

THOMPSON, BULL, FUREY, BASS & MACCOLL, LLC, P.A.
COUNSELORS AT LAW

NICHOLAS BULL
MARK G. FUREY *
JOHN R. BASS, II
EDWARD S. MACCOLL
BRADFORD R. BOWMAN
* ALSO ADMITTED IN MA
OF COUNSEL
PETER P. MICHAUD

120 EXCHANGE STREET
6th Floor
P. O. BOX 447
PORTLAND, MAINE 04112-0447

TELEPHONE (207) 774-7600
FACSIMILE (207) 772-1039
E-MAIL info@thomport.com

BENJAMIN THOMPSON
(1857-1918)
NATHAN W. THOMPSON
(1895-1969)
BENJAMIN THOMPSON
(1921-2002)

December 3, 2003

Via Facsimile & U. S. Mail
Hon. Mark Johnston, Mayor
Saco City Hall
P.O. Box 167
Saco, ME 04072

Re: Davric Maine Corporation

Dear Mayor-Elect Johnston:

As you know, this office represents Davric Maine Corporation, the Maine business corporation that owns and operates Scarborough Downs. Sharon Terry, President of Davric, has been and remains very excited about the prospect of relocating the Downs to Saco. She has asked me to write this letter reaffirming the commitments the Downs has made to the City if that relocation in fact occurs.

Specifically, Davric commits to the town a guaranteed monthly payment of \$125,000, or three percent of gross gaming revenues from gaming machines, whichever is greater, in addition to all real and personal property taxes generated by the project. We are also willing to discuss other financial arrangement the City may deem appropriate.

Additionally, Ms. Terry has asked me to assure you that Davric commits to at least the following terms in a contract zone or similar agreement:

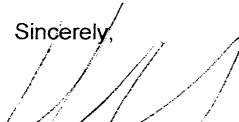
1. The track and Penn National will solely pay for all traffic improvements and traffic control devises required by the City;
2. The track and Penn National will pay the estimated cost of approximately Four Million Dollars to extend the public sewer to the site;
3. The track and Penn National will adequately fund a program to discourage and counsel problem gambling; if the City so desires,

we will agree that the program may be administered by, through or at the direction of the City;

4. We agree that the project will be limited to a location within one mile of the Saco/Scarborough line in the Northern Route One corridor, and southeast of the Maine Turnpike;
5. No more than 1,500 gaming machines will be located at the site; and
6. One-half of the payments to the City from gaming revenues be used to reduce property taxes;
7. No building permits will be issued until until a host city agreement is approved by the voters after it is conditionally approved by the City Council.

I would be pleased to discuss the details of this matter with you.

Sincerely,



Edward S. MacColl

cc: Ms. Sharon Terry
Mr. Peter Carlino

ESM/

Devine Maine Corporation

Sharon L. Terry
Its President

Peter W. Carlino
Chairman and CEO
INTERNATIONAL