

Exhibit IX.A.3

MITIGATION OF IMPACT TO HOST MUNICIPALITY AND NEARBY MUNICIPALITIES

Submit as Exhibit IX. A.3. a description of Applicant's commitments to mitigate impacts of the proposed Gaming Facility (during construction and operation) on each Host Municipality and the nearby municipalities including for traffic mitigation, infrastructure costs, costs of increased emergency services and the other impacts identified in the studies included in Item IX.A.2.b of the RFA. Provide copies of any contracts, agreements or other understandings evidencing such mitigation commitments.

DESCRIPTION OF COMMITMENTS TO MITIGATE IMPACTS

Overview

Nevele Resort, Casino & Spa has made comprehensive commitments to mitigate impacts of our project during construction and operation on the Host Municipality and nearby municipalities.

These mitigation efforts are identified in the studies included in Exhibit IX.A.2.b. in addition to the Community Mitigation Plan Agreement (“CMP”) negotiated by and between the Nevele Resort, Casino & Spa, the Town of Wawarsing and the Village of Ellenville. See the complete text of the CMP set forth on the following pages.

Traffic Impacts

The “Traffic Impact Study” included in Exhibit IX.A.2.b., prepared by Creighton Manning Engineering LLP identifies several impacts that include:

- I. Access to the Proposed Gaming Facility

Mitigation efforts include redesign of the primary entrance to Nevele Resort, Casino & Spa, new traffic signals and new signage to direct traffic to the main entrance in order to bypass smaller, local roads.

Current access to the site is through Nevele Road, which intersects US Route 209 in two locations with un-signalized intersections; one intersection is adjacent to the site on the south side and the second is located to the north outside the Village of Ellenville. Proposed access to the site is through a new intersection north of the existing current intersection with Route 209 that is signalized and follows a full access driveway. This intersection will have a southbound exclusive left-turn lane, a northbound right-turn lane and two lanes for left and right turn movements exiting the site. In addition, the north leg of Nevele Road will be realigned to a stop sign approach with the main access into the site. This realignment will discourage use of the northern leg of Nevele Road to access the site from US Route 209. In addition, signage along Route 209 will direct all traffic south to use this new main entrance intersection.

II. Volume of Traffic

According to Creighton Manning’s “Traffic Impact Study”¹ found in Exhibit IX.A.2.b., the projected volume of traffic expected to travel to and from the project site is approximately 889 weekday p.m. peak hour trips and 945 weekend p.m. peak hour trips at the site driveway. Nevele Resort, Casino & Spa will also generate approximately 98 to 104 off-site employee trips during the weekday p.m. and weekend p.m. peak hours.

Mitigation plans created by Nevele include the creation of an off-site employee parking lot for 545 cars, and bike racks to accommodate cyclists. Employees will be shuttled to and from Nevele at a rate of six times every hour during peak periods and thus minimize the volume of traffic on the major roads and at the main intersection during the busiest hours. We also propose providing a shuttle stop in the downtown area that could be used by employees residing in the Village so they can walk to the shuttle. The aforementioned shuttle service will serve employees and patrons who want to visit local businesses and attractions in the surrounding communities.

The following off-site intersection plans are proposed to mitigate traffic volume within the Village of Ellenville:

- a) signal timing optimization at the US Route 209/Maple Avenue intersection;
- b) implement a coordinated signal timing plan using the existing hardware at the Canal Street and Center Street intersections on Route 209; and
- c) re-striping of US Route 209 in the vicinity of Warren Street to provide a two-way left-turn center median in the corridor that extends from approximately Essex Street to the existing northbound left-turn lane at Center Street.

The following mitigation plans are proposed to mitigate traffic volume in Sullivan County near the access points to US Route 17:

- a) construction of northbound and southbound left-turn lanes at the US Route 209/Sullivan Street intersection; and

¹ Estimates were created using trip generation information from other similar existing casino projects that include hotel facilities. Trip generation correlates most directly to the number of gaming positions. (p.18).

- b) re-striping to extend the southbound left-turn lane on US Route 209 at the NY Route 17 Eastbound Ramps.

There are no existing bus stops located on US Route 209, Nevele Road, or Arrowhead Road in the vicinity of Nevele. The closest bus stops are located north of Nevele in the Village of Ellenville and at the ShopRite and Wal-Mart plazas.

We have coordinated with Ulster County Area Transit (UCAT) to provide two tiers of service. The first is a Nevele-operated shuttle that will service the off-site employee parking lot and the Newburgh/Beacon Railway Station. The second is a local bus loop operated by UCAT. Overall, the transit service will help to reduce single vehicle trips to the site during peak and off-peak periods of travel.

III. Construction Traffic

It is anticipated that construction activity will take place Monday through Saturday from approximately 7:30 a.m. to 6:00 p.m. and will last approximately 18 to 24 months. The necessary labor to construct the proposed Gaming Facility will ramp up from 100 workers to approximately 1,000 workers during peak times. Typical material deliveries will vary from 50 to 100 trucks per day while precast and steel deliveries will vary from six to 10 trucks per day.

Mitigation measures include resurfacing Arrowhead Road upon the completion of the project. In addition, all vehicle Types A through E (Class 2-21) will access the site from the south via Route 209. Vehicle Type A (Class 2-5) will access the site from the north via Nevele Road and US Route 209. A flagger will be provided to help facilitate operation in the vicinity of the development as necessary. This vehicle pattern will minimize construction impacts through the Village of Ellenville since all larger vehicles will gain access to/from the south, likely from the NY Route 17 interchange.

Noise Impacts

The “Noise Impact Assessment” prepared by Creighton Manning Engineering LLP, found in Exhibit IX.A.2.b. concluded that the increase in traffic volumes along US Route 209 due to Nevele will not create a noise impact requiring mitigation.

Air Quality Impacts

The “Air Quality Assessment” prepared by Creighton Manning Engineering LLP found in Exhibit IX.A.2.b. concluded that based on the 2012 NYSDEC air quality monitoring report, the stations closest to Nevele are in compliance with the current New York State and Federal Ambient Air Quality Standards for each monitored pollutant. Subsequently, it is not necessary to conduct a detailed microscale air quality screening.

Furthermore, review of the standards and guidance published for mesoscale and particulate matter air quality analysis shows that the proposed project does not require detailed mesoscale and particulate matter analysis.

Based on the aforementioned air quality assessment, we will not increase traffic volumes, reduce source-receptor distances or change other existing conditions to such a degree as to jeopardize attainment of the National and New York State Ambient Air Quality Standards.

The air quality within the project area may experience short-term impacts related to the construction of the project. This increase is expected to be sporadic and short-term in nature and will be minimized by the use of dust inhibitors detailed in the NYSDOT’s Standard Specifications for Construction.

Water Demand, Supply and Infrastructure Capacity

The Chazen Companies prepared a “Water Supply Design and Engineers Report” (June, 2014) included in Exhibit IX.A.2.b., that found the existing public water system for the Village of Ellenville has sufficient treatment, storage, and pumping capacity to satisfy the anticipated combined water demand of the water district and Nevele Resort, Casino & Spa. The existing transmission facilities, comprised of an 8-inch water main, that currently serve the site are adequate to address domestic water demands. This water main provided adequate service to the previous Nevele Grande Hotel, which had a greater average daily water demand than that of which the new Nevele Resort, Casino & Spa will have. Therefore, there are no impacts to mitigate with regard to water demand, supply and infrastructure capacity. Nevele will remain an outside user of the Village of Ellenville Water District. The “Outside Water District User Agreement” by and between

the Applicant Party and the Village of Ellenville is also included as an attachment to this Exhibit.

Waste Water Production, Discharge and Infrastructure Capacity

The Chazen Companies prepared a “Sanitary Sewer Design and Engineers Report” (June, 2014) found in Exhibit IX.A.2.b., that plans for all wastewater from the various proposed facilities to be collected and conveyed through a series of new PVC gravity sanitary sewer collection pipes and ultimately discharged into an on-site sanitary sewer pump station that will be owned, operated and maintained by Nevele.

Mitigation is planned to upgrade and add a force main in order to convey wastewater from Nevele’s sanitary sewer pump station to the collection and conveyance system of the Village of Ellenville. In particular, wastewater from the pump station would be conveyed through an HDPE force main to the Village of Ellenville sanitary sewer collection system within Nevele Road. Approximately 4,000-linear feet of force main will be directionally drilled along Arrowhead Road, which will include an insulated, heat trace aerial crossing mounted to Sandburg Bridge. At the intersection of Arrowhead and Nevele Roads, the force main will traverse north along Nevele Road and discharge into an existing 8-inch gravity sewer main owned by the Village. Nevele will “upsized” approximately 2,000 feet of the existing collection system to accommodate the additional flow.

Even with the estimated wastewater flow from Nevele, the Village of Ellenville wastewater treatment plant will still have reserve capacity to accommodate potential new wastewater flows.

Storm Water Discharge and Management

The Chazen Companies has prepared a “Master Stormwater Pollution Prevention Plan” (“SWPPP”) found in Exhibit IX.A.2.b., that integrates a stormwater analysis that considers a natural resources environmental analysis and the disturbance to 50-acres of land (40-acres are a re-development of previously built area). Development of Nevele

Resort, Casino & Spa will create additional impervious areas, estimated to be an additional 3.6 acres as compared to pre-development conditions.

Proposed mitigation in the SWPPP includes collecting and conveying stormwater runoff to quantity control systems through a network of catch basins, drainage manholes, high density polyethylene (HDPE) piping, roadside ditches and HDPE culverts which will be designed to fully convey a 10-year storm event. The proposed plans include long-term stormwater management controls in the form of permanent structural and nonstructural management practices that either prevent initial pollutant loadings or detain and treat stormwater to reduce pollutant levels and control the volume of runoff. The SWPPP also includes post-construction inspection and maintenance criteria for permanent stormwater management facilities. Construction of all stormwater management facilities will be completed in concert with site improvements

Electricity Demand and Infrastructure Capacity

Central Hudson Gas & Electric (CHG&E) currently provides power to the site from the Greenfield substation to the northwest, and from the Clinton Avenue substation to the northeast. CHG&E has indicated in writing its willingness and capacity to serve Nevele Resort, Casino & Spa

Based on communications with CHG&E, existing circuits are capable of providing 9Mw each. Nevele will cover the cost of the proper switchgear and CHG&E will provide transmission wiring. A super circuit could also be created to provide additional electric power as needed. Overall, a new overhead transmission line must be extended to the site from a modified existing Central Hudson Greenfield electrical substation.

The new services will be sized to handle 100% peak demand load for the entire Nevele Resort, Casino & Spa.

Protected Habitats and Species

Chazen Companies prepared the “Endangered, Threatened, and Rare Species Report” found in Exhibit IX.A.2.b. This analysis considered the 99.5 acre area of potential effect (“APE”) for the occurrence of endangered, threatened, and rare (“ETR”) species. Chazen

Companies referenced the New York Natural Heritage Program of the New York State Department of Environmental Conservation and the Federal threatened and endangered species lists of the U.S. Fish and Wildlife Service to analyze impacts on the following ETR species and habitats:

- I. No mitigation is planned for the Northern Wild Monkshood (*Aconitum noveboracense*) because after careful analysis it has been determined that habitat suitable for this plant is not present within the APE of the proposed Gaming Facility. However, if an impact is proposed along a stream bordered by rocky or sandy soil, that area would be checked for the presence of Monkshood during its flowering period in July and August.
- II. The Indiana Bat (*Myotis sodalis*) and Northern Long-Eared Bat (*Myotis septentrionalis*) are believed to behave similarly in selecting specific trees for summer roosting. To mitigate any potential harm to these species, the Applicant Party would prohibit tree cutting in their potential habitat during the period between October 15 and March 31.
- III. Timber Rattlesnake (*Crotalus horridus*) is one species that has a recorded presence in the vicinity of the site, but is highly unlikely to be found within the APE because suitable habitat area is limited. No significant impacts to the Timber Rattlesnake are anticipated.
- IV. Although the Bog Turtle (*Clemmys [Glyptemys] muhlenbergii*) is unlikely to exist on this site, if the project involves any proposed impacts to wetlands that have abundant sedges and slow flowing water, those areas would be checked for bog turtles.

Community Mitigation Plan

Nevele is firmly committed to ensuring that the projected impacts of the Project on the Host Municipalities and surrounding communities are adequately mitigated. To that end, we have spent considerable time and effort working with the Host Municipalities and surrounding communities to ensure the impacts addressed in the studies are recognized and understood, and that specific concerns of the local communities have been discussed. The culmination of this process is the Community Mitigation Plan Agreement (the “CMP Agreement”) that we have entered into with the Town of Wawarsing (the “Town”) and the Village of Ellenville (the “Village”).

The CMP Agreement evolved through comprehensive negotiations by and between Nevele, the Town and the Village. The executed agreement is the final among many drafts circulated between the parties, reflecting the care and attention that all parties devoted to the mitigation of potential impacts of the Project on the Host Municipalities and surrounding communities.

The term of the CMP Agreement commences upon the issuance of the License to Nevele and will continue for the ten (10) year life of the license. In the event the License is renewed or extended beyond the initial ten (10) year period, the term of the CMP Agreement will also be extended with set annual increases in funding to reflect reasonably anticipated cost of living increases.

Importantly, the CMP Agreement acknowledges that the best indicator of the actual impacts of the project on the Host Municipalities and surrounding communities will be actual experience. The CMP Agreement, therefore, requires Nevele to reevaluate its impact by conducting further studies at the second anniversary of the completion of the project, and, at the discretion of the Town and the Village, at the fourth anniversary of the completion of the project. Additionally, in recognition of the Town's and Village's desire to consolidate municipal services, culminating, perhaps, in the dissolution of the Village, the CMP Agreement provides for funding transfers to the Town in the event specifically funded services are consolidated or, in fact, the Village is dissolved.

The full text of the CMP Agreement executed by Nevele, the Village and the Town is attached to this Exhibit.

Supporting Documentation

To fully respond to the Exhibit, the items below are included on the following pages:

- Community Mitigation Plan Agreement
- Sewer Agreement
- Water Agreement

As requested, these items are also provided on the designated jump drives.