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March 19, 2014

By Hand & Electronic Mail

Hon. Joseph A. Curtatone  
Mayor, City of Somerville  
Somerville City Hall  
93 Highland Avenue  
Somerville, MA 02143

**Re: Surrounding Community Proposal and Preliminary Agreement**

Dear Mayor Curtatone:

This letter is sent on behalf of Mohegan Sun Massachusetts, LLC (“Mohegan Sun”), an applicant for a Category 1 gaming license from the Massachusetts Gaming Commission (“MGC”). As you know, Mohegan Sun’s representatives have spoken with you and your staff and have held several follow-up conversations regarding Mohegan Sun’s plans to develop a destination resort casino in Revere (the “Project”) that is well-integrated with its surrounding region and is an engine for regional economic growth and tourism. Please accept this letter as Mohegan Sun’s proposal regarding the terms of a proposed Surrounding Community Agreement for the purposes of Mass. Gen. L. c. 23K and 205 CMR 125.00 (collectively, the “Expanded Gaming Law”).

As we have discussed, Mohegan Sun considers the City of Somerville (“Somerville” or the “City”) to be an important community of regional significance that is itself a destination and is a community that patrons of the Project may wish to visit. A partnership with Somerville and other similarly-situated communities is a key feature of Mohegan Sun’s proposal and is one that Mohegan Sun believes is both anticipated by the Expanded Gaming Law and that significantly distinguishes it from the competition.

As an example of the types of connections we envision, Mohegan Sun hopes to take advantage of Somerville’s tourism and cultural attractions, and assuming that demand can be demonstrated, plans to make available its ground shuttle and transportation programs to key Somerville destinations and transit hubs. If those prove successful, more connections can be explored for the benefit of both parties.

In consideration for the proposed impacts to Somerville on account of the Project and recognizing the importance of working with local municipalities as expressed in the Expanded Gaming Law, Mohegan Sun proposes to designate Somerville as a surrounding community and to enter into a Surrounding Community Agreement with the City incorporating the following terms, all subject to the award of the gaming license to Mohegan Sun and other conditions imposed by the MGC:



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- a \$50,000 annual impact payment beginning on the first July 15 after the opening of licensed gaming at the Project;
- access for local businesses to Mohegan Sun's points loyalty and redemption program, with a commitment to feature and market participating businesses in its promotional materials and programs and to partner with local hotels, restaurants, arts and entertainment institutions, museums and other businesses in Somerville through the program;
- access to Mohegan Sun's compulsive gambling counseling services;
- support for the City's requests (along with other communities) to the MGC or other state agencies for grants from the Community Mitigation Fund established under the Expanded Gaming Law and such other funds now or later established for the use of gaming revenue taxes paid by Mohegan Sun to the Commonwealth of Massachusetts;
- confirmation that Somerville is among the communities to benefit from Mohegan Sun's pledge to support the regional economy through reasonable efforts to: (a) purchase \$50 million annually from businesses with a principal place of business within 15 miles of Revere City Hall; and (b) hire 75 percent of its permanent workforce within that same area;
- cooperation regarding the expansion of access to employment opportunities for minorities, women and veterans and other disadvantaged groups and to generally expand local employment opportunities;
- a one-time donation of \$50,000 to a local, Somerville-based non-profit entity(ies) serving Somerville residents to support job readiness training program assistance;
- Mohegan Sun will not use any location in Somerville as a satellite pick-up/drop-off site to and from the gaming establishment for employees generally, provided that Mohegan Sun may provide transportation for employees who are residents of Somerville;
- Mohegan Sun will not have stops for so-called "line-runs," or regularly scheduled bus routes, in Somerville, although, subject to meeting legal requirements, Mohegan Sun will be able to provide transportation to patrons with whom it has established a relationship and will be able to provide transportation home to any patron;



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- Mohegan Sun will not conduct indiscriminate, mass marketing mailings to residents of Somerville, although Mohegan Sun will be permitted to send mailings to any patron with whom it has established a relationship;
- Mohegan Sun shall participate and cooperate with the MGC, to the extent requested, in conducting the research contemplated by MG. c. § 23K, § 71; and
- At the City's option, any terms of a Surrounding Community Agreement entered into by Mohegan Sun and the cities of Cambridge, Melrose, or Salem shall be made part of the Surrounding Community Agreement between Mohegan Sun and Somerville.

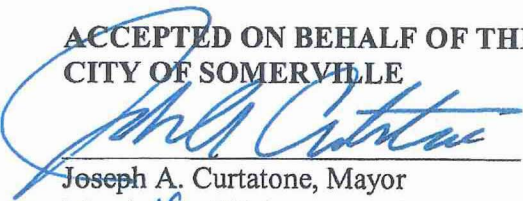
In return, the City agrees to not oppose the Mohegan Sun project specifically and to not oppose any federal, state or local permits for the Mohegan Sun project, but may comment on project mitigation. The City will not be obligated to take any action relative to the Mohegan Sun project other than completion and consummation of the Surrounding Community Agreement contemplated by this preliminary letter agreement. The Mayor of the City will not be precluded from speaking out against gaming generally or urban gaming in particular or from continuing as a plaintiff and petitioner in connection with the pending ballot initiative.

Two original copies of this letter are provided. If the City of Somerville finds these terms to be acceptable, pending a presentation to the Board of Aldermen at the next regularly scheduled meeting, we ask that you execute one original copy where I have indicated below and return it to me. Upon our receipt, we will file this letter with the MGC on March 19, 2014 as an assent to Somerville's designation as a Surrounding Community and withdrawal of opposition to same, and to immediately begin work on a Surrounding Community Agreement that will confirm the City's agreement with Mohegan Sun.

Sincerely,

  
John A. Stefanini

**ACCEPTED ON BEHALF OF THE  
CITY OF SOMERVILLE**

  
Joseph A. Curtatone, Mayor  
March 19, 2014

cc: Mr. L. Gary Luderitz  
David Rome, Esquire