

Exhibit VIII.A.5 – Business Plan

Submit as Exhibit VIII.A.5. a qualitative five (5) year business plan for the proposed Gaming Facility describing, at least, the components and projected results of the material revenue lines and expense categories of the proposed Gaming Facility, the Applicant's sources and availability of financing, the principal business and financing risks of the proposed Gaming Facility and plans to mitigate those risks.

Five year pro forma operating statements for Capital View (average case)

Capital View Casino & Resort Five Year Pro Forma Operating Statements						
(\$M)	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenues						
Slot Machine						
Table Games						
Gross Gaming Revenues						
Less: Slot Machine Free Play						
Less: Table Games Free Play						
Total Free Free Play						
Net Gaming Revenue						
Food & Beverage						
Hotel						
Retail, Entertainment and Other						
Total Gross Revenues						
Less: Promotional Allowances						
Net Revenues prior to Gaming Taxes & Fees						
Gaming Taxes & Fees						
Slot Revenue Tax						
Table Games Revenue						
License Fees						
Saratoga Horseman Subsidies						
Net Revenues						
Operating Expenses						
Food & Beverage						
Retail, Entertainment and Other						
Salaries & Wages						
Marketing						
Leased Games						
Insurance						
Utilites						
Property Taxes						
Other General Administrative						
Total Operating Expenses						
EBITDAM						
EBITDAM %						
Management Fees						
Depreciation & Amortization						
Interest Expense						
Provision for Income Taxes						
Net Income						

REDACTED

Source: Spectrum Gaming Group

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Business Plan Executive Summary

Saratoga Casino and Raceway and Churchill Downs Inc. have developed a reliable business plan engineered to assure that they will operate a profitable establishment. Construction will be relatively conservative with expansion options for the future. Revenue will be generated from the material lines of slot machines and table games in the casino, as well as from food and beverage, hotel, retail, entertainment and other sources. Costs will be similarly moderate and are expected to apply at a ratio six times earnings before interest, taxes, depreciation, and amortization ("EBITDA"). The competitive environment within the Capital Region is currently relatively benign, but competition is expected to strongly intensify over the next seven years and the best strategy for effectively competing is to successfully establish Capital View Casino & Resort as the regional gambling and resort destination of choice in the Albany region.

Material Revenue Lines

Spectrum's gravity modeling forecasts that Capital View Casino & Resort will generate a total of \$216.7 million in gross gaming revenue ("GGR") when fully operational, within a range of \$207.4 million to \$225.9 million. Net revenue is forecast at \$200.7 million. Non-gaming revenue is forecast to be \$17.0 million annually for food and beverage, \$3.4 million annually for the 100-room hotel, and \$18.5 million from retail, entertainment and other revenue at Capital View Casino & Resort. These material lines are expected to generate total non-gaming revenue of \$42.7 million in the first year of operations and as much as \$52.5 million in year 10 under a compound annual growth rate ("CAGR") of 2.34 percent. The Capital View Casino & Resort therefore could be expected to generate combined gaming and non-gaming revenue of \$259.4 million in the first full year of operations.

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Business Risks

Spectrum strongly believes that the property program outlined by the client is a reliably profitable venture. This confidence is supported by the empirical fact that there are more than 1 million adults within a reasonable one-hour drive radius of the East Greenbush location, and 2 million residing within a 1.5-hour drive time radius. The principal business risk to the success of the Capital View Casino & Resort venture is heightened competition in the regional market and the increasing density and availability of supply.

The regional competitive environment in which the Capital View Casino & Resort would operate, primarily defined as the geographic area within a reasonable one-hour drive-time radius of the property location in East Greenbush Township, is relatively open. The gaming facility most directly competing with the Capital View property is the existing Saratoga Casino and Raceway racetrack casino property in Saratoga Springs, located approximately 35 miles to the north. The Saratoga Springs racetrack casino is not expected to represent a serious competitive threat since it is a VLT property offering no live table games and the population base it draws the majority of visitation from resides in the Albany/Schenectady/Troy area which is more proximate to the East Greenbush location.

Expanding the drive-time radius to a 1.5-hour drive from the Capital View Casino Resort site exposes



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a secondary competitive environment where visitation would be much less frequent and competition therefore correspondingly less intense. This expanded radius includes two racetrack casinos, Saratoga Casino and Raceway, and Vernon Downs, as well as Turning Stone Resort Casino. This outer ring of potential competition also currently does not present a credible threat to the Capital View Casino Resort. While it is anticipated that Turning Stone will invest defensively in capital improvements, this property would exert more competitive pressure on facilities in the western areas of the Capital Region, such as the Schenectady location, then it would on the East Greenbush property.

Over the past decade, the casino gambling landscape in the northeastern US has become much more competitive as 26 casinos have opened in this area since 2004, generating a 39 percent increase in total gaming revenue for the region. In the future this competitive environment will become much more intense as new casino properties are developed. The 1.5-hour drive-time radius encompasses all of the potential Orange County sites and the majority of all the potential casino properties in the Catskills/Hudson Valley Region, which may be granted two casino licenses. Within three to four years potential out of state competition may be encountered now that a gaming license has recently been granted to MGM Resorts International for a major casino resort in Springfield, MA.

At this time there are no publicly announced potentially competing alternative gambling destinations planned within a reasonable two-hour drive time radius of the proposed Capital View casino site. Importantly, however, within five years it would be reasonable to expect at least one new casino development in northern New Jersey, possibly at the Meadowlands racetrack. In addition, within seven years the enabling legislation for upstate casino development will expire and new full service casino gaming facilities may become a reality downstate much closer to New York City. It is also possible that New Hampshire will eventually allow casino style gambling, and the Native American casinos in Connecticut will be expected to take steps to protect their market through continued capital investments.

In order to mitigate these potential future competitive threats, it is crucial for the Capital View Casino & Resort to have a successful opening and to quickly establish itself as a regional destination with the Capital Region. Once firmly established and producing cash flows, the property will also look to make defensive capital investments to preserve its market share as the regional market becomes more competitive. Single ownership of the two gaming facilities within the Capital Region will also facilitate efforts to establish these destinations as viable alternative options to the larger attractions which may eventually develop downstate and out of state. While we do not expect Capital View Casino & Resort to repatriate substantial gaming revenue which is currently being spent at out of state casinos, we do anticipate that a casino property located astride Interstate 90 on the eastern egress route from Albany will serve as a barrier to intercept many in-state gamblers who would potentially travel out of state to visit the \$800 million proposed MGM casino in Springfield, MA.