreement, whether or not expressly so stated.

17.18 Publicity.

Beginning on the date of this Agreement and continuing until the opening of the Project, the City and Developer agree to cooperate in the preparation and release of all publicity with respect to the Development of the Project. Thereafter, Developer may engage in publicity in the normal course of business without the need for approval by the City, except that the Developer shall continue to cooperate with the City in the preparation and release of such publicity as affects the involvement of the public nature of the City rather than merely the normal operations of the Project. BDC will encourage the Baltimore Area Convention and Visitors Association to feature the VLT Facility prominently in some of its advertising campaigns to promote tourism and business expansion in the City.

17.19 Applicable Law.

This Agreement shall be interpreted in accordance with the laws of the State of Maryland, without giving effect to its conflict of laws principles.

17.20 Venue and Jurisdiction.

Any lawsuit, action, or proceeding arising under this Agreement shall only be brought in the Circuit Court for Baltimore City and Developer waives any objection to venue and consents to the jurisdiction of such Court.

17.21 Conflict of Terms.

It is the intention of the City and Developer that if any provision of this Agreement is capable of two constructions, one of which would render such provision valid and enforceable, then the provision shall have the meaning which renders it valid and enforceable.

17.22 Invalidity of Particular Provisions.

If any term, covenant, condition, or provision of this Agreement, or the application to any person or circumstance shall, at any time or to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall (except to the extent such result is clearly unreasonable) not be affected thereby, and under such circumstances each term, covenant, condition, and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law, insofar as such enforcement is not clearly unreasonable.

17.23 No Waiver.

No failure on the part of the City or Developer to enforce any covenant or provision contained in the Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the other party to enforce the same in the event of any subsequent default.

17.24 Compliance with Laws.

Developer shall, at all times, be subject to all Applicable Law pertinent to the Project, this Agreement, and Developer's actions in connection with the Project and this Agreement. Nothing in this Section 17.24 or any other part of this Agreement, however, shall be construed to (i) limit or prevent Developer from challenging at law or in equity the applicability of any Applicable Law or pursuing its rights in furtherance thereof through appropriate judicial proceedings or (ii) constitute a waiver of due process. No provision of this Agreement shall be construed to require Developer to comply with any Applicable Law during the period that Developer may be pursuing a bona fide challenge of the applicability, lawfulness, or enforceability of such Applicable Law (unless such Law requires compliance during any such challenge). If Developer's challenge is successful, Developer shall not be required by the provisions of this Agreement to comply with such Applicable Law.

17.25 Covenants Run with the Land.

All of the terms, covenants, conditions, and easements contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of the permitted successors and assigns of the City and Developer as fully as upon such parties and may be enforced as if assumed, whether or not expressly assumed.

17.26 Time of the Essence.

Time is of the essence in the performance of the obligations of Developer under this Agreement, particularly in respect to Developer's obligations under Article IV.

17.27 Entire Understanding.

This Agreement and the LDA express the entire understanding between the City and Developer with respect to the matters set forth herein and therein and neither party shall be bound by any terms, covenants, or agreements not herein or therein contained. This Agreement and the LDA supersede all prior understandings and agreements, including, but not limited to that Memorandum of Understanding dated September 22, 2011 (and approved by the City's Board of Estimates as to form on April 27, 2011), as amended by that First Amendment to Memorandum of Understanding dated August 10, 2011 (which First Amendment was approved by the City's Board of Estimates as to form on August 10, 2011 and was executed by Developer on September 22, 2011) and as supplemented by that Supplement to Memorandum of Understanding dated September 22, 2011.

IN WITNESS WHEREOF, the Mayor and City Council of Baltimore has caused this Lease Agreement to be executed in its name by Paul T. Graziano, Commissioner, Department of Housing and Community Development, and its Corporate Seal be affixed, duly attested, and CBAC Gaming, LLC has caused this Ground Lease Agreement to be duly executed.

[SEAL]
ATTEST:

Custodian of the City Seal

Alternate

Mayor and City Council of Baltimore

By:_____
Paul T. Graziano, Commissioner
Department of Housing and Community Development

CBAC Gaming, LLC
By: CR Baltimore Holdings, LLC, its Managing Member

By:_____
Greg Miller, Member of the Board of Directors
and Authorized Signatory

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

C. Laurence Jenkins, Jr., Chief Solicitor
Date: October 25th, 2012

APPROVED BY THE BOARD OF ESTIMATES

Deputy Comptroller
Date: October ____, 2012

BEING PAGE 84 OF 103-PAGE VLT FACILITY LEASE AGREEMENT BETWEEN MAYOR AND CITY COUNCIL OF BALTIMORE AND CBAC GAMING, LLC.

[ACKNOWLEDGEMENTS ARE CONTINUED ON THE NEXT PAGE]

IN WITNESS WHEREOF, the Mayor and City Council of Baltimore has caused this Lease Agreement to be executed in its name by Paul T. Graziano, Commissioner, Housing and Community Development, and its Corporate Seal be affixed, duly attested, and CBAC Gaming, LLC has caused this Ground Lease Agreement to be duly executed.

[SEAL]
ATTEST:

Custodian of the City Seal

Mayor and City Council of Baltimore

By:_____
Paul T. Graziano, Commissioner
Housing and Community Development

CBAC Gaming, LLC
By: CR Baltimore Holdings, LLC, its Managing Member

By:_____
Greg Miller, Member of the Board of Directors
and Authorized Signatory

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

_____
C. Laurence Jenkins, Jr., Chief Solicitor
Date: October _____, 2012

APPROVED BY THE BOARD OF ESTIMATES

OCT 31 2012

_____
Deputy ~~Controller~~ Comptroller
Date: October ____, 2012

BEING PAGE 84 OF 103 -PAGE VLT FACILITY LEASE AGREEMENT BETWEEN MAYOR AND CITY COUNCIL OF BALTIMORE AND CBAC GAMING, LLC.

[ACKNOWLEDGEMENTS ARE CONTINUED ON THE NEXT PAGE]

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this 25th day of October, 2012, before the subscriber, a Notary Public of the State of Maryland, in and for the City of Baltimore personally appeared Paul T. Graziano, Commissioner, Department of Housing and Community Development and acknowledged the foregoing Ground Lease Agreement to be the corporate act and deed of the Mayor and City Council of Baltimore.

As WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: April 10, 2015

STATE OF NEVADA, COUNTY OF CLARK, TO WIT:

I HEREBY CERTIFY that on this _____ day of October, 2012, before the subscriber, personally appeared Greg Miller, a Member of the Board of Directors and Authorized Signatory of CR Baltimore Holdings, LLC, which (in turn) is the Managing Member of CBAC Gaming, LLC, a Delaware limited liability company, and acknowledged the foregoing Ground Lease Agreement to be the act and deed of such limited liability company.

As WITNESS my hand and Notarial Seal.

_____

Notary Public

My Commission Expires:_____

Attorney Certification

This Ground Lease Agreement has been prepared by me, an attorney admitted to practice before the Court of Appeals of Maryland, or under my supervision.

_____

William E. Carlson, Esquire

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this _____ day of October, 2012, before the subscriber, a Notary Public of the State of Maryland, in and for the City of Baltimore personally appeared Paul T. Graziano, Commissioner, Department of Housing and Community Development and acknowledged the foregoing Ground Lease Agreement to be the corporate act and deed of the Mayor and City Council of Baltimore.

As WITNESS my hand and Notarial Seal.

_____ My Commission Expires: _____
Notary Public

STATE OF NEVADA, COUNTY OF CLARK, TO WIT:

I HEREBY CERTIFY that on this 24th day of October, 2012, before the subscriber, personally appeared Greg Miller, a Member of the Board of Directors and Authorized Signatory of CR Baltimore Holdings, LLC, which (in turn) is the Managing Member of CBAC Gaming, LLC, a Delaware limited liability company, and acknowledged the foregoing Ground Lease Agreement to be the act and deed of such limited liability company.

As WITNESS my hand and Notarial Seal.

_____ My Commission Expires: 3/31/16
Notary Public

K. BACKER
Notary Public State of Nevada
No. 04-89869-1
My Appt. Exp. March 31, 2016

Attorney Certification

This Ground Lease Agreement has been prepared by me, an attorney admitted to practice before the Court of Appeals of Maryland, or under my supervision.

_____
William E. Carlson, Esquire

List of Exhibits

EXHIBIT A	Map showing Property
EXHIBIT B	Property – Legal Description
EXHIBIT C	Project Plan
EXHIBIT D	Permitted Title Exceptions
EXHIBIT E	Project Financing Agreement

EXHIBIT A

Drawing of the Leased Property

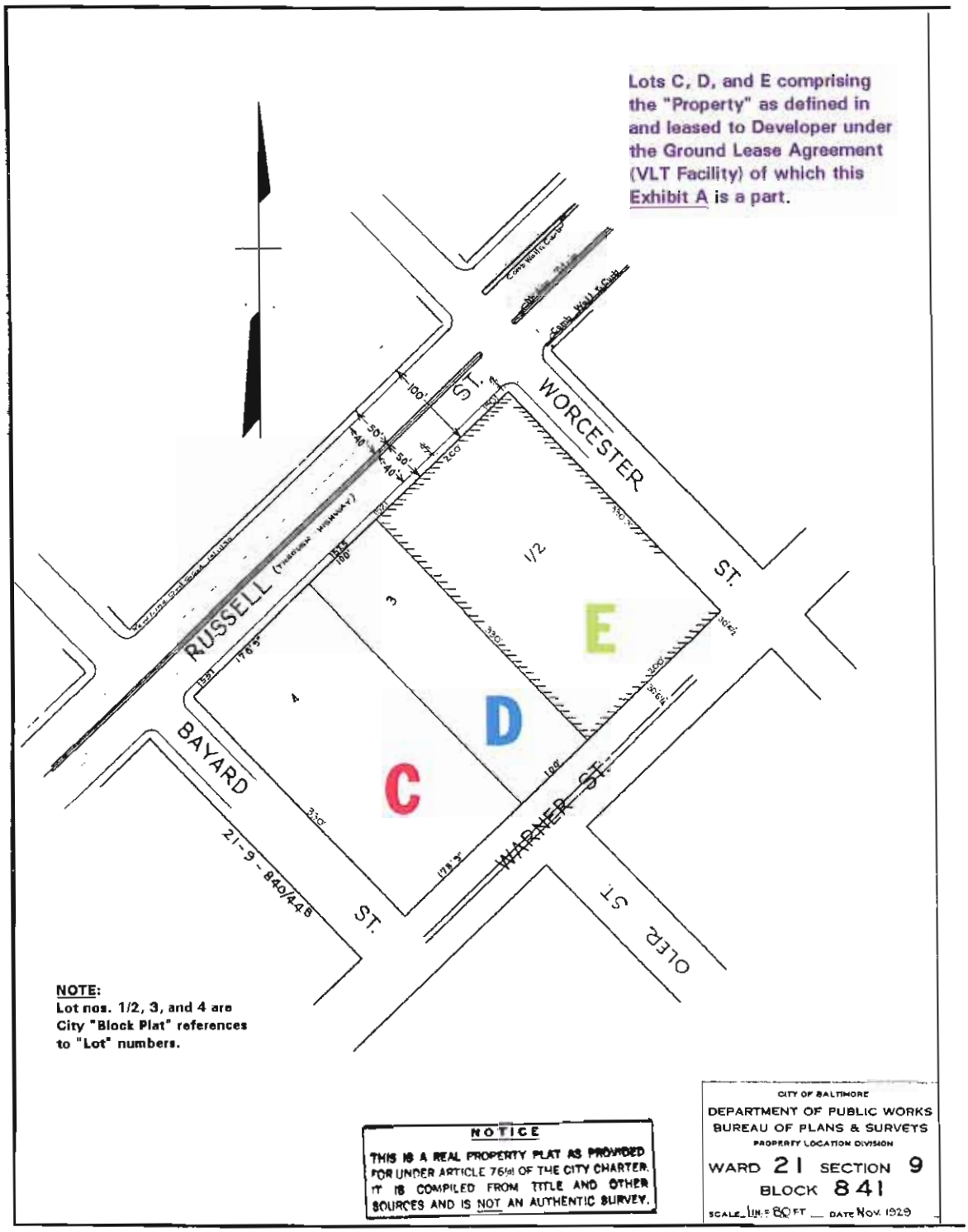

EXHIBIT A – *continued*

Drawing of the "Garage Property" Sale Properties (1 of 2)

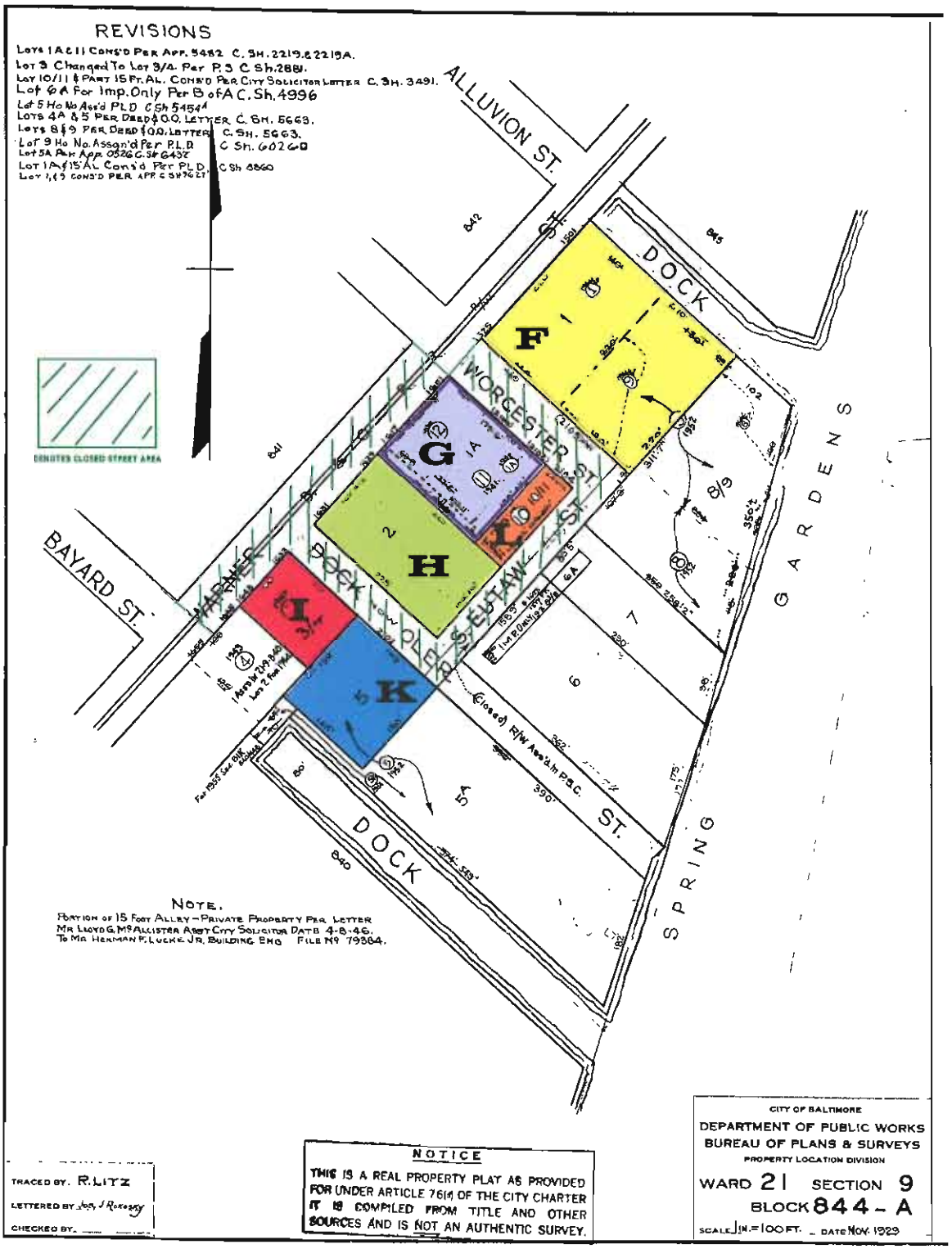

EXHIBIT A – *continued*

Drawing of the "Garage Property" Sale Properties (2 of 2)

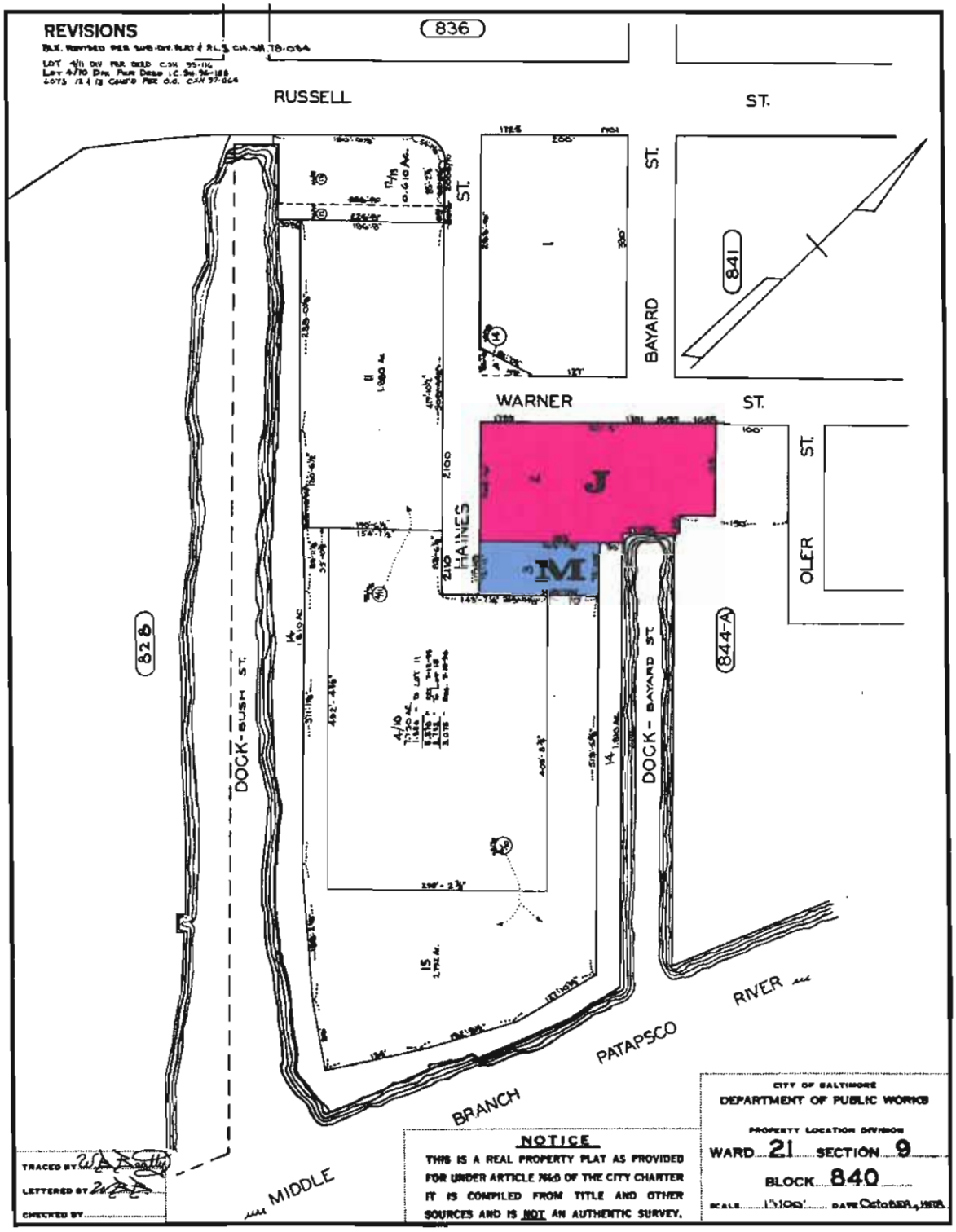

EXHIBIT A – *continued*

Drawing of the "Lot A" Sale Property

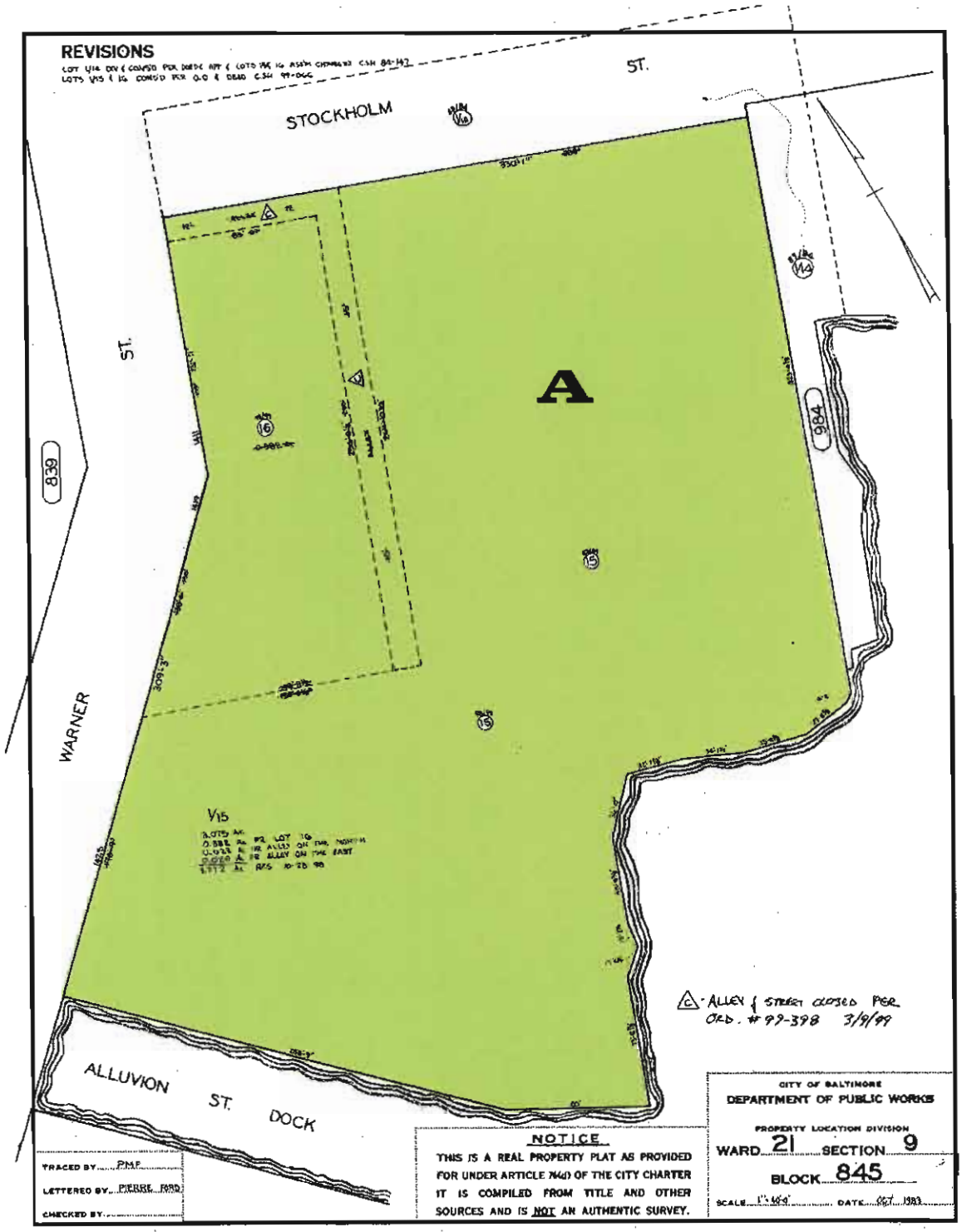

EXHIBIT A – *continued*

Drawing of the "Lot B" Sale Property

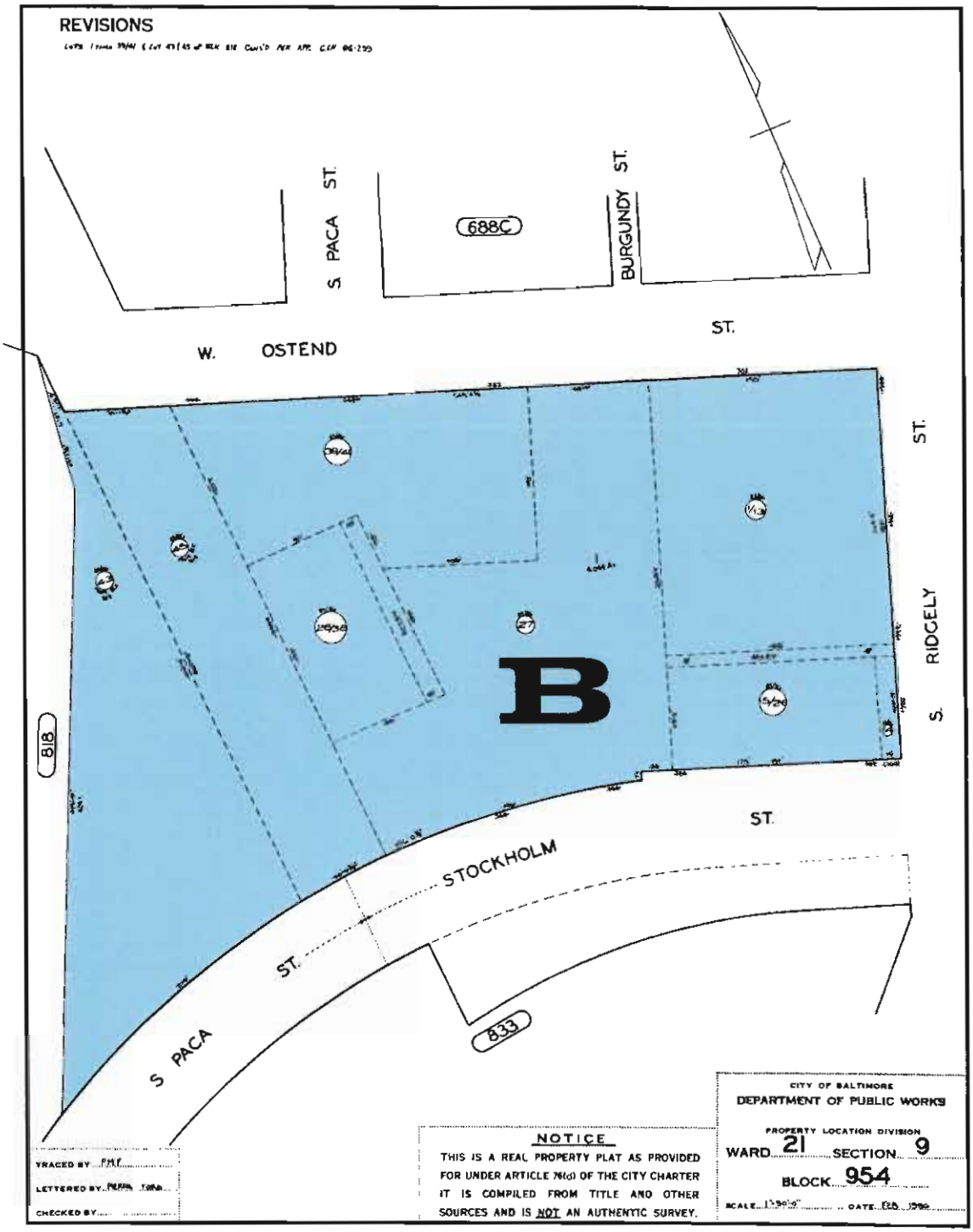

EXHIBIT B

Legal Description

The Property referred to in the Lease is legally described as follows:

1501 - 1521 RUSSELL STREET- Tax I.D. No. 21-09-0841-001
1525 RUSSELL STREET - Tax I.D. No. 21-09-0841-003
1551 RUSSELL STREET - Tax I.D. No. 21-09-0841-004:

Beginning for the first thereof on the Southwest corner of Carey and Warner Streets and running thence northwesterly binding on the Southwest side of Carey Street 330 feet 3 inches to the Southwest side of Carey Street and Russell Street and running thence southwesterly binding on the East side of Russell Street 100 feet; thence southeasterly parallel with Carey Street 330 feet 3 inches to the Northwest side of Warner Street; thence northeasterly binding on the Northwest side of Warner Street 100 feet to the beginning.

Beginning for the Second thereof on the Southeast side of Russell Street at the distance of 100 feet southwesterly from the corner formed by the intersection of the Southeast side of Russell Street and the Southwest side of Carey Street, said point of beginning being intended to be the end of the third line of the lot of ground described in a Deed from Samuel Leibowitz and wife to the Maryland Chemical Company Incorporated dated April 18, 1927 and recorded among the Land Records of Baltimore City in Liber SCL No. 4724, Folio 191, etc.; thence southeasterly binding on said third line reversely 330.25 feet to the Northwest side of Warner Street; thence southwesterly binding on the Northwest side of Warner Street 100 feet; thence northwesterly 330.13 feet to the Southeast side of Russell Street at a point distant 100 feet southwesterly from the place of beginning; thence northeasterly binding on the Southeast side of Russell Street 100 feet to the place of beginning.

Beginning for the Third thereof at the corner formed by the intersection of the Northeast side of Bayard Street and the Southeast side of Russell Street and running thence southeasterly binding on the Northeast side of Bayard Street 330 feet to the Northwest side of Warner Street; thence northeasterly binding on the Northwest side of Warner Street 378 feet 11 ¼ inches to the end of the third line of the lot of ground, which by Deed dated January 21, 1918 and recorded among the Land Records of Baltimore City in Liber SCL No. 3182, Folio 188, etc., was granted and conveyed by the Spring Garden Wharf and Land Company to Charles G. Summers and Company, Inc.; thence northwesterly reversing said line and binding thereon 330 feet 3 inches to the Southeast side of Russell Street; thence southwesterly binding on the Southeast side of Russell Street 378 feet 11 1/2 inches to the beginning.

The Improvements described above of the three contiguous parcels are known as Nos. 1501-1521 Russell Street, 1525 Russell Street, and 1551 Russell Street.

Being Lot nos. 1/2, 3, and 4, Block 841, Section 9, Ward 21. Being Lot C (1.35 ac.), Lot D (0.76 ac.), and Lot E (1.52 ac.) as shown on Exhibit A of Ground Lease Agreement (VLT Facility) of which this Exhibit B is a part.

Being all of that property that was conveyed to the City by that Deed dated October 26, 2005 by The Pheasant Warner Co., LLC which was recorded among the Land Records of Baltimore City at FMC Liber 6923, folio 359.

EXHIBIT C

Project Plan

The VLT Facility building will be a multi-story building with approximately 371,670 square feet of space interconnected by escalators, stairs, and elevators, of which approximately 125,300 square feet will consist of gaming space that will house video lottery terminals (and, if permitted by Applicable Law, table games) all as more specifically described in the Schematic Plans that have been submitted to the City pursuant to the terms of the Agreement. The VLT Facility will also contain food and beverage outlets. The VLT Facility will be bounded by Russell Street, Worcester Street, Warner Street (which will be closed in accordance with the LDA), and Bayard Street. The Schematic Plans submitted to the City pursuant to the terms of this Agreement identify a covered structure with approximately 31,800 square feet for pedestrian and/or employee bridges that (subject to Applicable Law and the terms of the LDA) will span from back-of-house facilities on the Garage Parcel to the Garage and over Warner Street from the Garage to the VLT Facility. The main entrance for the VLT Facility has been identified on the Schematic Plans. The Construction Plans will also identify access points for the VLT Facility, the location of back-of-house services for such matters as deliveries and staff entrance and the location of main vehicular access points, large scale signage and simple architectural articulation.

The cost of Construction shall be an amount determined by Developer, but in no event shall the cost to construct the VLT Facility, together with all costs for the development of the Garage, related improvements upon the Garage Parcel and other costs permitted by the State VLT Law, be less than One Hundred Eighty-Seven Million Five Hundred Thousand Dollars ($187,500,000).

The Garage will consist of multi-story building, of approximately 1,850,000 square feet (inclusive of valet areas), containing a number of parking spaces more specifically set forth in the construction plans submitted pursuant to the LDA. As of the Lease Date, Developer anticipates the Garage will consist of approximately 4,000 parking spaces, but in no event less than the minimum parking spaces required by Applicable Law. In addition to the Garage, the Garage Parcel shall also include a multi-story building of between 27,000 and 81,000 square feet to be utilized for back-of-house, delivery, and similar support functions for the VLT Facility and Garage, each as more specifically set forth on the construction plans submitted pursuant to the LDA.

The Developer's initial organizational structure has been set forth in the Initial Ownership Disclosure.

EXHIBIT D

Permitted Title Exceptions

1. Subject to the use in common with others so entitled in and to that portion of the Property lying and being in the roadbeds of portions of Warner Street (other than the Closed Street Area, as set forth in the LDA), Haines Street as it abuts 1645 Warren Street, Worcester Street as it abuts 1501 Russell Street, and any alleys and easements adjacent to or traversing the captioned property or any portion thereof.

2. Right of Way to Consolidated Gas Electric Light and Power Company of Baltimore dated March 9, 1954 and recorded among the Land Records of Baltimore City, Maryland in Liber M.L.P. 9473, folio 225.

3. Right of Way to Baltimore Gas and Electric Company dated September 30, 1960 and recorded among the aforesaid Land Records in Liber 973, folio 489.

4. As is believed by the City to have been extinguished by abandonment and operation of law and as intended to be confirmed as extinguished by an acceptable Release of Rights with Ordinance and Siding Agreement (to which Section 3.1.4(m) herein refers), the following is noted: CSXT as successor in interest to B&O Railroad previously may have had certain rights to side-track on the Property connected with the Warner Street track as provided in a Siding Agreement dated June 12, 1927 as referenced in a deed from The Maryland Container Company to The Westport Corporation dated June 6, 1947 and recorded among the Land Records of Baltimore City, Maryland at Liber 7173, Folio 149.

EXHIBIT E

Form of Project Financing Agreement

PROJECT FINANCING AGREEMENT

THIS PROJECT FINANCING AGREEMENT (this "**Agreement**") is made and entered into as of the _____ day of _____, 201__, by and among _____ ("**Mortgagee**"), whose address is _____, the **MAYOR AND CITY COUNCIL OF BALTIMORE**, a body politic and corporate and a political subdivision of the State of Maryland, acting by and through the Department of Housing and Community Development ("**City**"), whose address is 417 East Fayette Street, Room 1346, Baltimore, Maryland 21201, and **CBAC GAMING, LLC**, a limited liability company formed under the laws of the State of Delaware ("**Developer**"), whose address is c/o Caesars Entertainment, One Caesars Palace Drive, Las Vegas, Nevada 89109.

WITNESSETH:

WHEREAS, as of October 31, 2012, City and Developer executed a certain Ground Lease Agreement (VLT Facility) Baltimore, Maryland (the "**Lease**"), covering certain real property described in Exhibit A attached hereto and made a part hereof (the "**Leased Premises**"), which was recorded on November ___, 2012 among the Land Reeords of Baltimore City, Maryland in Liber ___ _____, folio _____; and

WHEREAS, as of October 31, 2012, City and Developer executed a certain Land Disposition Agreement (the "**LDA**" and, collectively, together with the Lease and _____, the "**Project Documents**"), covering certain real property described in Exhibit B attached hereto and made a part hereof (the "**Acquired Property**" and together with the Leased Premises, the "**Project Property**"), which was recorded on November ___, 2012 among the Land Reeords of Baltimore City, Maryland in Liber ___ _____, folio _____; and

WHEREAS, Developer has entered into certain financing arrangements pursuant to that certain [Credit Agreement] dated as of _____, 201_, by and among _____, a _____, and _____, a _____ (together with any modifications, assignments, restatements/replacements, splits, participations or securitizations, reborrowings, incremental facilities, additional loans and/or refinancings thereof, collectively, the "**Loan**"), and (2) that certain [Indenture] dated as of _____, 201_, by and among _____, _____, and _____ (together with any modifications, restatements/replacements, assignments/allonges/joinders, splits, additional notes and/or repurchases or reconsolidations thereof, the "**Notes**"; together with the Loan, the "**Financing**"), and as a condition to the Mortgagee entering into the Financing, Mortgagee required, among other things, liens on Developer's leasehold right, title and interest in and to the Leased Premises under the Lease (the "**Leasehold Interests**"), liens on Developer's fee ownership, right, title and interest in and to the Acquired Property under the LDA (the "**Acquired Property Interests**" and together with the Leasehold Interests, the "**Project Interests**") and certain other security interests in other assets, properties and rights as set forth in the [Credit Agreement] and more particularly described in the UCC-1 Financing Statement to be filed in the UCC filing records of the Secretary of State of the State of Delaware (collectively, the "**Collateral**");

WHEREAS, in connection with the Loan and the Notes, the Developer has executed and delivered, or will execute and deliver to Mortgagee the [Deed of Trust] dated _____, 201_, by and among _____ and _____ ([jointly, severally and collectively,] (the "**Mortgage**"); and

WHEREAS, City, Developer, and Mortgagee desire to establish certain rights, safeguards, obligations, and priorities with respect to their respective interests in the Project Interests and/or the Collateral by means of this Agreement.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. **Status of Lease**. City and Developer acknowledge that other than the documents [and events] listed on Schedule 1 attached to and made a part of this Agreement, (a) the Project Documents have not been canceled, modified, assigned, extended, or amended; (b) a true and complete copy of the Projeet Documents and all amendments thereto, if any, have been delivered to Mortgagee (and Mortgagee hereby acknowledges receipt of the same); (c) the Project Documents (and any agreements, rights of entry, or other documents to which the Project Documents expressly refer) constitute the entire agreement between City and Developer relating to Developer's right, title, and interest in and to the Project Property; (d) the Date of Possession under the Lease [occurred on _____] [has not yet occurred, it being recognized that no encumbrance or lien shall attach upon Developer's leasehold interest in the Leased Premises until or after the Date of Possession (as defined in the Lease)] and [Developer has no current obligation to pay Rent under the Lease][any Rent otherwise payable prior to the date hereof has been paid in full by Developer through the date hereof]; (e) the Project Documents are in full force and effect [subject to the rights of Developer to _____ thereunder]; (f) there are no defaults under the Project Documents [other than _____]; (g) City has no claims against Developer under the Project Documents [other than _____]; (h) Developer has no offsets against the Rent or other charges payable by Developer under the Lease (other than those rights set forth in Section 2.16 of the Lease, no such right having been exercised by Developer as of the date of this Agreement); (i) Developer has no offsets against the amounts payable by Developer under the LDA; and (j) as of the date hereof, all obligations under the Project Documents required to be performed by Developer as of the date hereof have either been satisfied (to the knowledge of the City Solieitor and the Commissioner of the Department of Housing and Community Development) or the same have been waived by City. [Developer shall notify Mortgagee of the Date of Possession upon its occurrence.]

2. **Status of Mortgage**. Developer and Mortgagee represent to City that the Mortgage satisfies the requirements and restrictions of Section 13.1 of the Lease, that the proceeds of the Loan secured shall be utilized only for a purpose that complies with the terms of Section [13.1.2] [13.1.3], that the copies of the executed and delivered Project Doeuments that have been provided to City are true, complete, and correct copies (which have not been amended, supplemented, or waived in any way), that none of the Collateral has been incorporated into the leasehold estate, and that all of the Collateral constitutes personal property. Mortgagee acknowledges that nothing contained in Article XIII, in any other section of the Lease, or in this Agreement shall be deemed to allow or create a subordination of City's reversionary estate in

any part or portion of the Property leased to Developer and that, in no event, will such subordination be made.

3. **City Acknowledgment of Financing.**

(a) City acknowledges to Mortgagee that Developer has granted to Mortgagee (i) a mortgage lien on the Project Interests and/or (ii) other security interests in the Collateral, relating to Developer's development, use, and occupancy of the Project Property, as collateral for the Financing. City, in reliance upon the representations and acknowledgements in Section 2 and without any waiver of any of City's rights under the Lease, agrees that the Financing and the encumbering of the Project Interests (as set forth in the Mortgage and assuming that the representations and acknowledgments in Section 2 continue to be true and accurate) do not constitute a default under the Project Documents and hereby approves and authorizes (only to the extent, if any, such approval or authorization is required under the Project Documents) the Financing in all aspects, including without limitation the entry into and recordation of the Mortgage. City further agrees with Mortgagee that, subject to the terms of the Lease, Mortgagee is deemed (A) a leasehold mortgagee pursuant to the terms of the Lease and is entitled to all of the rights and benefits of a "Mortgagee" under and pursuant to the terms of the Lease, (B) a third-party beneficiary of all provisions of the Lease applicable to the rights and remedies of "Mortgagees" thereunder without further instrument by the parties, (C) a mortgagee pursuant to the terms of the LDA and is entitled to all of the rights and benefits of a "mortgagee" under and pursuant to the terms of the LDA, and (D) a third-party beneficiary of all provisions of the LDA applicable to the rights and remedies of "mortgagees" thereunder without further instrument by the parties. Mortgagee shall be free to assign, hypothecate, participate, or syndicate its interest in the Project Interests, provided only that such assignment, hypothecation, participation, or syndication does not result in Mortgagee no longer qualifying as a "Mortgagee" under and pursuant to the terms of the Lease or a "mortgagee" under and pursuant to the terms of the LDA. Without limiting the provisions hereof or of the Project Documents, City and Developer agree that Mortgagee or any party claiming by, through or under Mortgagee may exercise the renewal option of Developer under the Lease pursuant to and subject to the terms of Section 13.3.9 of the Lease.

(b) City acknowledges to Mortgagee the intended use of the Project Property by Developer as set forth in the Project Documents and that such use is permitted by the terms of the Project Documents.

(c) City, in reliance upon the representations and acknowledgements in Section 2, hereby waives and disclaims any interest in the Collateral that is or may hereafter be located on the Project Property during the term of the Lease or the LDA (provided that any such Collateral remains personal property under the Uniform Commercial Code). City agrees that, during the term of the Lease, to the fullest extent permitted under applicable law, as long as this Agreement shall remain in effect, City shall not assert and hereby waives any statutory, contractual, consensual, or possessory lien (including any lessor's or landlord's lien, right to levy, or right of distraint) against the Collateral, whether for Rent or otherwise. Upon the reasonable written request of Developer or Mortgagee, City shall confirm the foregoing waiver in a separate executed writing reasonably satisfactory to City and to such party.

4. **Status of Leasehold Interests**. City, to the knowledge of its City Solicitor or the Commissioner of the Department of Housing and Community Development, has not received notice of prior sale, transfer or assignment, hypothecation, or pledge of the Project Interests.

5. **Ownership of Premises**. City represents that it is the owner of the fee simple interest in the Property to which the Lease is subject and, prior to the Settlement Date (as defined under the LDA), the owner, in fee simple, of the 8 Lots and the Closed Street Area (as defined in the LDA) and, except as identified in the Lease, the Property subject to the Lease is free and clear of any and all mortgages, deeds of trust, reversionary or remainder rights, options, and any other similar liens or rights of third parties. City has not sold, transferred, assigned, hypothecated, encumbered or pledged its fee simple interest in the Property to which the Lease is subject.

6. **Notices to Mortgagee**. During the term of the Project Documents (including any extensions of the term of the Lease) and until the obligations secured by the Mortgage have been satisfied in full, City shall deliver, in the manner contemplated in Section 17.3 of the Lease, to Mortgagee, at the address set forth below or at such other address as Mortgagee may request, a copy of any notice delivered to Developer, including immediate notice of any default under the Project Documents (or any document ancillary to the Project Documents) and shall promptly deliver to Mortgagee each notice of default and all other notices, communications, plans, specifications, and other similar instruments received or delivered to or by City in connection therewith.

Mortgagee:

_____

_____

_____

with a copy to:

_____

_____

_____

This Agreement shall constitute Mortgagee's (including, for the avoidance of doubt, any assignee of the Mortgage and/or the Loan and the Notes) notification to City contemplated to be provided by Mortgagee to City under the Project Documents, and shall satisfy any other provision of the Project Documents requiring prior request from Mortgagee in order to obtain copies of notices, communications, plans, specifications, and/or other similar instruments received or delivered to or by City. [Mortgagee and Developer have notified City that Mortgagee has been designated as the "Designated Mortgagee" for the purpose of Section 13.3.4 of the Lease.]

7. **Modifications of Project Documents**. Notwithstanding anything to the contrary contained in this Agreement, except as otherwise permitted in the Lease, City and Developer

each agree not to (i) amend or modify the Lease without the prior written consent of Mortgagee, (ii) terminate, cancel, or surrender the Lease (prior to the stated expiration thereof), or (iii) accept the surrender of the Lease (prior to the stated expiration thereof), in either case without Mortgagee's prior written consent. Mortgagee shall approve or disapprove any consent requested pursuant to this Paragraph 7, within thirty (30) days after Developer's and City's request for the same. Mortgagee's consent pursuant to this Paragraph 7 shall, in any event, be deemed to have been given by Mortgagee unless rejected, in whole or in part, in writing, within thirty (30) days after Developer's and City's request for the same.

8. **Mortgagee Cure of Developer Defaults**.

(a) Subject to and without limiting the provisions of Section 13.3.1 or Section 13.3.5 of the Lease, and Section 6.2 or Section 6.4(a) of the LDA, upon the occurrence of any default or "Event of Default" under the Project Documents, City agrees to accept performance of Developer's obligations under the Project Documents by Mortgagee as if the same were performed by Developer. If any default or "Event of Default" of Developer is cured prior to the expiration of the applicable cure period (including the additional cure period given to holders of mortgages under the Project Documents with respect to each such default or "Event of Default"), then (a) the Project Documents shall continue in full force and effect and (b) Developer's possession of the Project Property and its rights and privileges under the Project Documents shall not be diminished or interfered with by City on account of the applicable default.

(b) Notwithstanding the foregoing, as set forth in Section 13.2 of the Lease and in Section 6.2 and Section 6.4 of the LDA, City acknowledges that while Mortgagee shall have the right to tender performance of Developer's obligations under the Project Documents, Mortgagee shall not have the obligation to do so (except as expressly provided in the Lease or in the LDA).

(c) No performance by or on behalf of Mortgagee shall (a) make it a "mortgagee in possession" unless and until it has affirmatively elected in writing in its sole and absolute discretion to become a mortgagee-in-possession, or (b) otherwise cause it to be deemed to be in possession of the Project Property or bound by or liable under the Project Documents unless and until Mortgagee actually takes possession of the Project Property through a completed foreclosure or other succession of the Project Interests. City and Developer, subject to the Lease and the LDA (as the case may be), authorize Mortgagee to enter the Project Property, and take any actions, as reasonably necessary (in the reasonable determination of Mortgagee) to effect Mortgagee's cure and/or remedies, upon prior written notice to Developer (pursuant to the Mortgage). City hereby acknowledges and confirms that neither a default under the Mortgage (or any other document securing or in connection with the Loan and/or the Notes) by Developer as mortgagee, nor the exercise by Mortgagee of any of its rights under such Mortgage (or other documents), shall be deemed a default under the Project Documents, unless and until the same shall otherwise constitute an express default of the Project Documents pursuant thereto.

9. **New Lease**. If Mortgagee or any other person succeeds to Developer's interest in the Project Documents, subject to Section 13.3.3 of the Lease, the Lease shall not be terminated and City agrees to accept performance of Developer's obligations under the Project Documents by Mortgagee or such other person, and the Project Documents shall continue in full force and

effect as a new agreement between City and Mortgagee (or such other person) pursuant to the Lease.

10. **Loan Document Modifications**. City agrees that Developer and Mortgagee may modify, amend, extend and/or renew the Loan and/or the Notes in any manner without the consent of City, so long as any rights or obligations of City that City may have or be entitled to with respect to the Project Documents or this Agreement are neither decreased or increased and so long as the representations and acknowledgements in Section 2 continue to be true and correct, respectively, as a result thereof except.

11. **Due Authority**. All parties to this Agreement represent (a) they are authorized and empowered to execute, deliver, and perform this Agreement, (b) any consents necessary in connection with such execution, delivery, and performance have been duly obtained, and (c) neither the execution, delivery, or performance of its obligations under this Agreement is or could result in a violation of any applicable law, rule, regulation, statute, court order, or other governmental pronouncement, or a default under any agreement or organizational document, to which it is a signatory or by which its properties may be bound.

12. **Conflicts**. The terms and provisions of this Agreement shall be read in connection with the terms and provisions of Article XIII of the Lease and Article VI of the LDA. However, in the event that any of the terms and conditions contained in the Project Documents conflict with any of the terms and conditions contained in this Agreement, the parties hereto agree that the terms and conditions contained in the Lease and the LDA shall control and be binding upon the parties.

13. **Insurance Policies**. In addition to the provisions of Article X of the Lease and Article IX of the LDA, City acknowledges that Mortgagee is requiring Developer to ensure that a standard mortgagee clause naming Mortgagee shall be added to any and all insurance policies required to be carried by Developer under the Project Documents.

14. **Condemnation**. City and Developer shall give Mortgagee written notice of any condemnation proceedings affecting the Project Property. Mortgagee shall have the right to intervene and be made a party to any such condemnation proceedings, and City (in its capacity as lessor under the Lease) and Developer hereby consent that Mortgagee may be made such party or intervenor. City acknowledges that Developer has, or may, set over, transfer, and assign to Mortgagee its interest in any award or damages for any such taking to the extent of the balance of any principal, interest, or other payment due or which shall thereafter accrue or become due to Mortgagee but in the event of a partial taking of the building and improvements on the Project Property or a partial taking of the land forming a part of the Project Property which does not result in the cancellation or termination of the Project Documents, there shall be paid to Developer (subject to the terms of Article XVI of the Lease, to the extent applicable), as trust funds out of Developer's interest in any award or damages for such taking, an amount equivalent to the cost to restore the building and improvements then on the Project Property to a complete architectural unit, including, without limitation, access cuts and roadways.

15. **Mortgagee's Right to Protest**. Any payment made, or performance rendered, by Mortgagee to cure any claimed default, upon prior written notice by Mortgagee to City, may be deemed to have been made or rendered "under protest" and without prejudice to Developer's or Mortgagee's rights and remedies, and no such reservation or "protest" shall in any manner serve to delay or prohibit City's acceptance of any cure of such default under the Project Documents; such reservation or protest, however, would entitle City not to enter into a new lease in accordance with Section 13.3.3 of the Lease. City acknowledges that Developer has granted, or may grant, to Mortgagee the right to contest the validity of any taxes agreed to be paid by Developer. In the event of such contest, City (in its capacity as lessor under the Lease) shall not pay any such taxes thereby contested without the consent of Developer and Mortgagee, except that City may pay the same, if such nonpayment or delay shall expose the Premises or any portion thereof to sale.

16. **No Merger**. The parties hereto agree that, regardless of whether City succeeds Developer with respect to the Leasehold Interests, Mortgagee succeeds City with respect to its interest in the Project Property (which succession could only occur by a sale of the Property and not by operation of law or by virtue of this Agreement), or the occurrence of any other event or series of events, the separate interests in and with respect to the Project Property and/or the Project Documents shall be deemed separate and distinct estates and interests and shall not he deemed to be merged, unless the applicable parties shall expressly agree to such merger in a separate agreement.

17. **Execution and Delivery**. This Agreement may be executed in one or more counterparts, or by the parties executing separate counterpart signature pages, all of which shall be deemed to be original counterparts of this Agreement. Delivery by facsimile or electronic mail of this Agreement or an executed counterpart hereof will be deemed a good and valid execution and delivery hereof.

18. **Amendments**. This Agreement may not be modified other than by an agreement in writing, signed by the parties hereto or hy their respective successors in interest.

19. **Successors and Assigns**. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns, and all covenants, conditions, and agreements herein contained shall be construed as running with the land. Without limiting the generality of the foregoing, Mortgagee's rights under this Agreement shall inure to the benefit of Mortgagee's successors and/or assigns which shall include a purchaser at a foreclosure sale.

20. **Governing Law**. This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON FOLLOWING PAGES.]

IN WITNESS WHEREOF, the parties hereto have caused this Project Financing Agreement to be duly executed as of the day and year first above written.

[SEAL]
ATTEST:

_____
Custodian of the City Seal

CITY:

Mayor and City Council of Baltimore

By:_____
Paul T. Graziano, Commissioner
Department of Housing and Community Development

DEVELOPER:

CBAC Gaming, LLC, a Delaware limited liability company

By: CR Baltimore Holdings, LLC,
its Managing Member

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

_____
C Laurence Jenkins, Jr., Chief Solicitor Date:_____, 201__

[APPROVED BY THE BOARD OF ESTIMATES]

_____
[Deputy Comptroller] Date:_____, 201__

Subscribed and acknowledged in the presence of the two following witnesses:

_____
Name: _____

_____
Name: _____

MORTGAGEE:

_____

By: _____
Its: _____

STATE OF MARYLAND, CITY/COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this _____ day of _____, 201__, before the subscriber, a Notary Public of the State of Maryland, in and for the city/county of Baltimore personally appeared Paul T. Graziano, Commissioner, Department of Housing and Community Development and acknowledged the foregoing Lease Agreement to be the corporate act and deed of the Mayor and City Council of Baltimore.

As WITNESS my hand and Notarial Seal.

_____
My Commission Expires: _____
Notary Public

STATE OF _____, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY that on this _____ day of _____, 201__, before the subscriber, personally appeared _____, the _____ of Caesars Baltimore Investment Company, LLC, the Managing Member of CR Baltimore Holdings, LLC, which (in turn) is the Managing Member of CBAC Gaming, LLC, a Delaware limited liability company, and acknowledged the foregoing Lease Agreement to be the act and deed of such limited liability company.

As WITNESS my hand and Notarial Seal.

_____
My Commission Expires:_ _ ____
Notary Public

STATE OF _____)
) §
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____ ____, a/the _____ of _____, on behalf of said such _____.

_____
Notary Public, _____ County, _____
My Commission Expires: _____