

COMMUNITY BENEFITS AGREEMENT

by and between

-and-

HSP GAMING, L.P., a Delaware limited partnership

-and-

The SPECIAL SERVICES DISTRICT to be formed in accordance with
the provisions hereof and to join in this Agreement as a party upon such
formation

EFFECTIVE DATE: TBD

THIS IS A COMMUNITY BENEFITS AGREEMENT (this "Agreement"), effective in all respects on the Effective Date appearing on the cover hereof, by and among

(collectively the "Authorized Community Groups") and HSP GAMING, L.P., a Delaware limited partnership ("SugarHouse").

B A C K G R O U N D

A. The Authorized Community Groups are duly authorized and existing entities under Pennsylvania law which represent the residents, property owners and businesses located within the geographical areas as shown on Exhibit "A" attached hereto and made a part hereof (the "Neighboring Community").

B. On December 20, 2006, SugarHouse received approval from the Pennsylvania Gaming Control Board ("PGCB") to obtain a Category 2 Slot Machine License ("License") under the Pennsylvania Race Horse Development and Gaming Act , 4 Pa.C.S.A. §1100, *et seq.* (as the same may be amended or supplemented from time to time, and including any successor thereto, the "Act").

C. Upon its receipt of its License from the PGCB and all necessary federal, state and local approvals, SugarHouse intends to develop, construct and operate a Category 2 licensed gaming facility, to be known as the "SugarHouse Casino", on a parcel of property located on North Delaware Avenue, between Shackamaxon Street, Ellen Street and the Delaware River, as

more particularly described on Exhibit "B" attached hereto and hereby made a part hereof.

D. SugarHouse desires that the development, construction and operation of the SugarHouse Casino proceed in a manner which promptly and responsibly implements SugarHouse's plans in a manner which results in the SugarHouse Casino opening on schedule, with the minimum disruption practicable, during both development and operation, in the communities represented by the Authorized Community Groups.

E. The Authorized Community Groups and SugarHouse have reached an agreement, as more particularly set forth below, to develop and implement programs and undertakings intended to foster a productive working relationship between SugarHouse and the Authorized Community Groups to fulfill the goals of all parties hereto.

A G R E E M E N T S

The Authorized Community Groups, and each of them, and SugarHouse, in consideration of the mutual promises herein contained, hereby agree as follows:

1. Term of Agreement. The rights and obligations set forth herein shall commence on the Effective Date and shall continue in effect for a period of [] years thereafter. This Agreement shall automatically renew for additional one-year terms thereafter unless any one party hereto notifies the others in writing of its desire to terminate this Agreement, at least sixty (60) days prior to the end of the initial term or any renewal term that it elects to terminate this Agreement, in which event this Agreement shall terminate effective as of the last day of the then current term or renewal term.

2. Formation of Special Services District. The Authorized Community Groups shall form a new entity, established and qualified under applicable law that will apply for

recognition as a 501(c)(3) or similarly treated tax exempt organization under the Internal Revenue Code, for the purposes of maintaining and improving services and improvements important to the residents within the Neighboring Community (the "Special Services District"). The Authorized Community Groups shall retain counsel to prepare all necessary corporate organizational documents (including articles of incorporation, membership agreements, operating agreements, by-laws, and/or other fundamental documents), as well as written procedures for the selection, whether by way of election, appointment or otherwise, of the members of its governing board, such procedures to be determined by the Authorized Community Groups (collectively, the "Documents") and shall promptly thereafter select its governing board and officers.

3. Organizational Expenses. Within thirty (30) days of the execution of this Agreement by SugarHouse and the Authorized Community Groups, SugarHouse shall fund up to \$25,000 for legal expenses incurred by counsel retained by the Authorized Community Groups relating to the drafting and execution of the Documents.

4. Contributions to Special Services District. Once the Special Services District has been formed and is operational, and the Documents have been prepared, in each case pursuant to paragraph 2, SugarHouse will make the following contributions:

(a) Pre-Opening Period -- Within fourteen (14) days from the date of receipt of all necessary permits and approvals for, and the commencement of, the construction of the SugarHouse Casino ("Initial Payment Date"), and on each anniversary of the Initial Payment Date prior to the date on which the SugarHouse Casino is open for business to the public (the "Opening"), SugarHouse will contribute to the Special Services District an amount equal to

\$175,000 ("Pre-Opening Contribution").

(b) Post-Opening Period -- Beginning on the first anniversary of the last Pre-Opening Contribution and on each anniversary thereafter (the "Annual Payment Date" and each one-year period preceding each Annual Payment Date, an "Operating Year") prior to the completion of Phase I of the SugarHouse Casino (as described in the Plan of Development submitted to the PGCB) (the "Annual Payment Date"), SugarHouse will contribute to the Special Services District, an amount equal to \$500,000 (each such payment, a "Post-Opening Contribution"), which Post-Opening Contribution shall be increased to \$1,000,000 per year as of the first Annual Payment Date occurring after the date on which Phase I has been completed and has opened for business (the "Phase I Opening Date").

(c) Upward Adjustments of Post-Opening Contribution. Commencing on the third Annual Payment Date after the Phase I Opening Date, and for each annual Post-Opening Contribution thereafter, the Post-Opening Contribution shall be increased by the lowest of the following three percentages: (1) the increase in the Consumer Price Index as calculated by the United States Bureau of Labor Statistics for all items, less food and energy, for the greater Philadelphia standard metropolitan statistical area ("CPI"), or the most similar index thereto in the event the CPI is unavailable, for the Operating Year ending on such Annual Payment Date; (2) the percentage increase in the gross terminal revenue (as defined in the Act) of the SugarHouse Casino for the Operating Year ending on such Annual Payment Date over the immediately preceding Operating Year; and (3) five percent (5%). Notwithstanding the foregoing, in no event shall the Annual Contribution for any Operating Year exceed the sum of \$1,250,000.

(d) Use of Funds. SugarHouse specifically acknowledges and agrees that all decisions of the Special Services District with respect to the expenditure of its funds shall be made pursuant to the Documents, without any veto rights or other restrictions by SugarHouse or its affiliates, other than the restrictions set forth in this Agreement.

5. Compliance with the Act. So long as the Special Services District shall have control over or the right to receive any funds provided pursuant to Section 3 hereof, neither the Authorized Community Groups, nor the Special Services District, nor any of their respective officers, board members, employees, successors, assigns, representatives or agents, shall take any actions (including, without limitation, paying, directly or indirectly, any funds or other forms of consideration held or controlled by the Special Services District (including in-kind contributions) directly or indirectly to any candidate for public office in the Commonwealth or to any political committee or state party, as prohibited by 4 Pa.C.S.A. §1513, or having any public officials as employees or board members).which might result in any violation by SugarHouse's the Gaming Act or any applicable orders or regulations thereunder.

6. SugarHouse Cooperation with Special Services District. SugarHouse shall provide a reasonable amount of information on a regular basis to the designated representatives of the Special Services District concerning such subjects as job opportunities available at the SugarHouse Casino; the timing of plans, if any, for major modifications of the SugarHouse Casino facilities, onsite amenities or offsite projects affecting access to the SugarHouse Casino; the timing of special entertainment events scheduled to occur at the SugarHouse Casino which may create unusual burdens on vehicular or pedestrian traffic patterns; and other matters that would be reasonably likely to materially impact the community. SugarHouse agrees to make an

executive available to attend the regular scheduled periodic meetings of the Special Services District.

7. Employment. SugarHouse shall create and implement a system to provide residents of the Neighboring Community with a reasonable amount of information regarding available job training and job opportunities at SugarHouse Casino.

8. Vendor Opportunities. SugarHouse shall create and implement a system to provide businesses in the Neighboring Community with a reasonable amount of information regarding available vendor opportunities at the SugarHouse Casino in conjunction with its purchase of goods and services. SugarHouse will also assist businesses in the Special Services District by providing information to such businesses regarding licensing and regulatory requirements under the Act; provided, that SugarHouse will not be required to incur any additional expense in providing such assistance beyond the cost of providing such information nor to give legal or accounting advise to such businesses regarding same.

9. Public Access To The Waterfront. SugarHouse will enter into an agreement with the City to provide reasonable outdoor access to its property along the Delaware River waterfront from both the north and south ends of the SugarHouse Casino, consistent with SugarHouse's Plan of Development (as submitted to the PGCB and amended from time to time). Waterfront access will be constructed during the initial phase of development, and, once such access is completed, substantial public access will be permitted at all times, subject to any restrictions necessary as a result of any construction, repair or maintenance activities, or in order to assure public safety and security. Access to specified portions of the waterfront also may be restricted by HSP in connection with special events, such as weddings, concerts, etc.; however, HSP will

agree to limit the number of times per month that such access is restricted, which limit will be adjusted over time as mutually determined by HSP and the City.

As a private-owned facility, public access to SugarHouse Casino's waterfront also may be subject to reasonable policies and restrictions imposed by HSP in order to maintain public decorum, safety and security (such as the removal of loiterers or squatters, a prohibition on solicitation and the ejection of anyone causing a substantial disturbance or potential or actual harm to other persons or property).

10. Construction Advisories. During the initial construction of the SugarHouse Casino, SugarHouse shall create and implement a reasonable plan advise the Special Services District or Authorized Community Groups of construction schedules. As part of this plan, SugarHouse will maintain a telephone hotline to respond to residents' complaints relating to construction operations. This obligation will terminate at such time as a certificate of occupancy, whether temporary or permanent, is first issued for the SugarHouse Casino, but will be reinstated for and during the construction of any future phases of the development.

11. Traffic Concerns. SugarHouse shall consult with the Special Services District, the City of Philadelphia ("City") and the Pennsylvania Department of Transportation to minimize the impact of increased traffic relating to the SugarHouse Casino. Consistent with this undertaking, SugarHouse will:

(a) Provide free parking for all SugarHouse employees, either on the SugarHouse property, or at another site from which SugarHouse shall provide free transportation to and from the SugarHouse facility;

(b) Prepare and submit to the City, the Pennsylvania Department of Transportation

and the Special Services District (if then in existence, or the Authorized Community Groups, if the Special Services District has not yet been organized), during the initial construction phase, a traffic plan with respect to vehicular ingress and egress to and from the SugarHouse facility; and

(c) Meet from time to time to discuss traffic issues with representatives of the Special Services District (if then in existence, or the Authorized Community Groups, if the Special Services District has not yet been organized), as reasonably requested by them.

12. Sanitation. SugarHouse will remove, on a daily basis, litter, trash and rubbish around the perimeter of its property, and shall designate to the Special Services District an executive to respond to complaints by residents of the Special Services District with regard to sanitation issues relating to SugarHouse's operations.

13. Security. SugarHouse, in cooperation with local law enforcement authorities, will meet, from time to time, with representatives of the Special Services District to discuss the need, if any, for additional security services beyond the SugarHouse property.

14. Prior Agreement, Amendments. This Agreement sets forth the entire agreement between the parties hereto, and supersedes all prior and contemporaneous agreements, understandings, warranties or representations. This Agreement may not be changed, modified or amended except in a writing signed by all parties hereto.

15. Other Agreements. The Authorized Community Groups and the Special Services District acknowledge that SugarHouse has contractual and compliance obligations to the City of Philadelphia, the Commonwealth of Pennsylvania and the Pennsylvania Gaming Control Board with respect to the development and use of the Project and the operation of SugarHouse Casino, and nothing herein shall be deemed to amend or vary any of those obligations, and to the extent

anything herein shall conflict with any of those obligations, it is those obligations, and not the provisions of this Agreement, which shall prevail.

16 Termination.

(a) Any party may, at its option, in addition to any remedies available to it at law or in equity, terminate this Agreement upon a material breach of the terms of this Agreement by any other party so long as the party electing to terminate provides no less than fifteen (15) days' prior written notice to the other parties hereunder of such violation and the violating party failures to cure such breach within such fifteen (15) day period.

(b) In addition, this Agreement shall terminate immediately upon the termination of gaming operations at the SugarHouse facility, not including any temporary interruption or suspension of gaming operations as may be required by emergency conditions or by order of the Pennsylvania Gaming Control Board, or the suspension, nonrenewal or revocation of its License. SugarHouse shall not be in default of any of its obligations hereunder in the event the action or inaction by the SugarHouse which is alleged to constitute a default occurs at a time when the SugarHouse Casino is closed or not in operation for gaming activities, for any reason whatsoever. Following any temporary interruption or suspension of SugarHouse's gaming operation, SugarHouse shall resume performance hereunder upon the re-opening of the SugarHouse Casino.

(c) Notwithstanding anything contained herein to the contrary, this Agreement may be terminated by SugarHouse in its sole discretion at any time on or after January 1, 2008, if SugarHouse has not received its License and all approvals and permits necessary to construct and operate the SugarHouse Casino consistent with its current plans and construction of the

SugarHouse Casino project has not begun as of such date.

17 Assignment, Third Party Beneficiaries. This Agreement may not be assigned by either party hereto, except that SugarHouse may assign this Agreement to any successor owner of SugarHouse's License and/or gaming facility, and any successor owner of SugarHouse's License shall be bound hereby. In the event of any assignment, transfer, sale, conveyance, foreclosure or other disposal of the SugarHouse Casino and its License by SugarHouse (or any successor-in-interest to SugarHouse) (a "Transfer"), such successor owner shall succeed to the rights and obligations of SugarHouse hereunder and shall assume fully in writing and be liable for all liabilities and obligations of SugarHouse under this Agreement (or its successor-in-interest) arising on or after the date of Transfer in accordance with and subject to its terms and provisions, and SugarHouse (and any successor-in-interest) shall, from and after the date of such Transfer, be free of all liabilities and obligations from and after the date of such Transfer. This Agreement is made for the sole benefit of the signatories hereto and the Special Services District, and nothing contained herein, express or implied, is intended to or shall confer upon any other person or entity any third-party beneficiary or any other legal or equitable rights, benefits or remedies of any kind or nature.

18 Governing Law. This Agreement shall be governed and interpreted by and in accordance with Pennsylvania law, and shall at all times be subject to terms and provisions of the Pennsylvania Race Horse and Development Act, 4 Pa.C.S.A §§ 1101 *et seq.* Upon execution, SugarHouse agrees to advise the PGCB that it is unaware of any current condition that at that time causes this Agreement or any provision thereof to be invalid.

19 Renewal. This Agreement shall not be renewed by operation of law; it may be

renewed only by the written confirmation of renewal by the Parties hereto as provided herein.

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

The addresses for Notices are as follows:

Copies of such Notices provided under this Agreement shall also be provided to the following persons or their successors:

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

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

breach of or default under this Agreement.

23. Exculpation. Except with regard to any assignment of this Agreement permitted pursuant to Section 16 hereof, any obligation of SugarHouse under or with respect to this Agreement shall be enforceable only against and payable out of the interest of SugarHouse in the SugarHouse Casino, and no partner of SugarHouse, nor any member or partner of a member of SugarHouse, or any of their respective shareholders, principals, partners, members, beneficiaries, advisors, trustees, directors, officers or employees, personal representatives, successors and assigns shall have any personal or individual liability of any kind whatsoever hereunder.

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

Witness or Attest:

By: _____
Name: _____
Title: _____

Witness or Attest:

By: _____
Name: _____
Title: _____

Witness or Attest:

By: _____

Name: _____

Title: _____

Witness or Attest:

By: _____

Name: _____

Title: _____

HSP GAMING, L.P., a Delaware limited partnership, by its general partner, HSP Gaming, LLC, a Delaware limited liability company

Attest:

By: _____

Name: _____

Title: _____

JOINDER OF SPECIAL SERVICES DISTRICT

The Undersigned Special Services District, in consideration of the benefits it would derive under the foregoing Community Benefits Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, joins in and adopts the foregoing Community Benefits Agreement and agrees to be bound by the terms and provisions thereof.

By: _____
Name: _____
Title: _____

EXHIBIT A

(Description of Community Groups and Boundaries)

EXHIBIT B

(Description of SugarHouse Property)