

## **MARKET/REVENUE STUDY**

### **EXHIBIT VIII. A.3**

As required pursuant to Exhibit VIII. A.3, the company engaged an independent expert, Marquette Advisors, to evaluate the size of the potential gaming market for the proposed Sterling Forest Resort. Given the company's strong international focus and presence in the lucrative Asian markets and the United Kingdom the company engaged Union Gaming to work with Marquette Advisors in order to focus on the international market and its revenue potential in the context of this project. Marquette Advisors also worked with Strategic Market Advisors on certain non gaming elements of the report. Both the independent reports of Union Gaming and Strategic Market Advisors have been included as addenda to the Marquette Advisors report labelled as Appendix VIII. A.3-1. As required by the RFA, an excel file labelled as Appendix VIII. A.3-2 has been provided to facilitate the review process.

## **MARKET/REVENUE STUDY**

### **Exhibit VIII. A.3**

As required in the RFA under Exhibit VIII. A.3, the company engaged an independent expert, KlasRobinson Q.E.D, to evaluate the size of the potential gaming market for the proposed Resorts World Hudson Valley facility. KlasRobinson Q.E.D worked with Strategic Market Advisors on certain non gaming elements of the report. The independent report of Strategic Market Advisors has been included as an addendum to the KlasRobinson Q.E.D report labelled as Exhibit VIII.A.3-Appendix 1. As required by the RFA, an excel file labelled as Exhibit VIII.A.3-Appendix 2.

**PROPOSED  
RESORTS WORLD HUDSON VALLEY  
CASINO RESORT**

**MONTGOMERY, NEW YORK**

**GAMING REVENUE ANALYSIS**

**JUNE 2014**



Mr. Christian Goode  
President  
RW Orange County LLC  
C/O Cleary Gottlieb Steen & Hamilton  
One Liberty Plaza  
New York, NY 10006

Dear Mr. Goode:

KlasRobinson Q.E.D. is pleased to present the accompanying report entitled: "Proposed Resorts World Hudson Valley Casino Resort – Gaming Revenue Analysis," which was prepared in accordance with our engagement letter dated May 21, 2014. This report presents an analysis of the site, an overview of the economic climate of the region, analysis of the potential market support for the casino component of the planned project, estimated gaming revenue for the first ten years of operation, and certain supplemental analyses.

In accordance with the terms of our engagement we did not ascertain the legal and regulatory requirements applicable to this project including any federal, state or local regulations. **No effort has been made to determine the possible effect on the planned project of future federal, state or local legislation.** Further, no effort has been made to determine the possible effect of any environmental or ecological matters or energy shortages.

Our conclusions are based on information developed from research of the market, knowledge of the industry and meetings with representatives of the project team during which we were provided with significant information. The sources of information and bases of the estimates and assumptions are stated in the body of this report. This information and supporting documentation was assumed to be accurate and no attempt at independent verification was made. We have no responsibility to update this report for events and circumstances occurring after the report date, shown below.

The gaming revenue projections and supplemental analyses presented in this report are based on estimates and assumptions developed in connection with our market study. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our projections and the variations may be material. Further, we are not responsible for future marketing efforts and other management actions upon which actual results will depend.

Our report and gaming revenue projections are intended for your use in obtaining a gaming license from the State of New York. The report may also be used in support of financing efforts. However, if you wish to make references to or use excerpts from our report in any private placement memorandum or offering document, we will require the opportunity to review any such reference or excerpt in advance.

June 21, 2014

**Quod erat demonstrandum,**

**KlasRobinson Q.E.D.**



James M. Klas  
Founder & Principal



Matthew S. Robinson  
Founder & Principal

# PROPOSED RESORTS WORLD HUDSON VALLEY CASINO RESORT GAMING REVENUE ANALYSIS

Letter of Transmittal

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# PROPOSED RESORTS WORLD HUDSON VALLEY CASINO RESORT GAMING REVENUE ANALYSIS

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# **INTRODUCTION**



## **BACKGROUND**

The State of New York has authorized the development of a limited number of casino resort projects in specific regions to be awarded in a competitive licensing process. RW Orange County LLC is pursuing a license from the State of New York to develop a casino resort near Montgomery, New York. As a part of your submissions to obtain the desired license, you require independent projections of the gaming revenue your proposed casino resort would capture, along with certain supplemental analyses.

KlasRobinson Q.E.D.\* was retained to research the market support for planned development, project gaming revenue for the initial ten years of operation of the project and complete the supplemental analyses. The scope of our work in conjunction with this engagement is summarized below.

## **SCOPE OF SERVICES**

Our research into the market support for the planned casino resort included the following:

- Evaluation of the site and the surrounding area from a market perspective to determine the suitability for the type of development planned, including accessibility, transportation infrastructure, proximity to supporting development and other issues affecting the appeal of the facilities.
- Detailed evaluation and segmentation of pertinent economic and demographic information for the immediate and broader market area.
- Analysis of the impact of existing and potential future competitors for the proposed project.
- Projection of future gaming revenue potential for the market as a whole as the proposed casino and other competing operations develop and/or expand.
- Estimates of gaming revenue which the project would be likely to achieve during the first ten years of operation.
- Supplemental analyses of the sources of projected gaming revenue by point of origin and competitive impact as required by the State of New York.

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\* KlasRobinson Q.E.D. has considerable experience in analyzing gaming operations and attendant development. For a profile of the company, please see the Addendum at the conclusion of this report.

- Additional supplemental analysis of the comparative performance potential of alternative gaming sites under standardized development assumptions.

We did not, under the terms of our engagement, consider the impact of existing or proposed federal or state regulations on casino gaming operations.

## **MAJOR ASSUMPTIONS**

Our conclusions and projections are based in part on the following major assumptions:

- The casino operation will be capable, at the discretion of management, of offering any type of gaming device or prize structure legally available to gaming operations in the State of New York;
- The proposed complex will be managed by RW Orange County LLC;
- The casino will use comprehensive accounting and gaming control systems capable of providing management with accurate and timely performance data as well as ensuring control and reporting of all transactions;
- Management will ensure a comprehensive program of on-going maintenance covering all facilities, furnishings and equipment;
- Throughout the period under analysis, management will implement and maintain an aggressive program of advertising and group promotions targeted toward gaming demand on a local, regional, national and international basis,; and,
- The quality of design, décor, gaming mix, lodging and other public areas and amenities will be world class, comparable with the highest caliber casinos around the world, and will incorporate the facilities described herein.

In addition, all findings, estimates, assumptions and conclusions discussed in this report are integral parts of the analyses and estimates that follow.

# **EXECUTIVE SUMMARY**

## **GENERAL**

This section describes, in brief, the findings and conclusions derived from our study of the market for the proposed Resorts World Hudson Valley Casino Resort complex. This overview includes our estimates of potential gaming revenue for the planned project. However, the estimates presented, along with the information in this section as a whole, are meant as a summary of, not a substitute for, the body of the report, which contains additional information and detail critical to a full understanding of the basis for the estimates made and the context within which they were formed.

## **FACILITY SUMMARY**

Based upon information provided by RW Orange County LLC, we have assumed the following facilities and amenities at the proposed Resorts World Hudson Valley Casino Resort::

- ∴ A world class casino with 3,500 machines, 250 table games and 40 poker tables.
- ∴ A four-diamond caliber hotel with 600 rooms and suites.
- ∴ 17 restaurants, 10 bars and a nightclub
- ∴ Five retail shops
- ∴ Two pools
- ∴ A 20,000 square foot health club
- ∴ 94,000 square feet of function space.
- ∴ Parking for 6,550 vehicles.

The proposed resort is planned to be a world-class facility with and scale, range and quality of facilities capable of attracting customers from throughout the northeast and beyond.

The proposed site for Resorts World Hudson Valley Casino Resort is strategically located in the northwest quadrant of the I-84 and International Boulevard interchange, approximately three miles west of the I-84/I-87 interchange and just up International Boulevard from Stewart International Airport. The proposed project will have excellent visibility for all passing traffic on I-84 and for travelers accessing the highway system from Stewart International.

The proposed site has excellent road access to the entire New York City metropolitan area as well as the broader State of New York and northeast region due to its location on I-84 and proximity to I-87 (New York State Thruway). Equally important in the high density, high traffic, low per capita auto ownership environment of the New York Metro area, the proposed site is easily accessible by the light rail and train system of the region via the Port Jervis line of the Metro-North rail system. Access will also be available by ferry and private air through shuttles from various convenient locations as discussed in the next section.

## **REGIONAL CHARACTERISTICS**

Economic and demographic data were obtained from Nielsen Claritas a national econometric forecasting firm. Data were obtained for numerous radii for various comparative and analytical purposes, including 25 miles, 50 miles, 100 miles and 200 miles surrounding the site. Also obtained were data for numerous polygons based on drive time, including thirty minutes, one hour, two hours and four hours from the site.

The proposed Resorts World Hudson Valley Casino Resort complex will have access to nearly 940,000 people within 25 linear miles and more than 6.7 million people within a 50-mile radius. On a broader basis, there are 26.8 million people within a 100-mile radius and more than 49 million people within 200 linear miles of site. With respect to actual drive time, the planned casino resort project will have access to nearly 549,000 people within a 30-minute drive, 4.2 million people within a 60-minute drive, 26.0 million people within a 120-minute drive and more than 50.8 million people within a 240-minute drive. Income levels are far above national averages and are growing more rapidly than the rest of the country. Transportation infrastructure provides excellent access by multiple modes well suited to the unique characteristics of the New York market. The regional attractions of Orange County boost the tourism appeal of the site.

## **COMPETITIVE ENVIRONMENT**

There are two existing gaming operations located within a 50-mile radius of the site with a combined total of 6,845 gaming machines. On a regional basis, there are another 44 gaming facilities located within a 200-mile radius of the site. Combined, these 46 gaming facilities have 90,917 gaming machines and 3,955 table games.

With respect to actual drive time, there is one existing gaming facilities within a 60-minute drive of the site with a combined total of 1,545 gaming machines. On a regional basis, there are an additional 41 gaming facilities located within a four-hour drive of the site. Combined, these 42 gaming facilities have 92,893 gaming machines and 4,089 table games.

In 2013, the State approved the Upstate New York Economic Development Act which authorizes up to four destination gaming resorts in Upstate New York. According to the act, there will be at least one facility in each of three regions, but no more than two facilities in any of the three regions. The act allows Tribal casinos to retain their geographical exclusivity. Furthermore, no downstate gaming resorts will be allowed for at least seven years after first gaming license is awarded. Gaming facilities will either be entirely new resorts or conversion of existing New York racinos. The three regions consist of the following:

- ∴ Capital Region
- ∴ Catskills/Hudson Region
- ∴ Eastern Southern Tier Region

Due to the terms of the act, the proposed Resorts World Hudson Valley Casino Resort would face new competition from not more than one additional new casino in the Catskills/Hudson Valley region during its first seven years of operation.

The dynamic nature of the competitive market makes an exact determination of the extent of future competition impossible, particularly in light of the multiple approval options and potential development timelines in New York and surrounding states. Nevertheless, an expansion in the competitive supply can clearly be expected. Based upon our analysis of the various existing facilities and proposed expansions and new development, we expect the addition of approximately 7,300 gaming positions within 50 linear miles and a 60-minute drive of the site, including the planned facilities of the subject property for the period under analysis. On a regional basis, we expect the addition of approximately 28,700 gaming positions within 200 linear miles and 31,800 gaming positions within a 240-minute drive of the site, including the expanded facilities of the subject property for the period under analysis. This includes the specific assumption of a second casino approved for the Catskills region in Sullivan County and single casinos authorized in the other two regions. For the purposes of our analysis, each gaming machine is considered one position, while each poker or table game is counted as seven positions.

## **PROJECTED GAMING REVENUE**

Based upon our experience in analyzing gaming operations, we have prepared projections of participation rates and average win per patron for the market area within a four-hour drive-time of the subject facility in 15-minute increments for the third year of operation, allowing two years for the property to solidify its position in the competitive market. These projections are presented in the table on the following page. Population figures and dollar figures presented in the table reflect current 2014 levels without adjustment for inflation or growth.

**PROPOSED RESORTS WORLD HUDSON VALLEY CASINO RESORT**  
**PROJECTED YEAR-3 GAMING REVENUE FROM WITHIN FOUR-HOUR DRIVE-TIME**  
*(2014 DOLLARS)*

<u>DRIVE-TIME (min.)</u>	<u>POPULATION 21 &amp; OVER</u>	<u>PROPENSITY</u>	<u>VISITS/YEAR</u>	<u>PARTICIPATION RATE</u>	<u>VISITS</u>	<u>SPEND/VISIT</u>	<u>WIN GENERATED</u>	<u>PERCENT</u>
0-15	109,873	46.25%	12	5.55	609,800	\$65.00	\$39,637,000	6.0%
16-30	279,834	37.23%	12	4.47	1,250,200	\$70.25	\$87,826,000	13.2%
31-45	845,333	12.87%	10	1.29	1,087,900	\$80.25	\$87,307,000	13.1%
46-60	1,820,026	8.35%	8	0.67	1,215,800	\$95.25	\$115,803,000	17.4%
61-75	5,205,378	4.28%	6	0.26	1,336,700	\$110.00	\$147,042,000	22.1%
76-90	5,873,745	2.87%	5	0.14	842,900	\$141.00	\$118,846,000	17.9%
91-120	5,069,853	1.77%	3	0.05	269,200	\$171.00	\$46,035,000	6.9%
<u>121-240</u>	<u>18,268,477</u>	<u>0.65%</u>	<u>1</u>	<u>0.01</u>	<u>118,700</u>	<u>\$196.00</u>	<u>\$23,274,000</u>	<u>3.5%</u>
<u>0-240</u>	<u>37,472,519</u>				<u>6,731,200</u>	<u>\$99.00</u>	<u>\$665,770,000</u>	<u>100.0%</u>

SOURCES: NIELSEN CLARITAS (POPULATION) AND KLASROBINSON Q.E.D.

In addition to the gaming revenue the subject facility will capture from the residents living within a four-hour drive time of the facility, it will also capture gaming revenue from tourists either already in the market area for other reasons or coming specifically to visit Resorts World Hudson Valley Casino Resort from greater distances due to its quality and mix of lodging and amenities.

Based upon the amount of ambient tourist demand present, the scale and quality of planned facilities at Resorts World Hudson Valley Casino Resort and our experience in analyzing gaming revenue at casinos throughout North America, we project an additional \$45.3 million in gaming revenue at the proposed facility from tourist demand in the third year of operation in 2014 dollars.

Based upon these considerations and our experience in analyzing gaming developments throughout the North America, the following table presents the estimated gaming revenue in total and on a per machine/table/poker-day basis for its first ten years of operation in uninflated 2014 dollars. Operations are assumed to commence in 2017.

## **SUPPLEMENTAL ANALYSES**

The State of New York has requested more detailed segmentation of projected gaming revenue by various categories of origin. These requests include detail on tourism demand by point of origin, tourism revenue by type of gaming device, estimated cannibalization from existing New York casinos and estimated recapture of gaming revenue currently spent by new York residents outside of the state. The State has also requested that high, average and low case versions be presented for each set of analyses. A required template for Exhibit VIII.A.3 has been completed. Detailed assumptions underlying that table are presented in the supplemental analysis section of this report.



**RESORTS WORLD HUDSON VALLEY CASINO RESORT: PROJECTED GAMING WIN (2014 DOLLARS)**

	<b>MACHINES: 3,500</b>		<b>TABLES: 250</b>		<b>TABLES: 40</b>		<b>POSITIONS: 5,530</b>	
	<b><u>MACHINE WIN</u></b>	<b><u>WIN/MACHINE-DAY</u></b>	<b><u>TABLE WIN</u></b>	<b><u>WIN/TABLE-DAY</u></b>	<b><u>POKER WIN</u></b>	<b><u>WIN/TABLE-DAY</u></b>	<b><u>TOTAL WIN</u></b>	<b><u>WIN-POSITION-DAY</u></b>
<b>2017</b>	\$439,766,000	\$344.25	\$208,244,000	\$2,282	\$13,292,000	\$910	\$661,302,000	\$327.75
<b>2018</b>	\$459,555,000	\$359.75	\$217,615,000	\$2,385	\$13,890,000	\$951	\$691,060,000	\$342.25
<b>2019</b>	\$472,867,000	\$370.25	\$223,919,000	\$2,454	\$14,294,000	\$979	\$711,080,000	\$352.25
<b>2020</b>	\$482,324,000	\$377.50	\$228,397,000	\$2,503	\$14,581,000	\$999	\$725,302,000	\$359.25
<b>2021</b>	\$491,970,000	\$385.00	\$232,965,000	\$2,553	\$14,873,000	\$1,019	\$739,808,000	\$366.50
<b>2022</b>	\$501,809,000	\$392.75	\$237,624,000	\$2,604	\$15,170,000	\$1,039	\$754,603,000	\$373.75
<b>2023</b>	\$511,845,000	\$400.75	\$242,376,000	\$2,656	\$15,473,000	\$1,060	\$769,694,000	\$381.25
<b>2024</b>	\$522,082,000	\$408.75	\$247,224,000	\$2,709	\$15,782,000	\$1,081	\$785,088,000	\$389.00
<b>2025</b>	\$532,524,000	\$416.75	\$252,168,000	\$2,763	\$16,098,000	\$1,103	\$800,790,000	\$396.75
<b>2026</b>	\$543,174,000	\$425.25	\$257,211,000	\$2,819	\$16,420,000	\$1,125	\$816,805,000	\$404.75

SOURCE: KLASROBINSON Q.E.D.

# **PROJECT SUMMARY**

## **PROJECT DESCRIPTION**

Based upon information provided by RW Orange County LLC, we have assumed the following facilities and amenities at the proposed Resorts World Hudson Valley Casino Resort::

- ∴ A world class casino with 3,500 machines, 250 table games and 40 poker tables.
- ∴ A four-diamond caliber hotel with 600 rooms and suites.
- ∴ 17 restaurants, 10 bars and a nightclub
- ∴ Five retail shops
- ∴ Two Pools
- ∴ A 20,000 square foot health club
- ∴ 94,000 square feet of function space.
- ∴ Parking for 6,550 vehicles.

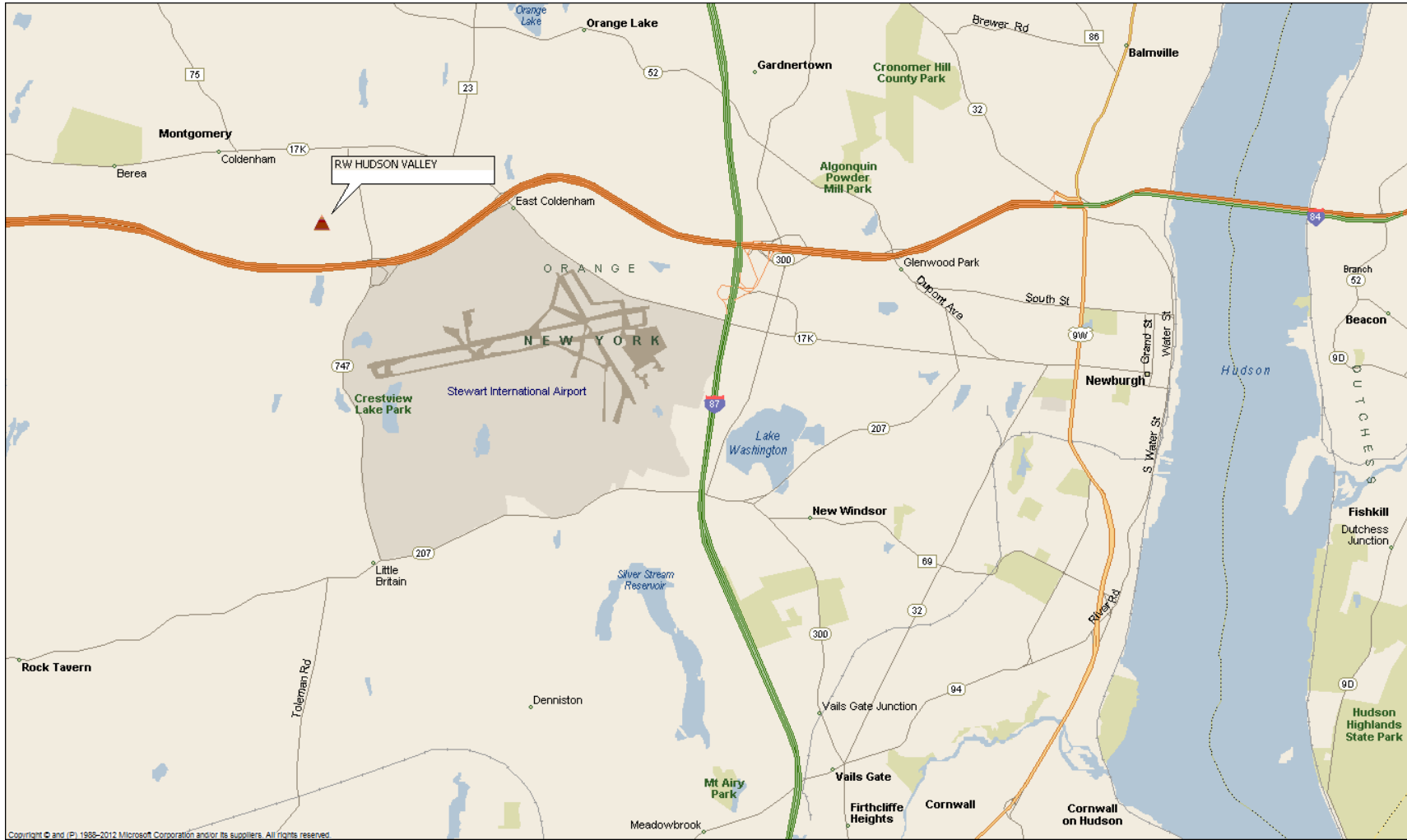
The proposed resort is planned to be a world-class facility with and scale, range and quality of facilities capable of attracting customers from throughout the northeast and beyond.

## **LOCATION**

The proposed site for Resorts World Hudson Valley Casino Resort is strategically located in the northwest quadrant of the I-84 and International Boulevard interchange, approximately three miles west of the I-84/I-87 interchange and just up International Boulevard from Stewart International Airport. The proposed project will have excellent visibility for all passing traffic on I-84 and for travelers accessing the highway system from Stewart International.

The map on the following page shows the location of the site and the new interchange that will accompany it.

# SITE MAP



## **ACCESS**

The proposed site has excellent road access to the entire New York City metropolitan area as well as the broader State of New York and northeast region due to its location on I-84 and proximity to I-87 (New York State Thruway). I-84 provides road access to western New York (via State Highway 17) and northeastern Pennsylvania. I-87 provides road access to New York City for all of New York State to the north. I-87 also provides easy access to I-287, which in turn connects to I-80 and I-78, principal east-west routes across the State of Pennsylvania into and out of New York City.

Equally important in the high density, high traffic, low per capita auto ownership environment of the New York Metro area, the proposed site is easily accessible by the light rail and train system of the region via the Port Jervis line of the Metro-North rail system. Access will also be available by ferry and private air through shuttles from various convenient locations as discussed in the next section.

## **SUPPORTING DEVELOPMENT**

The proposed Resorts World Hudson Valley Casino Resort will cater to the direct lodging, dining, gaming, shopping and recreational needs of its patrons. As described in the Regional Characteristics section of the report, the surrounding area offers a variety of other attractions in addition to those described above.

# **REGIONAL CHARACTERISTICS**

## **GENERAL**

As discussed in the previous section, the proposed Resorts World Hudson Valley Casino Resort is located immediately off of I-84 a short distance from I-87, providing direct access the major population bases and transportation routes in the region. This section provides an overview of significant characteristics of the immediate and broader market area for the planned project, including demographic data, transportation infrastructure, and travel patterns.

## **DEMOGRAPHIC CHARACTERISTICS**

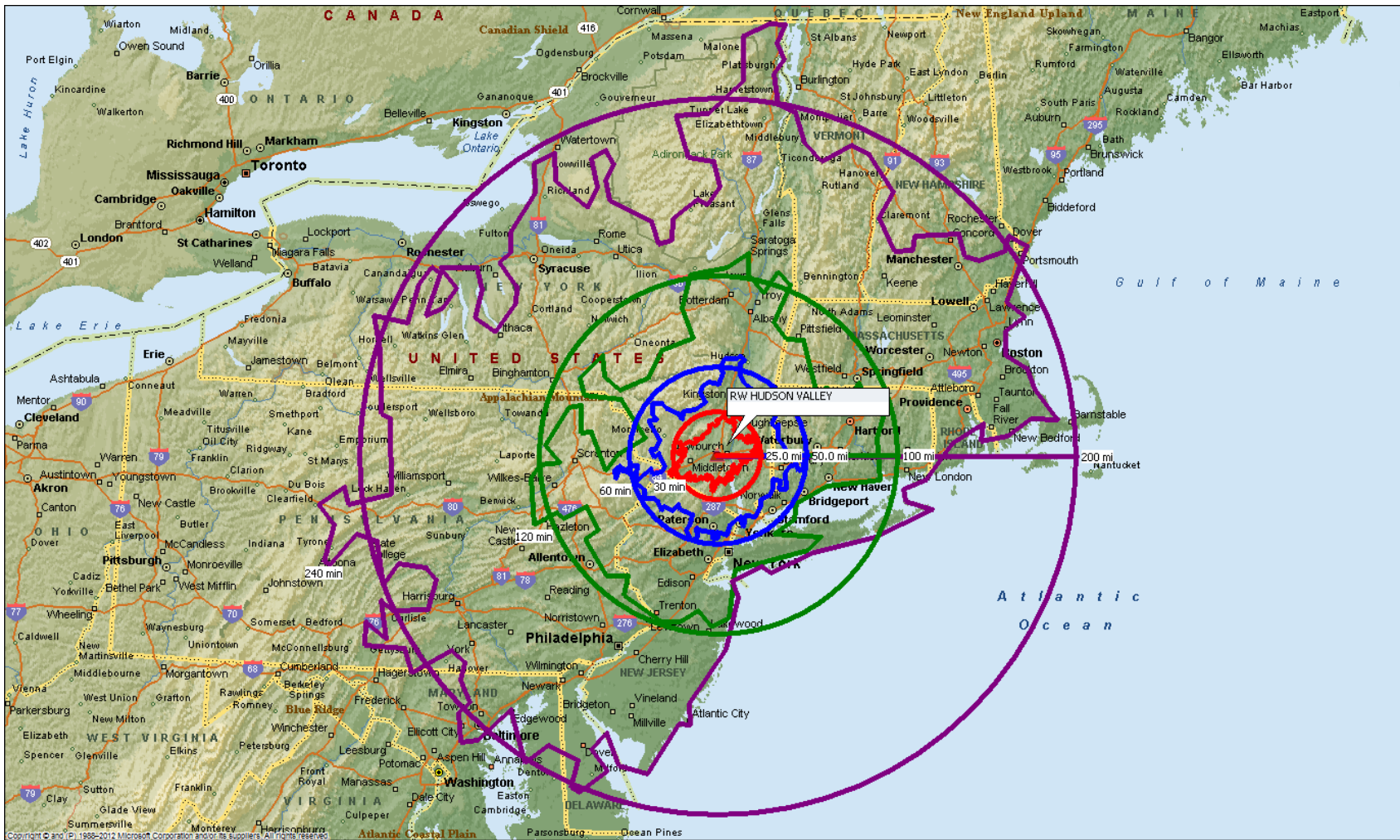
Economic and demographic data were obtained from Nielsen Claritas, a national econometric forecasting firm. Data were obtained for numerous radii for various comparative and analytical purposes, including 25 miles, 50 miles, 100 miles and 200 miles surrounding the site. The radii reflect straight-line or essentially air miles and may encompass locations which require greater actual miles by car to reach. Also obtained were data for numerous polygons based on actual drive time, including thirty minutes, one hour, two hours and four hours from the site.

The traditional method of defining a market geographically is by drawing concentric rings at various radii around the subject site. Concentric rings are used because they are more precise than simply accumulating data for individual cities, counties or states, and because you can draw the same rings in the same way around other markets or competitors to make comparisons. Since the rings are the same size, the comparison is made for equal distances from each location.

The measure of distance for concentric rings is a straight line. However, the route customers take to a market is typically anything but straight. Mountains, bodies of water, or simply the natural tendency of highways to be built along the path of least resistance, make the actual distance traveled by customers much greater than the straight-line distance between their home and the subject site.

To adjust for this issue, market analyses by areas of equal drive-time are also used. Drive-time areas rely on sophisticated mapping and demographic software to determine the boundaries within which residents can reach the same point in the same amount of time and to describe the characteristics of that area. Assumptions are made regarding average driving speeds by different types of roads and customers are assumed to choose the route that requires the least total travel time. The map on the following page shows the concentric rings and drive-time areas used for the proposed site.

# DEMOGRAPHIC MAP



∴ REGIONAL CHARACTERISTICS



## **POPULATION**

The table on the following page presents population information for the planned site using both concentric rings and drive-time areas. Figures for larger radii and drive time areas include figures for smaller radii and drive time areas.

Typically the population within a straight-line radius of a site is higher than the population base within the comparable drive time. This is true for the subject market except for the area within 200 miles versus a four-hour drive-time,, where the proximity of the site to the interstate system reduces travel times to major east coast population centers.

There are nearly 549,000 people within a 30-minute drive of the subject site, but nearly 940,000 within a 25-mile ring. Similarly, there are nearly 4.2 million people within a one-hour drive of the site, but over 6.7 million within a 50-mile ring. The gap narrows at two hours and 100 miles with populations of 26.0 million and 26.8 million respectively. There are over 50.8 million people within a four-hour drive of the site versus 49.0 million within a 200-mile ring.

The population in the market has increased between 0.4 and 1.8 percent since the 2010 census, depending upon distance, less than the national population growth rate of 2.7 percent for that period but still respectable. In the same manner, the population in the market is projected to increase between approximately 1.0 and 2.1 percent over the next five years, depending upon distance, somewhat lower than the projected national growth rate of 3.5 percent.

The population in the market is almost uniformly older than the U.S. as a whole on both a median and average basis. The only exception is the average age within a 30-minute drive of the site. The proportion of the population of legal gaming age is higher at all distances except for the areas within 25 miles and 30 minutes of the site.

Due to the topography and land use patterns of the market, the population density varies greatly. The map on page 20 provides a color-coded overview of the population densities of various zip codes within the trade market area.

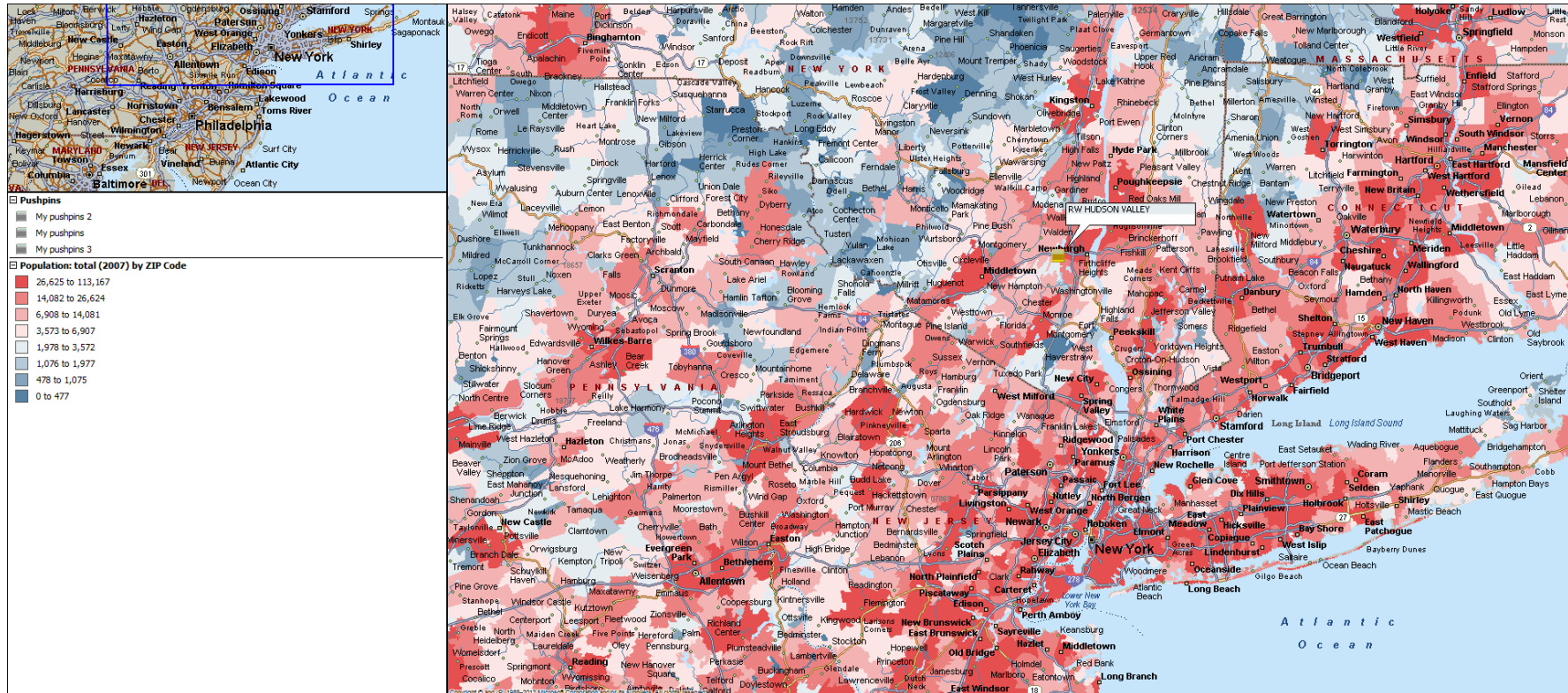
# POPULATION BY AGE AND DISTANCE

Pop Facts: Demographic Snapshot (Part 1)	Hudson Valley Site 25 mile ring		Hudson Valley Site 50 mile ring		Hudson Valley Site 100 mile ring		Hudson Valley Site 200 mile ring		Hudson Valley Site 0 min - 30 min		Hudson Valley Site 0 min - 60 min		Hudson Valley Site 0 min - 120 min		Hudson Valley Site 0 min - 240 min	
<b>Population</b>																
2019 Projection	948,801		6,846,228		27,366,729		49,947,717		553,384		4,256,774		26,539,308		51,833,717	
2014 Estimate	939,763		6,707,103		26,837,718		49,032,529		548,804		4,189,351		26,012,832		50,824,137	
2010 Census	934,263		6,591,755		26,399,050		48,298,826		546,471		4,136,243		25,571,406		50,014,176	
2000 Census	867,259		6,371,558		25,490,767		46,397,979		499,287		3,977,273		24,669,707		47,935,063	
Growth 2014-2019	0.96%		2.07%		1.97%		1.87%		0.83%		1.61%		2.02%		1.99%	
Growth 2010-2014	0.59%		1.75%		1.66%		1.52%		0.43%		1.28%		1.73%		1.62%	
Growth 2000-2010	7.73%		3.46%		3.56%		4.10%		9.45%		4.00%		3.66%		4.34%	
<b>2014 Estimated Population by Age</b>	<b>939,763</b>		<b>6,707,103</b>		<b>26,837,718</b>		<b>49,032,529</b>		<b>548,804</b>		<b>4,189,351</b>		<b>26,012,832</b>		<b>50,824,137</b>	
Age 0 to 4	54,785	5.83%	410,067	6.11%	1,572,851	5.86%	2,830,782	5.77%	33,833	6.16%	242,831	5.80%	1,532,135	5.89%	2,953,245	5.81%
Age 5 to 9	57,792	6.15%	423,228	6.31%	1,607,836	5.99%	2,902,450	5.92%	35,725	6.51%	256,057	6.11%	1,564,340	6.01%	3,021,219	5.94%
Age 10 to 14	63,445	6.75%	445,643	6.64%	1,658,486	6.18%	3,011,171	6.14%	38,394	7.00%	277,104	6.61%	1,609,232	6.19%	3,121,967	6.14%
Age 15 to 17	41,534	4.42%	284,158	4.24%	1,062,057	3.96%	1,934,871	3.95%	24,749	4.51%	176,588	4.22%	1,027,789	3.95%	2,002,604	3.94%
Age 18 to 20	45,565	4.85%	286,051	4.26%	1,131,032	4.21%	2,165,089	4.42%	26,396	4.81%	181,705	4.34%	1,075,294	4.13%	2,252,583	4.43%
Age 21 to 24	53,844	5.73%	359,351	5.36%	1,435,392	5.35%	2,674,511	5.45%	32,383	5.90%	215,796	5.15%	1,379,987	5.31%	2,790,657	5.49%
Age 25 to 34	103,378	11.00%	818,723	12.21%	3,614,983	13.47%	6,389,664	13.03%	62,318	11.36%	468,126	11.17%	3,522,985	13.54%	6,677,261	13.14%
Age 35 to 44	115,713	12.31%	854,570	12.74%	3,504,324	13.06%	6,217,442	12.68%	69,093	12.59%	524,686	12.52%	3,408,201	13.10%	6,468,883	12.73%
Age 45 to 54	148,307	15.78%	1,007,681	15.02%	3,938,713	14.68%	7,193,799	14.67%	85,203	15.53%	646,939	15.44%	3,814,624	14.66%	7,436,626	14.63%
Age 55 to 64	124,776	13.28%	857,336	12.78%	3,434,859	12.80%	6,414,260	13.08%	69,950	12.75%	562,676	13.43%	3,319,289	12.76%	6,603,861	12.99%
Age 65 to 74	74,606	7.94%	530,143	7.90%	2,138,226	7.97%	4,008,068	8.17%	40,899	7.45%	348,689	8.32%	2,069,840	7.96%	4,118,400	8.10%
Age 75 to 84	38,738	4.12%	289,815	4.32%	1,167,933	4.35%	2,206,700	4.50%	20,557	3.75%	192,938	4.61%	1,135,247	4.36%	2,264,917	4.46%
Age 85 and over	17,280	1.84%	140,337	2.09%	571,026	2.13%	1,083,722	2.21%	9,304	1.70%	95,216	2.27%	553,869	2.13%	1,111,914	2.19%
Age 16 and over	750,175	79.83%	5,334,993	79.54%	21,650,449	80.67%	39,654,511	80.87%	432,761	78.86%	3,355,499	80.10%	20,970,228	80.61%	41,071,937	80.81%
Age 18 and over	722,207	76.85%	5,144,007	76.69%	20,936,488	78.01%	38,353,255	78.22%	416,103	75.82%	3,236,771	77.26%	20,279,336	77.96%	39,725,102	78.16%
Age 21 and over	676,642	72.00%	4,857,956	72.43%	19,805,456	73.80%	36,188,166	73.80%	389,707	71.01%	3,055,066	72.92%	19,204,042	73.83%	37,472,519	73.73%
Age 65 and over	130,624	13.90%	960,295	14.32%	3,877,185	14.45%	7,298,490	14.88%	70,760	12.89%	636,843	15.20%	3,758,956	14.45%	7,495,231	14.75%
<b>2014 Estimated Median Age</b>	<b>39.28</b>		<b>38.82</b>		<b>38.81</b>		<b>39.19</b>		<b>37.98</b>		<b>40.27</b>		<b>38.8</b>		<b>39.01</b>	
<b>2014 Estimated Average Age</b>	<b>38.96</b>		<b>38.96</b>		<b>39.25</b>		<b>39.52</b>		<b>38.07</b>		<b>39.78</b>		<b>39.24</b>		<b>39.41</b>	

Projected U.S. Population growth 2014-2019: 3.5%  
 U.S. Median Age: 37.7  
 U.S. Average Age: 38.5

Sources: Nielsen Claritas & KlasRobinson Q.E.D.

# POPULATION DENSITY MAP (BY ZIP CODE)



## **INCOME**

The table on the following page shows average and median household income levels for the various radii and drive-time areas previously presented, along with a breakdown of the number of households and percentage of total households by income level. Average and median household incomes and per capita income for the U.S. as a whole are also presented for comparison purposes.

Household income levels in the market are extraordinarily high, at least 20 percent above national averages and in some cases over 40 percent higher. The highest income level is within a 60-minute drive-time at over \$102,000. The proportion of households with incomes of \$150,000 per year or more is over 80 percent higher within a 60-minute drive of the site than for the balance of the country.

Income growth rates for the next five years are also projected to be much higher than for the U.S. as a whole. Household incomes are projected to increase between 8.5 and 12.4 percent throughout the market over the five-year period, compared to 6.5 percent for the balance of the country. The graph on page 23 shows projected income growth in the market by distance compared to the U.S. average.

Income distribution in the trade market area, like population, is uneven. Much of the area surrounding the site and to the east is well above the national average, as previously noted. Income levels to the west and in pockets of the New York City metropolitan area are closer to \$50,000 or below. The map on page 24 presents a color-coded overview of income distribution in the trade market area.

## **EMPLOYMENT**

The site of the proposed Resorts World Hudson Valley Casino Resort is located in Orange County. According to statistics provided by the New York Department of Labor, Orange County had a labor force of 174,400 in 2013, with an average annual unemployment rate of 7.2 percent, lower than the state average of 7.7 percent. This compares to a labor force of 174,800 in 2012, with an average annual unemployment rate of 8.2 percent, versus a statewide average of 8.5 percent. Labor force and unemployment rate statistics measure the number of residents within Orange County who are seeking employment or are employed, whether those jobs are located in the county or elsewhere.

By contrast to labor force data, employment data by major industry group measures the number of people employed at jobs located within Orange County regardless of where those people reside. The following table presents a summary of average employment and wages by industry in Orange County.

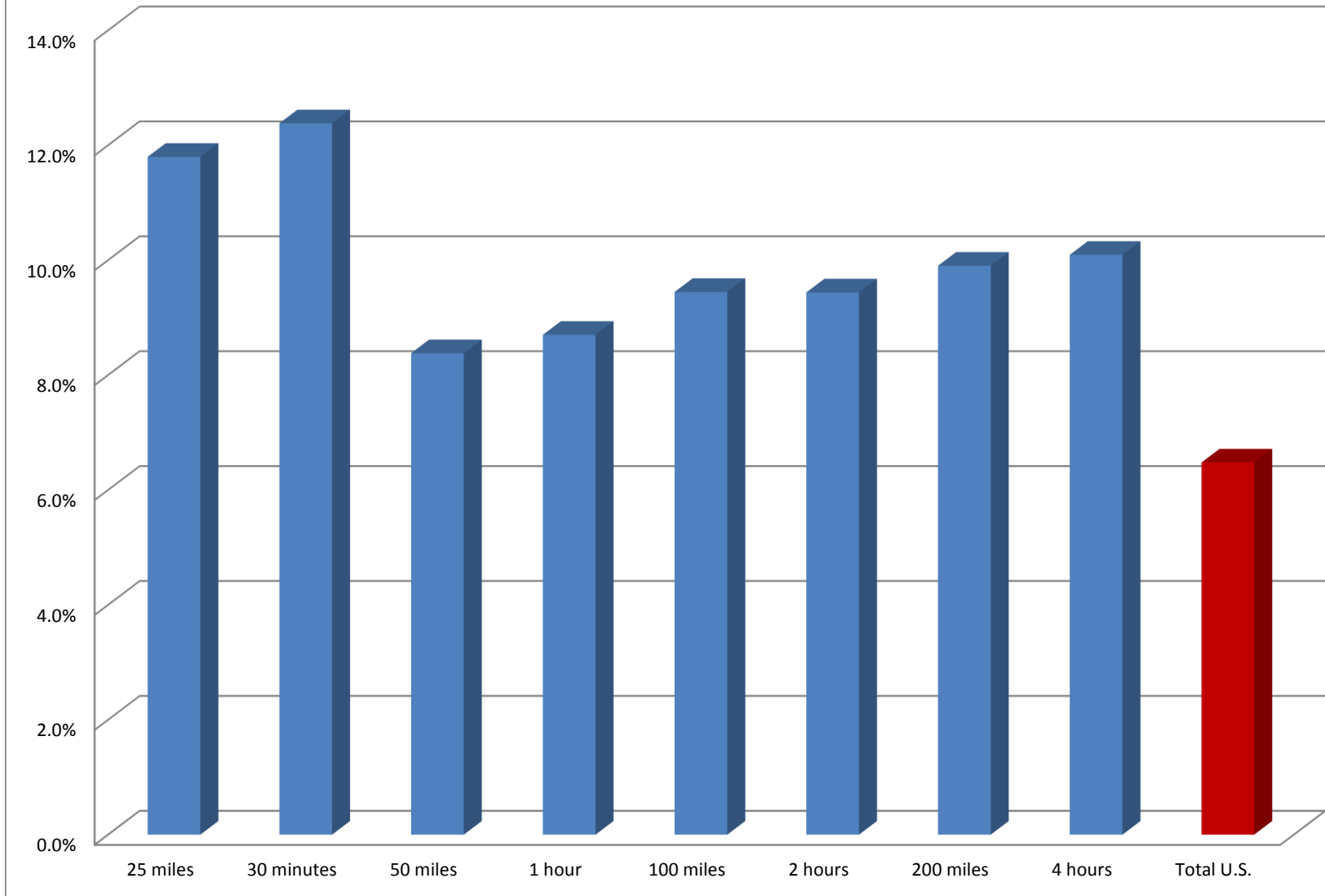
# HOUSEHOLDS BY INCOME AND DISTANCE

Pop Facts: Demographic Snapshot (Part 2)	Hudson Valley Site 25 mile ring		Hudson Valley Site 50 mile ring		Hudson Valley Site 100 mile ring		Hudson Valley Site 200 mile ring		Hudson Valley Site 0 min - 30 min		Hudson Valley Site 0 min - 60 min		Hudson Valley Site 0 min - 120 min		Hudson Valley Site 0 min - 240 min	
<b>Households</b>																
2019 Projection	333,428		2,480,300		10,201,765		18,985,253		190,816		1,532,792		9,904,324		19,663,563	
2014 Estimate	329,066		2,425,098		9,981,820		18,591,208		188,777		1,506,634		9,686,832		19,236,025	
2010 Census	325,901		2,378,786		9,797,144		18,268,618		187,535		1,485,936		9,502,784		18,888,004	
2000 Census	299,388		2,283,903		9,399,726		17,395,461		170,806		1,422,949		9,113,732		17,958,020	
Growth 2014-2019	1.33%		2.28%		2.20%		2.12%		1.08%		1.74%		2.25%		2.22%	
Growth 2010-2014	0.97%		1.95%		1.88%		1.77%		0.66%		1.39%		1.94%		1.84%	
Growth 2000-2010	8.86%		4.15%		4.23%		5.02%		9.79%		4.43%		4.27%		5.18%	
<b>2014 Estimated Households by Household Income</b>	<b>329,066</b>		<b>2,425,098</b>		<b>9,981,820</b>		<b>18,591,208</b>		<b>188,777</b>		<b>1,506,634</b>		<b>9,686,832</b>		<b>19,236,025</b>	
Less than \$15,000	27,566	8.38%	305,191	12.58%	1,200,079	12.02%	2,194,843	11.81%	16,979	8.99%	133,017	8.83%	1,169,924	12.08%	2,270,486	11.80%
\$15,000 to \$24,999	26,235	7.97%	233,121	9.61%	936,425	9.38%	1,758,019	9.46%	15,066	7.98%	123,259	8.18%	909,378	9.39%	1,807,199	9.39%
\$25,000 to \$34,999	23,737	7.21%	201,389	8.30%	837,345	8.39%	1,626,592	8.75%	13,915	7.37%	112,311	7.45%	815,320	8.42%	1,676,726	8.72%
\$35,000 to \$49,999	34,980	10.63%	268,742	11.08%	1,128,413	11.30%	2,215,623	11.92%	20,975	11.11%	158,433	10.52%	1,098,225	11.34%	2,284,968	11.88%
\$50,000 to \$74,999	54,464	16.55%	377,967	15.59%	1,619,102	16.22%	3,150,637	16.95%	32,272	17.10%	240,269	15.95%	1,569,773	16.21%	3,269,852	17.00%
\$75,000 to \$99,999	44,277	13.46%	281,916	11.62%	1,213,644	12.16%	2,329,431	12.53%	25,874	13.71%	191,710	12.72%	1,173,221	12.11%	2,405,607	12.51%
\$100,000 to \$124,999	36,658	11.14%	212,016	8.74%	905,720	9.07%	1,692,578	9.10%	21,407	11.34%	149,786	9.94%	873,871	9.02%	1,751,736	9.11%
\$125,000 to \$149,999	25,720	7.82%	143,395	5.91%	607,704	6.09%	1,107,308	5.96%	14,534	7.70%	106,093	7.04%	586,740	6.06%	1,152,561	5.99%
\$150,000 to \$199,999	29,070	8.83%	175,016	7.22%	705,068	7.06%	1,211,388	6.52%	15,812	8.38%	132,223	8.78%	682,095	7.04%	1,262,805	6.56%
\$200,000 to \$249,999	10,093	3.07%	63,918	2.64%	253,125	2.54%	431,610	2.32%	5,137	2.72%	47,524	3.15%	245,281	2.53%	451,763	2.35%
\$250,000 to \$499,999	12,148	3.69%	103,869	4.28%	378,491	3.79%	598,994	3.22%	5,363	2.84%	74,317	4.93%	369,254	3.81%	620,463	3.23%
\$500,000 or more	4,118	1.25%	58,558	2.41%	196,704	1.97%	274,185	1.47%	1,443	0.76%	37,692	2.50%	193,750	2.00%	281,859	1.47%
<b>2014 Estimated Average Household Income</b>	<b>\$95,250</b>		<b>\$93,063</b>		<b>\$90,169</b>		<b>\$85,282</b>		<b>\$89,305</b>		<b>\$102,591</b>		<b>\$90,216</b>		<b>\$85,412</b>	
<b>2014 Estimated Median Household Income</b>	<b>\$73,876</b>		<b>\$63,500</b>		<b>\$63,721</b>		<b>\$61,907</b>		<b>\$71,267</b>		<b>\$73,546</b>		<b>\$63,546</b>		<b>\$62,070</b>	

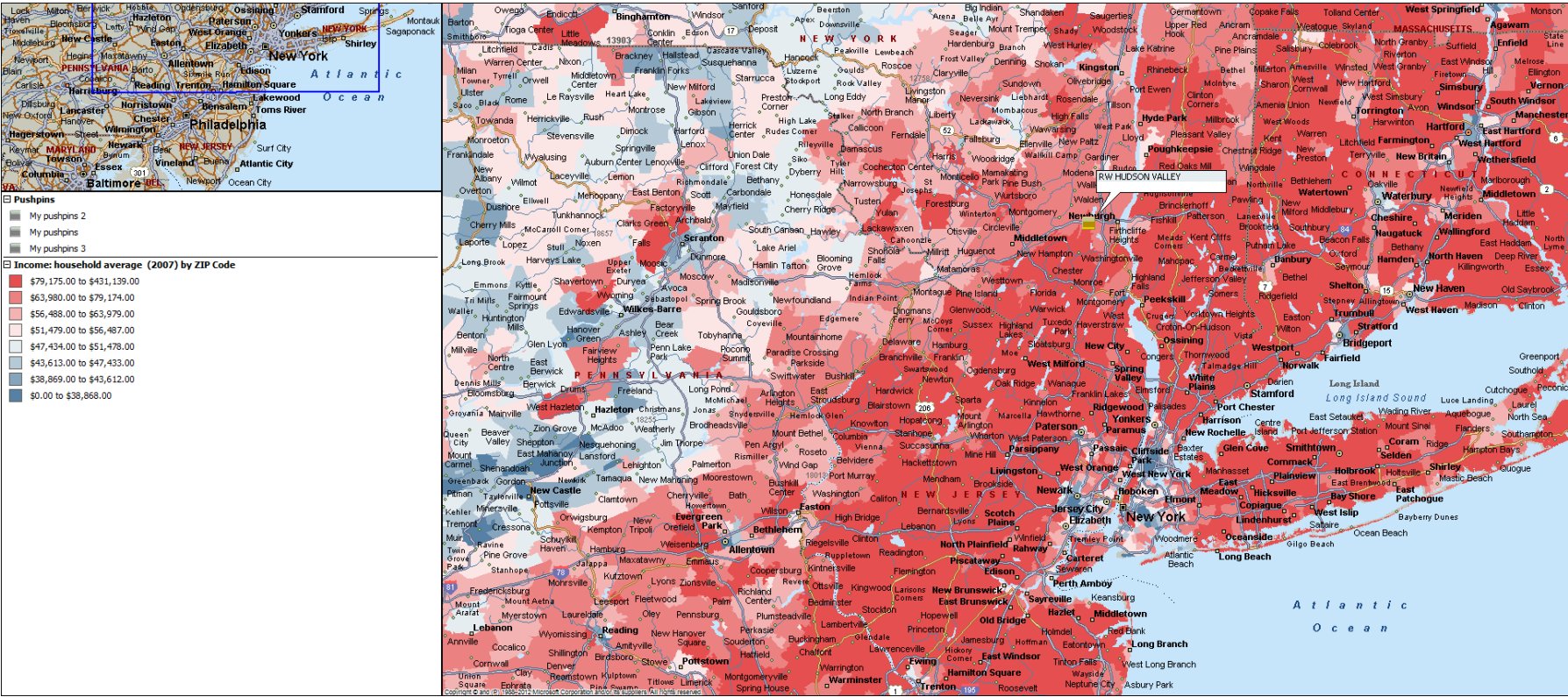
U.S. Average Household Income: \$71,320  
 U.S. Median Household Income: \$51,579

Source: Nielsen Claritas & KlasRobinson Q.E.D.

### PROJECTED AVERAGE HOUSEHOLD INCOME GROWTH: 2014-2019



# INCOME DISTRIBUTION MAP (BY ZIP CODE)



## ORANGE COUNTY EMPLOYMENT AND WAGES BY INDUSTRY - 2013

<u>INDUSTRY</u>	<u>EMPLOYMENT</u>	<u>PERCENT</u>	<u>AVERAGE WAGE</u>
Ag, Forestry & Fishing	952	0.7%	\$24,840
Mining	59	0.0%	\$70,402
Utilities	467	0.4%	\$116,394
Construction	4,429	3.4%	\$48,320
Manufacturing	7,812	5.9%	\$48,166
Wholesale Trade	7,130	5.4%	\$50,976
Retail Trade	23,339	17.7%	\$26,066
Transportation & Warehousing	5,230	4.0%	\$40,241
Information	2,149	1.6%	\$56,087
Finance & Insurance	2,926	2.2%	\$53,058
Real Estate, Rental & Leasing	1,360	1.0%	\$36,498
Professional & Technical Services	4,994	3.8%	\$60,635
Management Companies	848	0.6%	\$55,575
Administrative and Waste Services	6,032	4.6%	\$28,519
Educational Services	2,333	1.8%	\$25,662
Health Care & Social Assistance	19,976	15.2%	\$44,032
Arts, Entertainment & Recreation	1,886	1.4%	\$19,991
Accommodation & Food Services	9,298	7.1%	\$17,045
Other Services	5,289	4.0%	\$26,141
Federal Government	4,767	3.6%	\$60,154
State Government	1,843	1.4%	\$73,813
Local Government	18,552	14.1%	\$56,694
<b>Total Employment</b>	<b>131,671</b>	<b>100.0%</b>	<b>\$41,357</b>

SOURCE: NY DEPARTMENT OF LABOR

### EDUCATION & FAMILY STATUS

According to Nielsen Claritas statistics, over 33.6 percent of the population age 25 or older within a four-hour drive of the subject site have a four-year college degree or higher, compared to a national average of approximately 28.4 percent. The percentage of adults with college degrees is significantly higher within a 60-minute drive time at 38.6 percent, substantially higher than the national average. There is a higher proportion of adults who have never married at all radii and drive times except 60 minutes compared to the nation as a whole. At the same time, there is a significantly lower proportion of adults who are divorced in the market at all radii and drive time distances compared to that of the U.S. The table on the following page presents breakdowns of education and family status within the market.



## EDUCATION AND FAMILY STATUS BY DISTANCE

Demographic Snapshot (Part 1)	25 mile ring		50 mile ring		100 mile ring		200 mile ring		0 min - 30 min		0 min - 60 min		0 min - 120 min		0 min - 240 min	
<b>2014 Estimated Population Age 15 and Over by Marital Status</b>	<b>763,741</b>		<b>5,428,165</b>		<b>21,998,545</b>		<b>40,288,126</b>		<b>440,852</b>		<b>3,413,359</b>		<b>21,307,125</b>		<b>41,727,706</b>	
Total, Never Married	247,573	32.42%	1,948,124	35.89%	8,021,147	36.46%	14,182,216	35.20%	144,544	32.79%	1,097,665	32.16%	7,774,891	36.49%	14,784,696	35.43%
Males, Never Married	135,454	17.74%	1,002,951	18.48%	4,149,655	18.86%	7,373,122	18.30%	80,102	18.17%	580,964	17.02%	4,021,179	18.87%	7,678,839	18.40%
Females, Never Married	112,119	14.68%	945,173	17.41%	3,871,492	17.60%	6,809,094	16.90%	64,442	14.62%	516,701	15.14%	3,753,712	17.62%	7,105,857	17.03%
Married, Spouse present	369,680	48.40%	2,352,063	43.33%	9,487,732	43.13%	17,887,979	44.40%	209,150	47.44%	1,670,976	48.95%	9,174,797	43.06%	18,414,755	44.13%
Married, Spouse absent	39,318	5.15%	342,160	6.30%	1,261,921	5.74%	2,031,450	5.04%	23,862	5.41%	159,354	4.67%	1,234,872	5.80%	2,127,018	5.10%
Widowed	44,313	5.80%	328,567	6.05%	1,361,637	6.19%	2,540,953	6.31%	25,168	5.71%	214,900	6.30%	1,320,369	6.20%	2,620,241	6.28%
Males, Widowed	9,315	1.22%	67,871	1.25%	273,023	1.24%	521,173	1.29%	4,925	1.12%	44,440	1.30%	263,117	1.23%	536,794	1.29%
Females, Widowed	34,998	4.58%	260,696	4.80%	1,088,614	4.95%	2,019,780	5.01%	20,243	4.59%	170,460	4.99%	1,057,252	4.96%	2,083,447	4.99%
Divorced	62,857	8.23%	457,251	8.42%	1,866,108	8.48%	3,645,528	9.05%	38,128	8.65%	270,464	7.92%	1,802,196	8.46%	3,780,996	9.06%
Males, Divorced	27,033	3.54%	175,544	3.23%	729,707	3.32%	1,473,542	3.66%	16,569	3.76%	105,637	3.09%	704,590	3.31%	1,529,162	3.66%
Females, Divorced	35,824	4.69%	281,707	5.19%	1,136,401	5.17%	2,171,986	5.39%	21,559	4.89%	164,827	4.83%	1,097,606	5.15%	2,251,834	5.40%
<b>2014 Estimated Population Age 25 and Over by Educational Attainment</b>	<b>622,798</b>		<b>4,498,605</b>		<b>18,370,064</b>		<b>33,513,655</b>		<b>357,324</b>		<b>2,839,270</b>		<b>17,824,055</b>		<b>34,681,862</b>	
Less than 9th grade	28,205	4.53%	346,966	7.71%	1,246,404	6.78%	1,891,760	5.64%	15,034	4.21%	152,676	5.38%	1,222,980	6.86%	1,963,541	5.66%
Some High School, no diploma	45,045	7.23%	345,026	7.67%	1,371,188	7.46%	2,483,041	7.41%	27,411	7.67%	172,722	6.08%	1,333,869	7.48%	2,586,493	7.46%
High School Graduate (or GED)	172,812	27.75%	1,170,186	26.01%	5,026,043	27.36%	9,766,484	29.14%	103,499	28.97%	759,209	26.74%	4,861,124	27.27%	10,083,332	29.07%
Some College, no degree	120,382	19.33%	735,215	16.34%	2,993,929	16.30%	5,655,431	16.88%	71,253	19.94%	468,834	16.51%	2,896,899	16.25%	5,872,628	16.93%
Associate Degree	53,973	8.67%	297,675	6.62%	1,275,629	6.94%	2,456,597	7.33%	30,838	8.63%	191,342	6.74%	1,220,277	6.85%	2,508,674	7.23%
Bachelor's Degree	114,560	18.39%	940,133	20.90%	3,773,006	20.54%	6,621,642	19.76%	62,772	17.57%	636,819	22.43%	3,686,113	20.68%	6,845,629	19.74%
Master's Degree	68,444	10.99%	473,532	10.53%	1,898,852	10.34%	3,282,710	9.80%	37,007	10.36%	326,433	11.50%	1,838,390	10.31%	3,406,285	9.82%
Professional School Degree	11,792	1.89%	127,120	2.83%	520,210	2.83%	848,344	2.53%	5,978	1.67%	87,507	3.08%	508,413	2.85%	878,133	2.53%
Doctorate Degree	7,585	1.22%	62,752	1.39%	264,803	1.44%	507,646	1.51%	3,532	0.99%	43,728	1.54%	255,990	1.44%	537,147	1.55%

**Education**

U.S. – Bachelor's Degree or more: 28.4%

**Marital Status**

U.S. – Never Married: 32.2%

U.S. – Divorced: 10.9%

Source: Nielsen Claritas and KlasRobinson Q.E.D.

## **TRANSPORTATION INFRASTRUCTURE**

### **HIGHWAY**

The site of the planned casino resort development is located along I-84, providing direct access to the major transportation systems of the region, including Interstate 87 (New York State Thruway), Interstate 287, Interstate 80, Interstate 78, Interstate 86, Interstate 95, State Highway 17 and numerous other interstate, U.S. and state highway segments and spurs.

Interstate 84 is a shorter interstate segment connecting northern Pennsylvania with Connecticut, bypassing New York City. It connects with I-87 approximately three miles from the site. Interstate 87 is a primary north-south route in eastern New York, connecting New York City with Albany and the Canadian border south of Montreal. Interstate 287 is a major connecting spur that joins I-87 with I-80, I-78 and I-95. Interstate 80 is a major east-west interstate across the northern United States, stretching from New York City to San Francisco, California. On a regional basis, it travels from New York City across northern New Jersey and Northern Pennsylvania. I-78 is also an east-west route that runs in a southwesterly direction from New York City to connect with I-76 and I-81 in Harrisburg, Pennsylvania. I-95 is the primary north-south interstate along the eastern seaboard, stretching from southern Florida to northern Maine. Within the region, I-95 connects New York City with Boston and Philadelphia.

State Highway 17 is the primary east-west route across southern New York, connecting New York City with the balance of the state to the west. Highway 17 becomes I-86 east of Binghamton and continues along the southern border of the state all the way to the western boundary with Pennsylvania. Highway 17 crosses I-84 near Middletown.

Based upon the most recent traffic counts available, approximately 47,777 vehicles pass the site daily on I-84, equating to over 17.4 million vehicles per year. An additional 7,685 vehicles pass the site daily on International Boulevard/Highway 747, or 2.8 million per year. To the east of the site, an average of 45,843 vehicles travel along I-87 at the junction with I-84, equating to 16.7 million annually. The map on the following page shows the location of the subject site in relation to the highway infrastructure of the region. The following table provides a summary of traffic counts on roads near the site.

# TRANSPORTATION MAP



**Area Traffic Counts (2011)**

<b><u>HIGHWAY/LOCATION</u></b>	<b><u>DAILY TRAFFIC</u></b>	<b><u>ANNUAL TRAFFIC</u></b>
<b>I-84 at site</b>	47,777	17,438,605
<b>international Blvd. at site</b>	7,685	2,805,025
<b>Interstate 87 at 17A (new interchange)</b>	45,843	16,732,695

Source: New York Department of Transportation

**AIRPORT**

All three of the major New York City airports are located in relatively close proximity to the proposed site. Newark and La Guardia are both located less than a one-hour and 15-minute drive from the site, subject to traffic conditions. Kennedy is only slightly farther at less than one hour and twenty-five minutes. Together these three airports handled a total of over 112.6 million revenue passengers for the most recent 12 months ending in April of this year.

However, the three best known New York Airports are not the only points of air access of consequence to the proposed site. Stewart International Airport is located only three miles from the site down International Boulevard. Stewart already accommodates nearly 318,000 revenue passengers daily and has the runway length and international status to accommodate international charter flights from Asia drawn to the proposed project by the direct marketing efforts of RW Orange County LLC through its connection with the world famous Genting Group. The airport is currently in the midst of a \$20 million expansion and enhancement of its passenger terminal.

**OTHER**

The New York City area is unique amongst U.S. cities in its relatively low percentage of automobile ownership and high usage of alternate forms of transportation. Over 35 percent of the people living within one hour of the subject site do not own a vehicle, compared to a national average of only nine percent. The proposed Resorts World Hudson Valley Casino Resort is well positioned to accommodate patrons seeking to use other forms of transportation to reach the site.

The proposed site is located only nine miles from the Salisbury Mills-Cornwall Station on the Port Jervis line into New York City. Regular shuttles timed to train arrivals and departures will be provided. A total of 13 trains daily connect the Salisbury Mills Station with Penn Station in Manhattan with an average travel time of between 85 and 100 minutes and a cost of \$16 one way. The Port Jervis line carries approximately 1.0 million riders annually according to MTA data.

Other transportation options for those interested in trading higher costs for faster and more private service include fast ferry service from west Manhattan docks and float plane or helicopter service. Ferry service will be provided to a suitable boat landing on the Hudson River, with shuttle service to the site. Float planes can land at Greenwood Lake during the summer months with a shuttle ride of 40 minutes to the site. Helicopters and other private planes can land at Warwick Airport, even closer to the proposed site than Stewart International, just three miles from the site. The combination of alternative transportation options at various time and price points supported by convenient shuttle service will significantly enhance the ability of the proposed project to capture demand from the New York City area and increase access potential from other locations in the broader market for high end patrons.

## **TRAVEL & TOURISM TRENDS**

Orange County and the Hudson River Valley already offer a wide variety of attractions and recreational opportunities that attract leisure demand from New York City, throughout the northeast, and beyond. The following paragraphs are adapted from various tourism bureau websites, attraction websites and related sources.

The Hudson Valley extends 150 miles above the tip of Manhattan. Among many attributes, it's the oldest wine producing area in the country, and the magnificent scenery inspired artists whose works became the Hudson River School of Painters. National Geographic Traveler has proclaimed the region as ONE OF THE TOP 20 DESTINATIONS IN THE WORLD for 2013.

Just 50 miles above the tip of Manhattan, the Hudson River cuts a crescent around Orange County, providing some of the most beautiful scenery in the Hudson Highlands. Some of New York's major attractions like West Point, Storm King Art Center, Woodbury Common Premium Outlets, Orange County Choppers, and Sugar Loaf Craft Village are found here. As one of the original New York counties, Orange has a vast history reflected in its museums, historic homes, and small towns. The oldest winery in America is here, joined by six others along with two breweries that all offer tastings of their beverages. One quarter of Orange County is open space with vast parks that offer recreation from golf and tennis to hiking and kayaking. Orange County is the only county in New York located between two rivers, the Delaware River and the Hudson River. The following paragraphs describe some of the major activities and attractions in Orange County.

**Bear Mountain Merry-Go-Round – Bear Mountain, New York:** The merry-go-round features a 42-seat carousel in a stone and timber pavilion with viewing area and fireplace hearth. Carved animals are those native to the Hudson River Valley and the carousel also features paintings of the parklands.

**Bear Mountain Trailside Museums and Zoo – Bear Mountain, New York:** The facility features a wildlife center with four trailside museums and numerous outdoor exhibits related to local environment. There are nature trails with spectacular views of the Hudson River and is the site of the Revolutionary War Fort Clinton and battle of 1777.

**Bull Stone House - Campbell Hall, New York:** This 1722 fieldstone homestead was continuously occupied by the Bull family for 10 generations and features original furnishings and includes the Only New World Dutch Barn in the county and is listed on the National Register of Historic Places.

**Crawford House – Newburgh, New York:** Built in 1830, the mansion is Greek Revival with Federal elements and offers spectacular views of Newburgh Bay. It has the largest collection of Hudson River School paintings in the area. There are also Hudson River sloop and steamboat models on display.

**Fort Montgomery State Historic Site - Fort Montgomery, New York:** Fort Montgomery was the scene of a fierce Revolutionary War battle for control of the Hudson River. There is museum with a movie, exhibits and dioramas. There are interpretive programs by costumed staff, and hiking trails past historic ruins of the buildings and earthwork and beautiful views of the Hudson River. A footbridge crosses Popolopen Creek to connect with Trailside Museums and Zoo.

**Motorcyclepedia – Newburgh, New York:** Motorcyclepedia is the largest motorcycle museum in the United States. The 85,000 square-foot complex features different galleries with over 450 motorcycles built from 1897 to the present. There are rare vintage bikes plus police, military, sidecars, and more than 100 Indians on exhibit.

**Mount Peter – Warwick, New York:** Mount Peter is a ski hill with a vertical drop of 450 feet and features 12 trails, skiing and snowboarding. Rentals are available. There is a new carpet lift and learning terrain basin, as well as a lodge and cafeteria.

**New Windsor Cantonment State Historic Site - Vails Gate, New York:** During the closing days of the Revolutionary War, 8,000 soldiers, civilians and artisans built this winter encampment. Costumed interpreters demonstrate life at the camp. The visitor center features exhibits and a collection of 18th century artillery.

**New York Renaissance Faire – Tuxedo Park, New York:** On Saturdays, Sundays and Labor Day during the months of August and September, the New York Renaissance Faire is a recreation of a Renaissance or Medieval village, filled with costumed actors, crafts and games to give patrons the illusion that they have stepped back in time. The New York Renaissance Faire features over 125 performance on 20 stages and over 100 craftspeople set on 65 acres of beautiful Sterling Forest. **The Faire averages almost 10,000 visitors per day.**

**Orange County Choppers – Newburgh, New York:** Already famous for their work and made household names by their TV show, Paul Sr. and his team are based in Newburgh, New York. Located just four miles from Resorts World Hudson Valley, their showroom and retail store are open daily.

**Orange County Firefighters Museum – Montgomery, New York:** The museum features firefighting memorabilia from the area, housed in a 1913 firehouse. Exhibits include a hand drawn 1872 engine, an 1810 hand drawn pumper, and 1872 horse drawn steamer. Antique extinguishers, historic photos, leather buckets, hose reels, and many other items are also on display.

**Storm King Art Center – New Windsor, New York:** This 500 acre world-renowned outdoor sculpture park and museum is known for its harmonious, yet dramatic interaction between sculpture and the surrounding landscape. There are daily guided tours, family programs, concerts, and hikes.

**Thomas Bull Memorial Park – Montgomery, New York:** The park features groomed lanes with rope tow and specially designed tubes. There are stadium lights for evening sessions, a lodge with restaurant, bar, stone fireplace and scenic views of the Shawangunk Mountains. There are also adjacent facilities for cross-country skiing, sledding and ice skating.

**Tuxedo Ridge – Tuxedo, New York:** Tuxedo Ridge is a ski hill with seven trails and four chair lifts, with a vertical drop of 450 feet. Skiing, snow tubing, and snowboarding are available. There is a rental shop, cafeteria and pub. The cafeteria and pub are also open Fridays and Saturdays during the summer.

**U.S. Military Academy – West Point, New York:** The West Point Visitors Center and Museum Military features uniforms, flags, weapons and military art of both American and European derivation. Museum galleries include History of the Academy and the Corps of Cadets, US Army History, and History of Warfare from Egyptian times to Desert Storm. There is also an extensive fine art collection including Hudson River School of artists.

**Warwick Historic Village – Warwick, New York:** The historic village includes Baird's Tavern on Main Street, a stone tavern built by Francis Baird in 1766 and is the second oldest home in Warwick. Martha Washington supposedly stayed there. Shingle House on Forester Avenue is the first home built in Warwick (1764). The 1810 House on Main Street is a 19th century saltbox cottage. Ketchum House on Church Street is one of the oldest original houses in the village. The Old School Baptist Meeting House at High and Church Streets was built in 1810 and is currently used for concerts and religious services.

**Washington's Headquarters State Historic Site – Newburgh, New York:** General George Washington made this fieldstone farmhouse his Continental Army headquarters and spent more time here than anywhere else during the Revolutionary War. The new exhibit, "Unpacked and Rediscovered" is an interactive exhibit showing pieces taken from the museum's vast collection. In 1850 the property became the nation's first public historic site.

**West Point Ski – West Point, New York:** The ski area features four trails with a vertical drop of 487 feet. There is a rental shop, ski lodge and café.

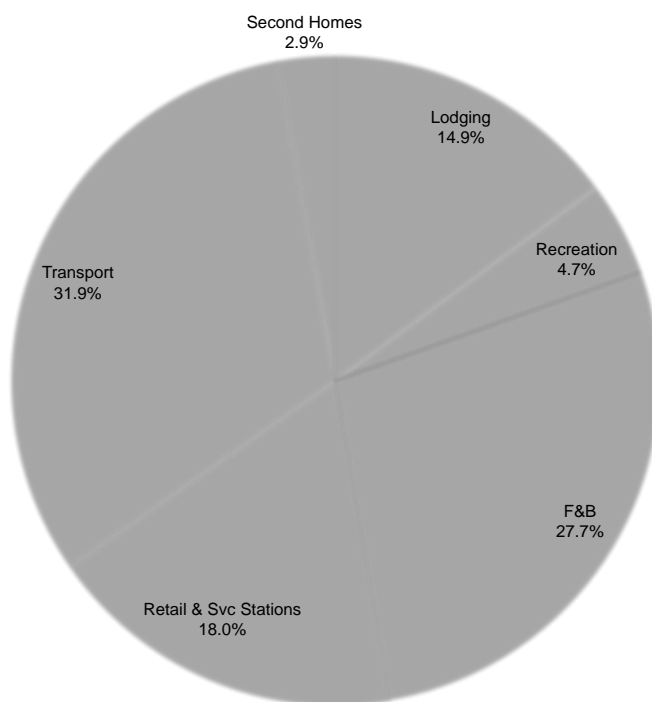
**Woodbury Common – Central Valley, New York:** Woodbury Common is one of the largest contiguous outlet centers in the world with over 840,000 square feet of space housing 220 outlet stores, many of which represent premium brands not commonly available in an outlet setting.

In 2012, Tourism Economics – An Oxford Economics Company conducted a study entitled, “The Economic Impact of Tourism in New York - 2011 Calendar Year Hudson Valley Focus”. According to that study, tourism in the Hudson Valley region is a \$3.0 billion industry, supporting 52,575 jobs.

In 2011, Orange County captured 13.0 percent of all traveler spending in the Hudson Valley Region. In 2011, Orange County captured over \$409.0 million in traveler spending, accounting for 8,866 tourism-related jobs and almost \$228.0 million in tourism-related income. The following table presents a breakdown of Orange County traveler expenditures by category.



## 2011 - ORANGE COUNTY TRAVELER SPENDING



### **SUMMARY**

The proposed Resorts World Hudson Valley Casino Resort complex will have access to nearly 940,000 people within 25 linear miles and more than 6.7 million people within a 50-mile radius. On a broader basis, there are 26.8 million people within a 100-mile radius and more than 49 million people within 200 linear miles of site. With respect to actual drive time, the planned casino resort project will have access to nearly 549,000 people within a 30-minute drive, 4.2 million people within a 60-minute drive, 26.0 million people within a 120-minute drive and more than 50.8 million people within a 240-minute drive. Income levels are far above national averages and are growing more rapidly than the rest of the country. Transportation infrastructure provides excellent access by multiple modes well suited to the unique characteristics of the New York market. The regional attractions of Orange County boost the tourism appeal of the site.

# **COMPETITIVE ENVIRONMENT**

## **GENERAL**

This section presents a summary of the analysis of the competitive market within which the planned casino resort complex will operate. The section includes an overview of the scope of the gaming industry in the United States. A discussion of the competitive gaming environment for the complex is then presented. Projections of overall market potential and estimates of facility utilization presented in later sections are derived from the analysis of the foregoing market characteristics and the competitive environment discussed below.

## **U.S. GAMING INDUSTRY**

Casino-style gaming has expanded across the United States at a remarkable pace. In addition to the traditional gaming markets in Nevada and Atlantic City, major land-based casinos and riverboat casinos are in operation in 15 states. "Racinos" – racetracks with slot machines and/or table games are now located in more than a dozen states. Indian casinos are in operation in almost 30 different states around the country. The following table presents the total annual gaming win for commercial and Indian casinos in the U.S. for the past decade:

### **HISTORIC GAMING REVENUE COMPARISON – 2003 to 2012**

(dollars in billions)

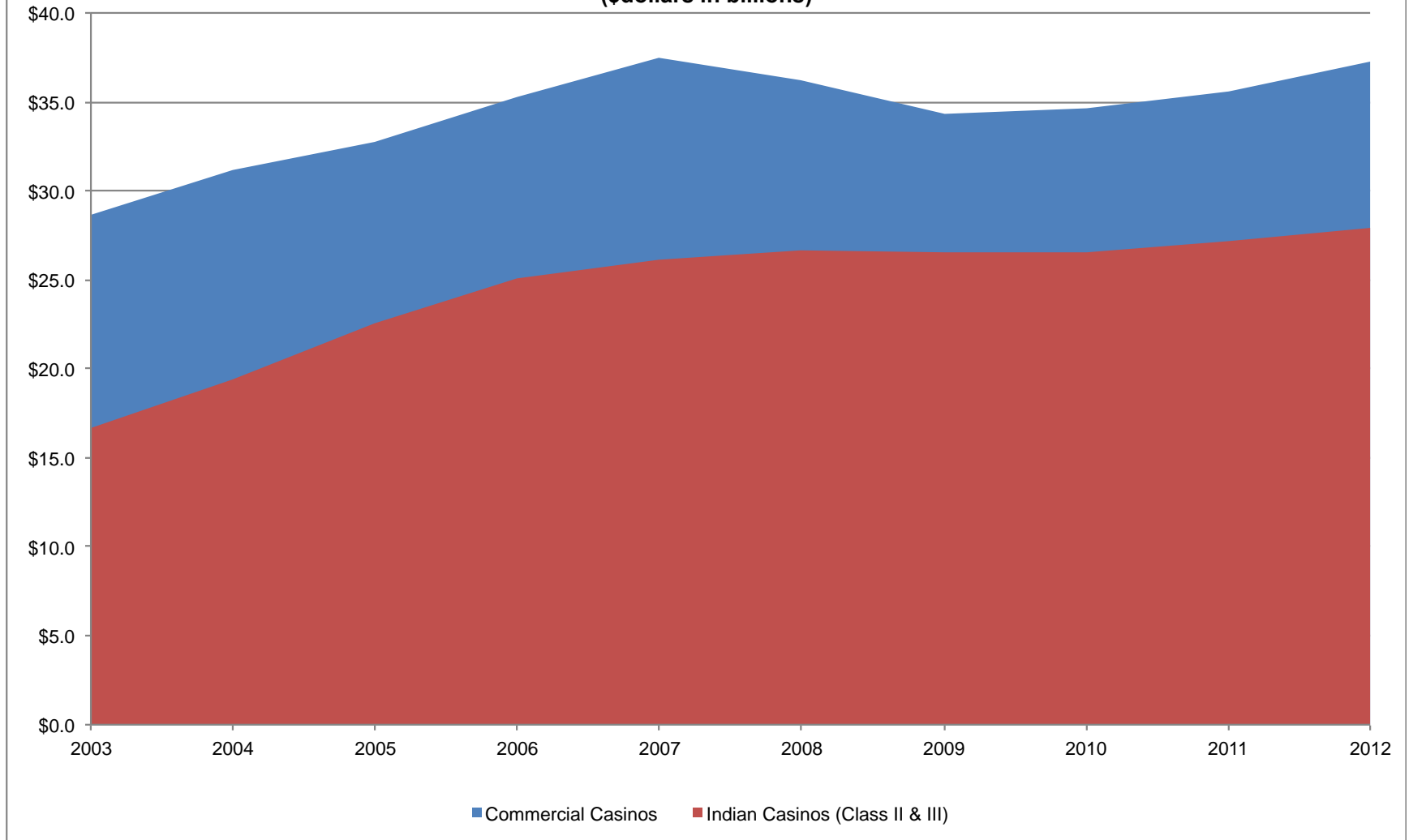
<b>Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Commercial Casinos*</b>	\$28.7	\$31.2	\$32.8	\$35.3	\$37.5	\$36.2	\$34.3	\$34.6	\$35.6	\$37.3
<b>Percent Growth</b>	NA	8.7%	5.1%	7.6%	6.2%	-3.5%	-5.2%	0.9%	2.9%	4.8%
<b>Indian Casinos (Class II &amp; III)</b>	\$16.7	\$19.4	\$22.6	\$25.1	\$26.1	\$26.7	\$26.5	\$26.5	\$27.2	\$27.9
<b>Percent Growth</b>	NA	16.2%	16.5%	11.1%	4.0%	2.3%	-0.7%	0.0%	2.6%	2.6%
<b>Ratio - Indian/Commercial</b>	0.58	0.62	0.69	0.71	0.70	0.74	0.77	0.77	0.76	0.75

\* Commercial casino include private sector (i.e. non-governmental), land-based, dockside riverboats, limited stakes and racinos

Source: American Gaming Association, National Indian Gaming Commission and KlasRobinson Q.E.D.

As presented above, total gaming revenues at commercial casinos and Indian casinos increased annually from 2002 to 2007, then decreasing both in 2008 and 2009 due to the economic downturn. In 2010, both commercial and Indian casinos experienced moderate increases, followed by stronger increases in 2011 and 2012. This information is presented on the graph on the following page. The map on that follows presents the types of gaming by state currently in operation.

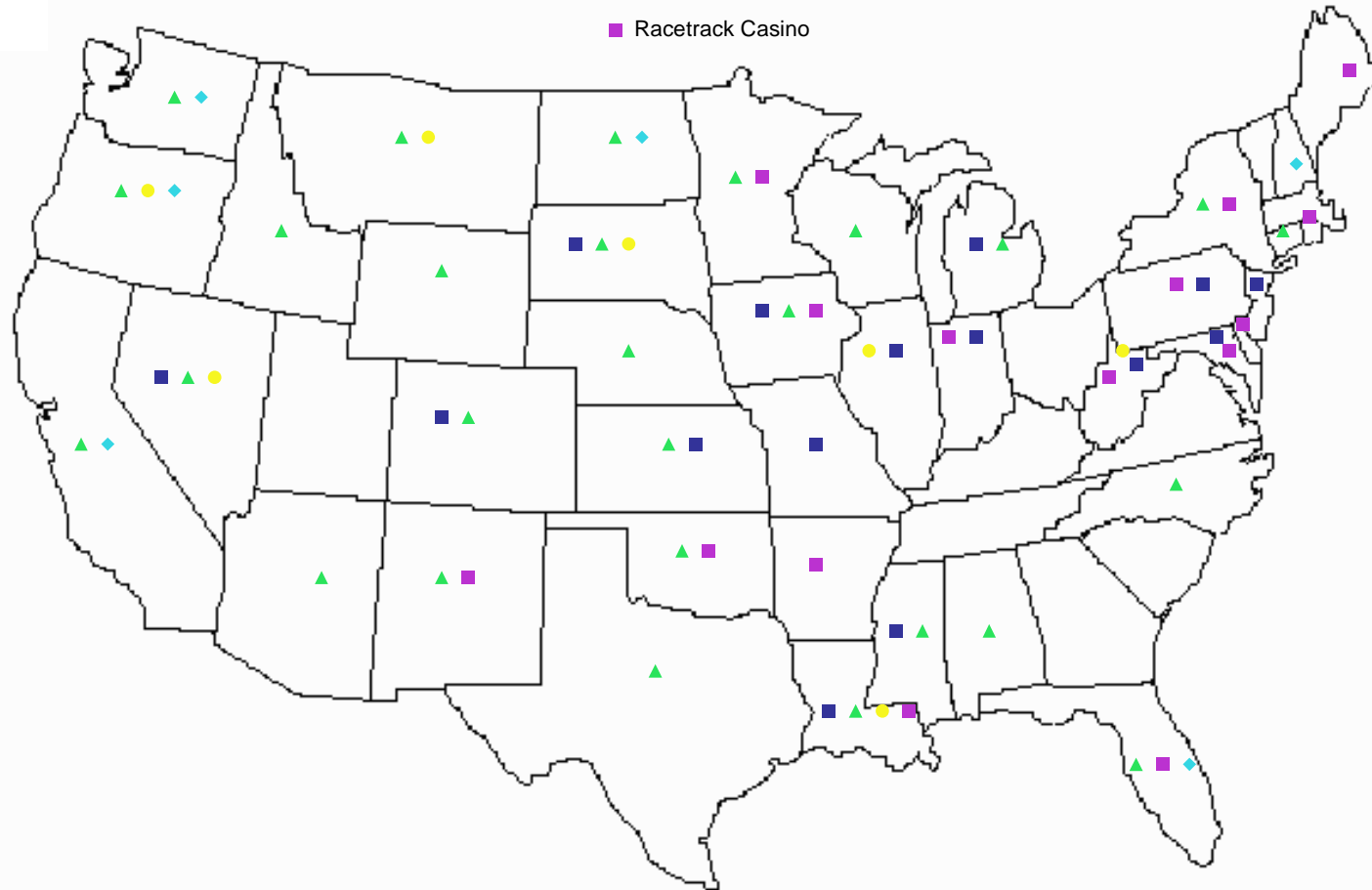
## Annual Commercial vs. Indian Casino Revenue Comparison (\$dollars in billions)



# U.S. GAMING COMPARISON

Map Key:

- Land-Based or Riverboat Casino
- ▲ Indian Casino - Class II/Class III
- Racetrack Casino
- ◆ Card Room
- Electronic Gaming Device



## **REGIONAL GAMING INDUSTRY**

The area within 200 miles and/or a four-hour drive of the planned casino resort complex includes the states of New York, Pennsylvania, Maryland, Delaware, New Jersey, Connecticut, Rhode Island, Massachusetts, Vermont and New Hampshire. The following paragraphs describe in greater detail the regional competitive environment in which the new casino will operate.

### **New York**

New York currently has a state lottery, several Indian casinos, pari-mutuel racing, video lottery terminals and off-track betting. For FY 2013, the New York Lottery had net sales of \$8.9 billion with operating income of \$3.1 billion. This compares to net sales of \$8.4 billion in FY 2012 and operating income of \$2.9 billion. This includes revenue from video lottery terminals described below.

There are currently three federally-recognized Tribes that operate casinos in the state. The Seneca Nation of Indians operates the Class III Seneca Niagara Casino in Niagara Falls, the Class III Seneca Allegany Casino, the Class III Seneca Buffalo Casino in Buffalo, and Class II bingo on both their Cattaraugus and Allegany Reservation lands. The St. Regis Mohawks operate the Class II Mohawk Bingo Palace and the Class III Akwesasne Mohawk Casino, which also houses Class II poker games. The Oneida Indian Nation of New York operates the Turning Stone Casino, which houses both Class II bingo and poker, as well as its Class III gaming operations.

The Cayuga Nation, a state-recognized Tribe, operates Lakeside Entertainment in Union Springs which has been fraught with legal battles and multiple closures since originally opening in 2004. In addition, the Shinnecock Indian Nation in Long Island received federal recognition in 2010, but has yet to negotiate a gaming compact with the state. Of the existing Indian casinos in New York, only Turning Stone Casino Resort in Verona and Lakeside Entertainment in Union Springs are located within a 200-mile radius and/or four-hour drive of the planned casino resort complex. The Shinnecock Indian Nation is also located within a 200-mile radius and/or four-drive time of the site.

Thoroughbred racetracks in New York include Aqueduct Racetrack in Ozone Park, Belmont Park in Elmont, Finger Lakes Racetrack in Farmington and Saratoga Race Course in Saratoga Springs. Harness racing tracks include Batavia Downs in Batavia, Buffalo Raceway in Hamburg, Monticello Raceway in Monticello, Saratoga Equine Sports Center in Saratoga Springs, Syracuse Mile at the New York State Fairgrounds in Syracuse, Vernon Downs in Vernon and Yonkers Raceway in Yonkers. There are also off-track betting facilities located throughout the state.

The following table presents the annual net VLT revenues at the nine New York State racetracks with VLTs and the actual average daily win per day per VLT, based on a weighted number of machines for the Fiscal Year ending March 31, 2014.

### Racetrack VLT Performance – FY 2013-14

<u>Name</u>	<u>Location</u>	<u>VLT's</u>	<u>FY 2013-14</u>	<u>Avg. Daily</u>
			<u>Net VLT Sales</u>	<u>Win / Device</u>
Resorts World Casino New York City	Jamaica	5,005	\$792,579,000	\$434
Empire City at Yonkers Raceway	Yonkers	5,300	\$547,223,000	\$283
Batavia Downs Casino	Batavia	709	\$47,080,000	\$182
Finger Lakes Casino & Racetrack	Farmington	1,335	\$130,849,000	\$269
Hamburg Casino	Hamburg	940	\$72,821,000	\$212
Monticello Casino and Raceway	Monticello	1,110	\$61,318,000	\$151
Tioga Downs Casino	Nichols	802	\$58,152,000	\$199
Saratoga Casino and Raceway	Saratoga Springs	1,782	\$158,927,000	\$244
Vernon Downs Casino & Hotel	Vernon	767	\$43,371,000	\$155
<b>Total/Average</b>		<b>17,750</b>	<b>\$1,912,320,000</b>	<b>\$295</b>

Source: New York State Lottery and KlasRobinson Q.E.D.

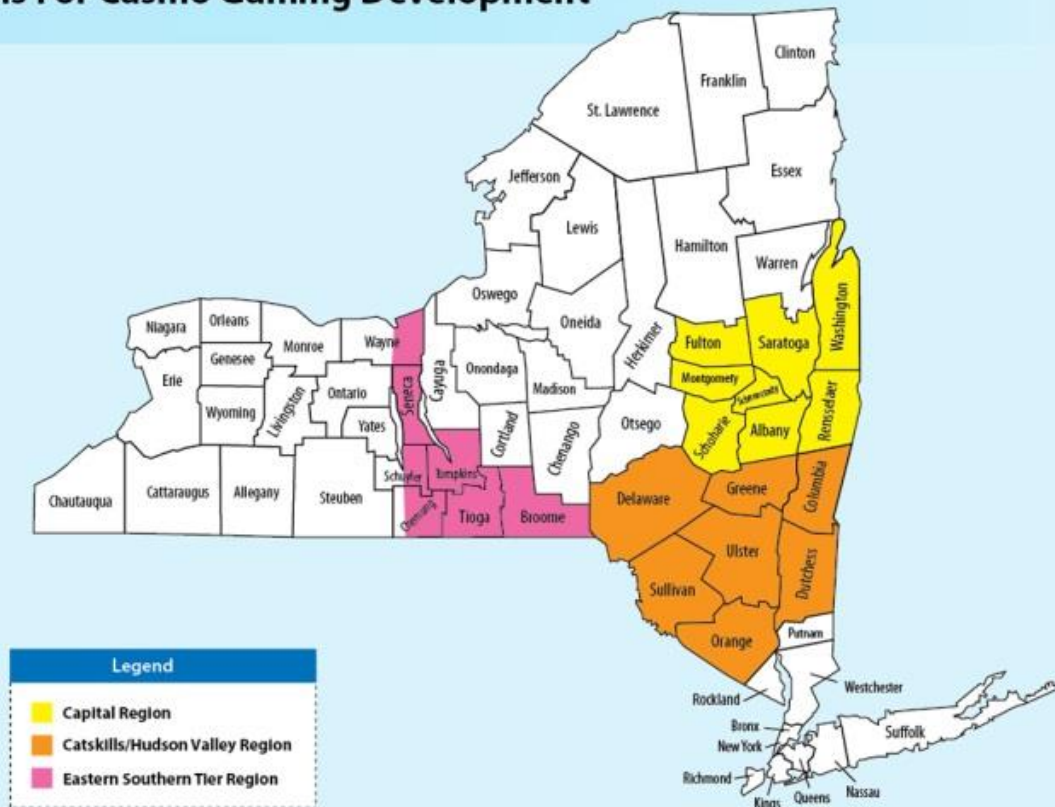
Six of the eight racetracks with VLTs are located within a 200-mile radius and/or four-hour drive of the planned casino resort complex, with only Batavia Downs Casino and Hamburg Casino falling beyond the 200-mile radius and four-hour drive time. One of those racinos is also operated by Resorts World, parent of RW Orange County LLC. This will assist the proposed Resorts World Hudson Valley Casino Resort in quickly penetrating the New York City market and in cross-marketing and segmenting the market to maximize total combined gaming revenue at the two facilities rather than simple cannibalization

In 2013, the State approved the Upstate New York Economic Development Act which authorizes up to four destination gaming resorts in Upstate New York. According to the act, there will be at least one facility in each of three regions, but no more than two facilities in any of the three regions. The act allows Tribal casinos to retain their geographical exclusivity. Furthermore, no downstate gaming resorts will be allowed for at least seven years after first gaming license is awarded. Gaming facilities will either be entirely new resorts or conversion of existing New York racinos. The three regions consist of the following:

- ∴ Capital Region
- ∴ Catskills/Hudson Region
- ∴ Eastern Southern Tier Region

The map on the following page presents the locations and counties for each of the three regions.

## Regions For Casino Gaming Development



Source: New York State Gaming Commission

Due to the terms of the act, the proposed Resorts World Hudson Valley Casino Resort would face new competition from not more than one additional new casino in the Orange shaded counties above during its first seven years of operation.

### New Jersey

The State of New Jersey currently has a state lottery, land-based casinos in Atlantic City and pari-mutuel racing. The state also recently approved on-line gaming. During fiscal year 2013, the New Jersey State Lottery had total sales of almost \$2.9 billion, with profits of \$962 million. This compares to fiscal year 2012, with total sales of just under \$2.8 billion and profits of \$952 million. These figures do not include commercial casinos described below.



In 1976, a statewide New Jersey referendum authorized casino gaming on the Atlantic City Boardwalk and the Marina District. In May 1978, the first casino opened in Atlantic City. Gaming is regulated by the Casino Control Commission, a five-member body appointed by the governor. There is no limit to the number of casino licenses in Atlantic City. All casinos must be located in hotels with a minimum of 500 rooms, each with a minimum of 325 square feet. Casino square footage is based on the number of hotel rooms. For the first 500 hotel rooms, the casino is allowed up to 70,000 square feet of gaming space. For each additional 100 hotel rooms, the casino may have an additional 10,000 square feet of gaming space. Atlantic City currently has 11 casinos with a combined total of more than 17,200 rooms, almost 25,600 slot machines and 1,570 table games. Total gaming revenue for calendar year 2013 at Atlantic City casinos equaled over \$2.8 billion. Visitation estimates by D.K. Shifflet and Associates for the State of New Jersey estimate that 17.6 percent of visitors to the state come from New York. The actual proportion of gaming win at Atlantic City casinos from New York residents is considered to be higher than that level.

New Jersey currently has four pari-mutuel facilities with five tracks; Atlantic City Racetrack is a thoroughbred race track in Mays Landing; Freehold Raceway is a half-mile harness racing track in Freehold; Meadowlands Racetrack has one harness racing track and one thoroughbred track in East Rutherford; and, Monmouth Park is a racetrack in Oceanport that features thoroughbred racing. Like other states in the region with pari-mutuel facilities, New Jersey will likely be considering the addition of slot machines at its racetracks.

### Pennsylvania

The State of Pennsylvania has a state lottery, pari-mutuel racing with casinos at racetracks and standalone casinos. During fiscal year 2013, the Pennsylvania State Lottery had total sales of \$3.7 billion, with profits of \$1.1 billion. This compares to fiscal year 2012, with total sales of \$3.5 billion and profits of \$1.1 billion. This does not include revenue from commercial casinos described below.

In 2004, the State of Pennsylvania passed gambling legislation for 14 slot-machine venues authorized statewide. This included 12 slot parlors at existing and new horse tracks throughout the state, as well as two yet-to-be-determined non-track locations outside of Pittsburgh and Philadelphia.

That legislation was later amended to permit a total of 14 licenses for slot machine operations only. Seven licenses to existing horse race tracks, or racinos, five licenses to stand-alone casinos and two licenses to existing hotel resorts. The Act also mandated that two of the five stand-alone casinos be located in Philadelphia, one in Pittsburgh, and the remaining two at-large. In 2010, the legislation was expanded to include table games at the slot casinos.

At this time, 12 of the licenses have been awarded, leaving one racino license and a stand-alone Philadelphia license, which had originally been awarded to Foxwoods and since been revoked. There are currently five different proposals for the former Foxwoods license in Philadelphia. As for the racino license, there is currently a proposal for a racino in Lawrence County, which has yet to be approved.

There are currently 12 casinos in operation with a combined total of 26,417 slot machines and 1,091 table games. During the 12-month period ending May 31, 2014, total combined gaming revenues equaled almost \$3.1 billion with an average daily win of \$241.00 per day per machine and \$1,858.00 per day per table, based on a weighted number of devices for the 12-month period. A legislative report for the State of Pennsylvania estimated New Yorkers contribute 9.6 percent of the gaming revenue to that state. Of the existing 12 Pennsylvania gaming facilities, eight are located within a 200-mile and/or four-hour drive of the planned casino resort complex. In addition, the new Philadelphia casino applicant, if approved, would also be located within the market

In November 2013, Governor Tom Corbett approved a bill permitting thousands of bar owners the ability to seek licenses to conduct pull-tab games, daily drawings and charity raffles. Individual prize limits are \$2,000 for a single game and \$35,000 over seven days, while raffles are limited to one a month. To neutralize some of the opposition, the Legislature also allowed private clubs and volunteer organizations keep more of their profits from small games of chance by relaxing requirements on how much must go to public interest or charitable purposes. Lawmakers also agreed to expand from six to eight the number of games that the clubs and organizations can offer, as well as raise some maximum prizes.

### Connecticut

Connecticut currently has a state lottery, two Indian casinos and one pari-mutuel racing facility. During fiscal year 2012, the Connecticut State Lottery had total sales of \$1.1 billion, with profits of \$310.0 million. This compares to fiscal year 2011, with total sales of \$1.0 billion and profits of \$289.0 million. These figures do not include gaming win from Connecticut Indian casinos described below.

Connecticut is home to two of the largest and highest grossing casinos in the United States, Foxwoods near Ledyard, and Mohegan Sun in Uncasville. Together, these two casinos offer more than 3,700 hotel rooms, almost 12,000 slot machines and approximately 770 table games. During the fiscal year ending June 30, 2013, total net gaming revenues from machines equaled almost \$1.2 billion with an average win per day per machine of almost \$275.00 per machine. New York residents have been estimated to account for approximately 11.8 percent of the gaming revenue at Connecticut Indian casinos according to the University of Massachusetts at Dartmouth.

Currently under construction, is a \$120.0 million, 300,000 square-foot Tangiers Outlet Mall at Foxwoods, expected to open in the first half of 2015 with 80 shops. Also under construction, is a \$50.0 million, 200,000 square foot retail and entertainment expansion at Mohegan Sun, which includes 50 new retailers, a 14-screen movie theatre, bowling alley and barn-style artisan-food pavilion. The Mohegan Sun development is also expected to open in 2015. Both casinos are located within a 200-mile radius and/or four-hour drive of the planned casino resort development.

In addition to the two existing Indian casinos, there are several other Connecticut tribes seeking federal recognition and subsequent gaming compacts with the state. These are the Eastern Pequots and the Paucatuck Eastern Pequots in North Stonington, the Golden Hill Paugussetts of Trumbull and Colchester, Schaghticokes, of Kent and the Southern Pequots, who are based in Waterford. None of these Tribes have yet to receive federal recognition.

Racing facilities in Connecticut include Shoreline Star Greyhound Park, located in Bridgeport.

### Maryland

Maryland currently has a state lottery, pari-mutuel racing and commercial casinos, including one racino. During fiscal year 2013, the Maryland State Lottery had total sales of \$2.4 billion, with profits of \$919 million. This compares to fiscal year 2012, with total sales of \$2.0 billion and profits of \$691 million. These figures include revenue from the commercial casinos described below.

In a 2008 constitutional referendum, voters approved the installation of video lottery terminals at five privately-owned facilities in Maryland located in Cecil County, Worcester County, Anne Arundel County, Allegany County and Baltimore City. In a 2012 referendum, voters approved the legalization of table games at Maryland casinos and the addition of a sixth facility in Prince George's County.

Of the three casinos and one racino with slots in operation during the first 11 months of fiscal year 2014 (ending June 30, 2014), total net VLT revenue equaled over \$528.3 million and total table game revenue equaled almost \$233.0 million. The four gaming operations currently have a combined total of almost 7,200 VLTs and over 200 table games.

Currently under construction, Horseshoe Casino in Baltimore City will include over 3,000 slot machines and 100 table games. The Prince George's County license is expected to be awarded sometime in 2014.

Of the existing gaming operations, two casinos are located within a 200-mile radius and/or four drive time of the planned casino resort. In addition, the Horseshoe Casino in Baltimore, currently under construction will also be located with a 200-mile radius and/or four-drive time of the subject property.

### Delaware

The State of Delaware currently has a state lottery and pari-mutuel in the form of harness racing and thoroughbred racing. The pari-mutuel facilities in Delaware offer video lottery terminals and table games. Delaware also recently approved on-line gaming. During fiscal year 2013, the Delaware State Lottery had total sales of \$635 million, with profits of \$278 million. This includes net VLT sales and table game revenues. This compares to fiscal year 2012, with total sales of \$714 million and profits of \$329 million.

The Delaware pari-mutuel facilities include three racetracks and their related corresponding slot rooms. Slots at Delaware racetracks were legalized in 1995 with the Horse Racing Redevelopment Act. Games of chance that use either video or spinning rolls are permitted. Players are paid in redeemable script rather than in coins or tokens. Originally racetracks were allowed up to 500 slot machines per track, with an additional 500 devices with the approval of the lottery director. In 1998, the number of slot machines was increased to a maximum of 2,000 devices per facility, with an additional 500 devices with the approval of the lottery director. In 2006 state law is enacted to increase the number of slot machines allowable at the three licensed Delaware racinos from 2,500 to 4,000. Legislation also allows casinos to expand operating hours to 24 hours a day (closing only on Sunday mornings from 6 a.m. to noon, Easter and Christmas). In 2010, table games were approved at the racetracks.

Delaware Park Racetrack in Wilmington features two tracks with thoroughbred racing and a racino with over 2,500 gaming devices and almost 90 table games. Dover Downs in Dover features harness racing, as well as an on-site hotel with 500 rooms and a racino with 2,600 gaming devices almost 60 table games. Harrington Raceway in Harrington features harness racing and a racino with 1,800 gaming devices and over 50 table games.

During the fiscal year ending June 30, 2013, the three racinos had total net VLT revenues of almost \$397.0 million with an average daily win of \$157.00 per device and total table game revenues of \$65.6 million with an average daily win of \$912.00 per table.

In addition to the three racetrack casinos, there have been several additional failed attempts to expand gaming in the state, including a failed 2010 bill that included two new racino developments, one in Sussex County and one in Wilmington.

All three of the racetrack casinos are located within a 200-mile radius and/or four-hour drive of the proposed Resorts World Hudson Valley Casino Resort.

## Rhode Island

The State of Rhode Island currently has a state lottery and pari-mutuel in the form of both greyhound racing and Jai-Alai. The pari-mutuel facilities in Rhode Island both offer video lottery terminals with one also offering table games. During fiscal year 2013, the Rhode Island State Lottery had total sales of \$776 million, with profits of \$378.0 million. This includes gross VLT sales and table game revenues. This compares to fiscal year 2012, with total sales of \$777 million and profits of \$377 million.

As of 1992, video lottery was approved at two Rhode Island facilities – Twin River (formerly Lincoln Park) and Newport Grand. In 1999, the maximum number of VLTs at the two racinos was increased, as well as several times thereafter. In November 2012, Rhode Island voters approved table games at the two racinos. However, only Lincoln residents agreed. Newport voted against allowing casino table games in their jurisdiction. Table games commenced operation at Twin River in June 2013.

Twin River Casino is a racetrack and casino in Lincoln that features greyhound racing, as well as a casino with 4,540 VLTs and 80 table games. Newport Grand Jai Alai & Slots is a fronton in Newport. The casino features 1,070 VLTs. During fiscal year 2013 (ending June 30, 2013), the two racino facilities had combined net VLT revenues of almost \$521.0 million with an average daily win of almost \$247.00 per device, based on a weighted number of VLTs for the period. As previously discussed, Table games commenced operation at Twin River in June 2013.

The Narraganset Tribe has proposed a major casino development in an industrial park in West Warwick for more almost 20 years. Such a development has failed several times to gain approval by a statewide referendum – its only means of getting a casino. The tribe is barred from following the Indian Gaming Regulatory Act due to an appropriations rider. The rider was written after a federal court had ruled in favor of the tribe's gaming rights.

There is currently a bill that would put a constitutional amendment before voters that states a casino or slot parlor cannot change locations without approval from voters in that city or town. Another bill would allow a credit line of up to \$75,000 that could be extended to gamblers at Twin River.

Also, the Newport City Council recently passed a resolution asking the State General Assembly to put the question of adding table games at Newport Grand on the November ballot. Developer and former Providence Mayor Joseph Paolino Jr., wants to buy Newport Grand and spend \$40.0 million on renovations, but only if table games are approved.

Both Twin Rivers and Newport Grand are located within a 200-mile radius and/or a four-hour drive of the proposed casino resort complex.

## Massachusetts

Massachusetts currently has a state lottery, pari-mutuel and recently approved casino gambling. During fiscal year 2013, the Massachusetts State Lottery had total sales of \$4.9 billion, with profits of \$956.0 million. This compares to fiscal year 2012, with total sales of \$4.7 billion and profits of \$984 million.

In November 2011, Governor Deval Patrick signed the Expanded Gaming Act into law. The Gaming Act allows for up to three destination resort casinos located in three geographically diverse regions across the state and single slots facility competitively awarded for one location statewide. The legislation divides the state into three regions to include Region A (Suffolk, Middlesex, Essex, Norfolk and Worcester counties), Region B (Hampshire, Hampden, Franklin and Berkshire counties) and Region C (Bristol, Plymouth, Nantucket, Dukes and Barnstable counties).

The licensing fee for each resort casino will be a minimum of \$85 million and requires a capital investment, to include a hotel facility, of at least \$500 million. The Commonwealth will receive 25% of gross gaming revenues. The slots facility, which will hold up to 1,250 slot machines, has a \$25 million license fee, and a minimum capital investment of \$125 million. The slots facility will be taxed at 40% of its gross gaming revenue.

In February 2014, the Commission awarded the slots license to Penn National Gaming. In March, Penn National broke ground on a \$225.0 million slot parlor at the Plainridge harness race track in Plainville. As proposed, the new slot casino will have up to 1,250 devices.

In early June 2014, MGM Resorts International was awarded the Region B license. As proposed, MGM Springfield will include a 125,000 square-foot casino, 250-unit hotel, 45,000 square feet of function space, spa and numerous restaurants, retail outlets and 40,000 square feet of residential one and two bedrooms rentals.

The five-person Massachusetts Gaming Commission unanimously voted to enter into an agreement with MGM Springfield, designating it the recipient of the sole Western Mass. casino license under one of two potential timelines. If the Supreme Judicial Court decides a ballot question repealing the casino law is illegal, MGM gets the license the next day. If the court allows the question to proceed, MGM would be granted the license the day after the election on Nov. 5, assuming that voters don't vote to kill the law.

The Region A casino license in the Boston area and Region C casino license in southern Mass have yet to be awarded.

In addition, several tribes in Massachusetts are considering development of casinos in the state.

In November 2013, the Mashpee Wampanoag Tribe signed a gaming compact with the governor and approved by the Federal Bureau of Indian Affairs in January 2014. The agreement outlines the terms of operation for the tribe's proposed Taunton casino and includes provisions for the state to collect payments from the Tribe in lieu of taxes. However, if the state approves a commercial casino in southeastern Massachusetts (Region C), the tribe would not have to share any of its casino revenue.

In addition, the Wampanoag Tribe of Gay Head (Aquinnah), through its Aquinnah Wampanoag Gaming Corporation, is actively pursuing the development of a resort casino in Southeastern Massachusetts under state and federal law and has also requested for the governor to negotiate a gaming compact. In December 2013, the governor filed a lawsuit to block a proposed gaming facility on Martha's Vineyard.

Governor Patrick is asking the Supreme Judicial Court to affirm a 1983 land settlement between the Commonwealth and the Wampanoag Tribe of Gay Head in which the state contends the tribe forfeited its right to tribal gaming on the island.

In November 2013, the Aquinnah Wampanoag released an opinion sought by the tribe from the National Indian Gaming Commission that found the tribe had rights to operate a gaming facility on its tribal land on Martha's Vineyard without a license from the state. Citing that opinion, the tribe announced plans for a temporary Class II gaming parlor as soon as possible on the site of an unfinished community center in Aquinnah, and said it would petition the Patrick administration to open gaming compact negotiations for a full-scale casino on the island. Specific facilities and timing are unknown.

### New Hampshire

New Hampshire currently has a state lottery and pari-mutuel racing. It also has charitable gaming which includes bingo and card rooms. During fiscal year 2013, the New Hampshire State Lottery had total sales of \$280 million, with profits of \$74 million. This compares to fiscal year 2012, with total sales of \$255 million and profits of \$67 million.

New Hampshire greyhound tracks include Hinsdale Greyhound Park in Hinsdale, Lakes Region Greyhound Track in Belmont and Seabrook Greyhound Park in Seabrook. Rochester Fair in Rochester features harness racing. Rockingham Park Race Track is a horse track in Salem. During the past several years, the state legislature has defeated a variety of bills to legalize gambling at the state's racetracks.

This year there have been numerous unsuccessful bills to expand gambling in the state. The most recent of which was defeated in May 2014. That bill would have legalized two casinos sharing a total of 5,000 VLTs and 240 table games. Governor Maggie Hassan has repeatedly said she supports only one casino. She and other casino supporters have said they believe New Hampshire should legalize a casino to capture gambling profits that otherwise will be spent in Massachusetts, which is licensing three casinos and one video slots parlor.

## Vermont

Vermont currently has a state lottery. During fiscal year 2013, the Vermont State Lottery had total sales of \$102 million, with profits of \$23 million. This compares to fiscal year 2012, with total sales of \$101 million and profits of \$22 million.

Over the past several years there have been numerous failed bills to expand gambling in the state, including a 2014 bill introduced to allow the Vermont Lottery Commission to issue one casino gaming license to a qualified applicant.

The Vermont Lottery Commission is considering the addition of lottery vending machines that would be used in bars, restaurants and clubs in Vermont that sell alcoholic beverages. "WinStations" or lottery vending machines are currently available in convenience stores.

While the lottery commission contends there is no state law barring the devices from bars and restaurants and there is no prohibition on the introduction of new vending machine gambling options as long as the games are already part of the lottery.

State lawmakers have said that placing electronic lottery machines in restaurants and bars is a "major change" in state policy that must undergo legislative scrutiny. Traditionally, lottery expansion proposals go through the House Ways and Means Committee.

## **COMPETITIVE FACILITIES**

There are two existing gaming operations located within a 50-mile radius of the site with a combined total of 6,845 gaming machines. On a regional basis, there are another 44 gaming facilities located within a 200-mile radius of the site. Combined, these 46 gaming facilities have 90,917 gaming machines and 3,955 table games.

As discussed earlier, radii reflect straight-line or essentially air miles and may encompass locations which require greater actual miles by car to reach. Accordingly, we have adjusted the competitive market to reflect actual drive times from the site. With respect to actual drive time, there is one existing gaming facilities within a 60-minute drive of the site with a combined total of 1,545 gaming machines. On a regional basis, there are an additional 41 gaming facilities located within a four-hour drive of the site. Combined, these 42 gaming facilities have 92,893 gaming machines and 4,089 table games.

The tables on the pages that follow present summaries of the existing competitive gaming market based on linear radii followed by actual drive time. The map on page 52 shows the location of subject property in relation to the competitive market with respect to both linear radii and actual drive time.



## Existing Gaming by Linear Radii

<b>0 - 50-Mile Radius</b>	<b>Location</b>	<b>State</b>	<b>Slots</b>	<b>Tables</b>	<b>Positions</b>	<b>BingoSeats</b>	<b>Rooms</b>
Empire City at Yonkers Raceway	Yonkers	New York	5,300	-	5,300	-	-
Monticello Casino and Raceway	Monticello	New York	1,545	-	1,545	-	-
<b>Sub-Total</b>			<b>6,845</b>	<b>-</b>	<b>6,845</b>	<b>-</b>	<b>-</b>
<b>50 - 100-Mile Radius</b>	<b>Location</b>	<b>State</b>	<b>Slots</b>	<b>Tables</b>	<b>Positions</b>	<b>Bingo</b>	<b>Rooms</b>
Resorts World Casino New York City	Jamaica	New York	5,000	-	5,000	-	-
Sands Casino Resort Bethlehem	Bethlehem	Pennsylvania	3,024	182	4,298	-	300
Mount Airy Casino Resort	Mount Pocono	Pennsylvania	2,300	88	2,916	-	188
Mohegan Sun at Pocono Downs	Wilkes Barre	Pennsylvania	2,331	84	2,919	-	238
<b>Sub-Total</b>			<b>12,655</b>	<b>354</b>	<b>15,133</b>	<b>-</b>	<b>726</b>
<b>100 - 200-Mile Radius</b>	<b>Location</b>	<b>State</b>	<b>Slots</b>	<b>Tables</b>	<b>Positions</b>	<b>Bingo</b>	<b>Rooms</b>
Parx Casino	Bensalem	Pennsylvania	3,500	180	4,760	-	-
SugarHouse Casino	Philadelphia	Pennsylvania	1,602	54	1,980	-	-
Resorts Casino Hotel	Atlantic City	New Jersey	2,125	87	2,734	-	942
The Atlantic Club	Atlantic City	New Jersey	1,488	60	1,908	-	809
Bally's Atlantic City	Atlantic City	New Jersey	2,320	167	3,489	-	1,750
Borgata Hotel Casino and Spa	Atlantic City	New Jersey	3,700	259	5,513	-	2,002
Caesars Atlantic City	Atlantic City	New Jersey	2,190	130	3,100	-	1,140
Golden Nugget - Atlantic City	Atlantic City	New Jersey	1,500	90	2,130	-	728
Harrah's Resort Atlantic City	Atlantic City	New Jersey	2,630	220	4,170	-	2,590
Revel Casino Hotel	Atlantic City	New Jersey	2,439	97	3,118	-	1,800
Showboat Atlantic City	Atlantic City	New Jersey	2,290	134	3,228	-	1,331
Tropicana Atlantic City Casino & Resort	Atlantic City	New Jersey	2,677	143	3,678	-	2,079
Trump Plaza Hotel & Casino	Atlantic City	New Jersey	1,688	69	2,171	-	728
Trump Taj Mahal Casino Resort	Atlantic City	New Jersey	2,648	201	4,055	500	2,248
Dover Downs Hotel & Casino	Dover	Delaware	2,600	58	3,006	-	500
Harrington Raceway and Casino	Harrington	Delaware	1,800	51	2,157	-	-
Delaware Park Racetrack, Slots and Golf	Wilmington	Delaware	2,540	88	3,156	-	-
Hollywood Casino - Peryville	Peryville	Maryland	1,500	22	1,654	-	-
Valley Forge Casino Resort	King of Prussia	Pennsylvania	600	65	1,055	-	488
Harrah's Philadelphia	Chester	Pennsylvania	2,800	155	3,885	-	-
Hollywood Casino at Penn National Race Course	Grantville	Pennsylvania	2,483	66	2,945	-	-
Tioga Downs Casino	Nichols	New York	800	0	800	0	0
Finger Lakes Casino & Racetrack	Farmington	New York	1,200	-	1,200	-	-
Lakeside Entertainment	Union Springs	New York	86	-	86	-	-
Vernon Downs Casino & Hotel	Vernon	New York	761	-	761	-	175
Turning Stone Resort Casino	Verona	New York	2,162	117	2,981	1,400	709
Saratoga Casino and Raceway	Saratoga Springs	New York	1,778	-	1,778	-	-
Keene Poker Room	Keene	New Hampshire	-	6	42	-	-
The River Card Room	Milford	New Hampshire	-	10	70	-	-
Manch Vegas Poker Room	Manchester	New Hampshire	-	17	119	-	-
The Greenside Restaurant	Tilton	New Hampshire	-	2	14	-	-
Ocean Gaming at Hampton Beach	Hampton	New Hampshire	-	24	168	-	-
The Poker Room	Hampton Falls	New Hampshire	-	30	210	-	-
Rockingham Park Race Track	Salem	New Hampshire	-	72	504	250	-
Lakes Region Casino	Belmont	New Hampshire	-	17	119	-	-
Seabrook Greyhound Park	Seabrook	New Hampshire	-	60	420	-	-
Foxwoods Resort Casino	Mashantucket	Connecticut	6,400	450	9,550	3,600	2,577
Mohegan Sun	Uncasville	Connecticut	5,500	320	7,740	-	1,176
Twin River Casino	Lincoln	Rhode Island	4,540	80	5,100	-	-
Newport Grand	Newport	Rhode Island	1,070	-	1,070	-	-
<b>Sub-Total</b>			<b>71,417</b>	<b>3,601</b>	<b>96,624</b>	<b>5,750</b>	<b>23,772</b>
<b>Total</b>			<b>90,917</b>	<b>3,955</b>	<b>118,602</b>	<b>5,750</b>	<b>24,498</b>

Source: KlasRobinson Q.E.D.

## Existing Gaming by Actual Drive-Time

<b>1-HOUR</b>	<b>Location</b>	<b>State</b>	<b>Slots</b>	<b>Tables</b>	<b>Positions</b>	<b>Bingo</b>	<b>Rooms</b>
Monticello Casino and Raceway	Monticello	New York	1,545	-	1,545	-	-
<b>Sub-Total</b>			<b>1,545</b>	<b>-</b>	<b>1,545</b>	<b>-</b>	<b>-</b>
<b>2- HOURS</b>	<b>Location</b>	<b>State</b>	<b>Slots</b>	<b>Tables</b>	<b>Positions</b>	<b>Bingo</b>	<b>Rooms</b>
Empire City at Yonkers Raceway	Yonkers	New York	5,300	-	5,300	-	-
Resorts World Casino New York City	Jamaica	New York	5,000	-	5,000	-	-
Saratoga Casino and Raceway	Saratoga Springs	New York	1,778	-	1,778	-	-
Mount Airy Casino Resort	Mount Pocono	Pennsylvania	2,300	88	2,916	-	188
Mohegan Sun at Pocono Downs	Wilkes Barre	Pennsylvania	2,331	84	2,919	-	238
<b>Sub-Total</b>			<b>16,709</b>	<b>172</b>	<b>17,913</b>	<b>-</b>	<b>426</b>
<b>4- HOURS</b>	<b>Location</b>	<b>State</b>	<b>Slots</b>	<b>Tables</b>	<b>Positions</b>	<b>Bingo</b>	<b>Rooms</b>
Sands Casino Resort Bethlehem	Bethlehem	Pennsylvania	3,024	182	4,298	-	300
Parx Casino	Bensalem	Pennsylvania	3,500	180	4,760	-	-
SugarHouse Casino	Philadelphia	Pennsylvania	1,602	54	1,980	-	-
Resorts Casino Hotel	Atlantic City	New Jersey	2,125	87	2,734	-	942
The Atlantic Club	Atlantic City	New Jersey	1,488	60	1,908	-	809
Bally's Atlantic City	Atlantic City	New Jersey	2,320	167	3,489	-	1,750
Borgata Hotel Casino and Spa	Atlantic City	New Jersey	3,700	259	5,513	-	2,002
Caesars Atlantic City	Atlantic City	New Jersey	2,190	130	3,100	-	1,140
Golden Nugget - Atlantic City	Atlantic City	New Jersey	1,500	90	2,130	-	728
Harrah's Resort Atlantic City	Atlantic City	New Jersey	2,630	220	4,170	-	2,590
Revel Casino Hotel	Atlantic City	New Jersey	2,439	97	3,118	-	1,800
Showboat Atlantic City	Atlantic City	New Jersey	2,290	134	3,228	-	1,331
Tropicana Atlantic City Casino & Resort	Atlantic City	New Jersey	2,677	143	3,678	-	2,079
Trump Plaza Hotel & Casino	Atlantic City	New Jersey	1,688	69	2,171	-	728
Trump Taj Mahal Casino Resort	Atlantic City	New Jersey	2,648	201	4,055	500	2,248
Dover Downs Hotel & Casino	Dover	Delaware	2,600	58	3,006	-	500
Harrington Raceway and Casino	Harrington	Delaware	1,800	51	2,157	-	-
Delaware Park Racetrack, Slots and Golf	Wilmington	Delaware	2,540	88	3,156	-	-
Hollywood Casino - Perryville	Perryville	Maryland	1,500	22	1,654	-	-
Valley Forge Casino Resort	King of Prussia	Pennsylvania	600	65	1,055	-	488
Harrah's Philadelphia	Chester	Pennsylvania	2,800	155	3,885	-	-
Hollywood Casino at Penn National Race Course	Grantville	Pennsylvania	2,483	66	2,945	-	-
Tioga Downs Casino	Nichols	New York	800	-	800	-	-
Vernon Downs Casino & Hotel	Vernon	New York	761	-	761	-	175
Turning Stone Resort Casino	Verona	New York	2,162	117	2,981	1,400	709
Keene Poker Room	Keene	New Hampshire	-	6	42	-	-
The River Card Room	Milford	New Hampshire	-	10	70	-	-
Manch Vegas Poker Room	Manchester	New Hampshire	-	17	119	-	-
The Poker Room	Hampton Falls	New Hampshire	-	30	210	-	-
Rockingham Park Race Track	Salem	New Hampshire	-	72	504	250	-
Seabrook Greyhound Park	Seabrook	New Hampshire	-	60	420	-	-
Foxwoods Resort Casino	Mashantucket	Connecticut	6,400	450	9,550	3,600	2,577
Mohegan Sun	Uncasville	Connecticut	5,500	320	7,740	-	1,176
Twin River Casino	Lincoln	Rhode Island	4,540	80	5,100	-	-
Maryland Live! Casino	Hanover	Maryland	4,332	177	5,571	-	-
<b>Sub-Total</b>			<b>74,639</b>	<b>3,917</b>	<b>102,058</b>	<b>5,750</b>	<b>24,072</b>
<b>Total</b>			<b>92,893</b>	<b>4,089</b>	<b>121,516</b>	<b>5,750</b>	<b>24,498</b>

Source: KlasRobinson Q.E.D.

# COMPETITION MAP



∴ COMPETITIVE ENVIRONMENT

The dynamic nature of the competitive market makes an exact determination of the extent of future competition impossible, particularly in light of the multiple approval options and potential development timelines in New York and surrounding states. Nevertheless, an expansion in the competitive supply can clearly be expected. Based upon our analysis of the various existing facilities and proposed expansions and new development, we expect the addition of approximately 7,300 gaming positions within 50 linear miles and a 60-minute drive of the site, including the planned facilities of the subject property for the period under analysis. On a regional basis, we expect the addition of approximately 28,700 gaming positions within 200 linear miles and 31,800 gaming positions within a 240-minute drive of the site, including the expanded facilities of the subject property for the period under analysis. This includes the specific assumption of a second casino approved for the Catskills region in Sullivan County and single casinos authorized in the other two regions. For the purposes of our analysis, each gaming machine is considered one position, while each poker or table game is counted as seven positions. These estimates are summarized in the following table:

<b><u>Projected Competitive Market</u></b>		
<b><u>Linear Radii</u></b>		
	<b><u>Current</u></b>	<b><u>Projected</u></b>
Gaming Positions:		
50 miles	6,845	14,155
200 miles	118,602	147,322
Total U.S. Population per Position:		
50 miles	980	484
200 miles	413	339
<b><u>Drive Time</u></b>		
	<b><u>Current</u></b>	<b><u>Projected</u></b>
Gaming Positions:		
60 Minutes	1,545	8,855
240 Minutes	121,516	153,346
U.S. Population per Position:		
60 Minutes	2,712	418
240 Minutes	481	338
Source: KlasRobinson Q.E.D.		

## **SUMMARY**

The competitive environment within the region will likely be characterized by several all new casino resort complexes along with the possibility of expansion of key ancillary amenities at existing operations throughout the region. We anticipate the addition of 28,000 and 32,000 gaming positions in the regional market during the period under analysis, including the subject casino resort and other New York gaming developments. The implications of the assumed level of gaming supply on the overall gaming potential of the market and the performance of the proposed Resorts World Hudson Valley Casino Resort complex are discussed in the section that follows.

**PROJECTED GAMING  
REVENUE**

## **GENERAL**

Based upon an assessment of the market demand and support for the planned facilities, we have estimated the projected gaming revenue for the complex for the first ten years of operation. In developing the utilization estimates, several key assumptions were made including the following:

- ∴ The casino operation will be capable, at the discretion of management, of offering any type of gaming device or prize structure legally available to gaming operations in the State of New York;
- ∴ The proposed complex will be managed by RW Orange County LLC;
- ∴ The casino will use comprehensive accounting and gaming control systems capable of providing management with accurate and timely performance data as well as ensuring control and reporting of all transactions;
- ∴ Management will ensure a comprehensive program of on-going maintenance covering all facilities, furnishings and equipment;
- ∴ Throughout the period under analysis, management will implement and maintain an aggressive program of advertising and group promotions targeted toward gaming demand on a local, regional, national and international basis,; and,
- ∴ The quality of design, décor, gaming mix, lodging and other public areas and amenities will be world class, comparable with the highest caliber casinos around the world, and will incorporate the facilities described herein.

In addition, all findings, estimates, assumptions and conclusions discussed in this report are integral parts of the analyses and estimates that follow.

## **REVENUE PROJECTIONS**

The amount of gaming win which any population base can generate can be defined as the product of the propensity of that population to gamble (the proportion of the people that will gamble), the frequency of their gambling (visits per year) and the average amount they will lose at each visit (or conversely the average win per visit for the facility).

The first two of these factors: propensity and frequency can be combined into a single participation rate, producing an estimate of the number of gaming visits which the designated population base will produce in a given year. This approach is commonly referred to as a “gravity model” for its similarity to the laws of gravity, and was first formulated for the retail industry but has since been extended to casino market analyses. This method of analysis is widely used by Wall Street analysts to evaluate entire market areas served by the gaming companies whose stocks they watch.

Neither the participation rate nor the average win per visit in a given market is static. Although the underlying characteristics of the population base usually change slowly, significant changes in the available supply of gaming, both in terms of numbers of gaming positions and numbers of individual casinos, can produce significant changes in the participation rate in the market.

In general, the closer and larger the gaming supply is to a particular area, the higher is the propensity to gamble and the greater is the frequency with which visits are made. Therefore the participation rate increases. The converse tends to be true for the average win per gaming position. In general, the greater the supply of gaming in an area and the closer it is to the sources of demand the lower the average win per visit.

In evaluating the subject market for the planned casino complex, the strength of the overall population base, the unusually high income levels, the potentially rapidly growing gaming supply, the lack of table games at New York racinos, the transportation network, and the wealth of other recreational options available on a regional basis are among the factors which must be considered.

The participation rates projected must also be adjusted for the difference between total population and adult population, to which they are properly applied. In order to provide more precision in our estimates and clarity in the participation rate assumptions used, we have increased the number of individual segments analyzed and narrowed the boundaries between them. Our participation rates have been calculated on a drive-time basis at 15-minute increments.

The total number of gaming visits must be combined with an estimated average win per visit to yield an estimate of future market gaming revenue. The table on the following page presents a listing of the average win per admission for several existing gaming markets:



### Comparative Win Per Admission

<u>Market/Facility</u>	<u>Avg. Daily Win Per</u>	
	<u>Admission</u>	<u>Customer</u>
Chicago Area IL (4)	\$129	NA
Metropolis, IL (1)	\$118	NA
Louisville Area - IN (1)	\$108	NA
Chicago Area IN (4)	\$105	NA
Cincinnati Area - IN (3)	\$100	NA
Baton Rouge, LA (2)	\$98	NA
Evansville, IN (1)	\$88	NA
East Peoria, IL (1)	\$86	NA
Marquette, IA (1)	\$80	NA
<i>Caruthersville, MO (1)</i>	\$34	\$80
Michigan City, IN (1)	\$77	NA
French Lick, IN (1)	\$77	NA
Altoona, IA (1)	\$77	NA
<i>Booneville, MO (1)</i>	\$35	\$76
MS - Gulf Coast Counties (11)	\$75	NA
New Orleans, LA (5)	\$74	NA
Saint Louis Area - IL (2)	\$72	NA
Lake Charles, LA (2)	\$72	NA
MS - Mississippi River Counties (19)	\$71	NA
Council Bluffs, IA (3)	\$71	NA
<i>Kansas City, MO (4)</i>	\$33	\$68
Shreveport/Bossier City, LA (5)	\$67	NA
<i>Saint Louis Area - MO (4)</i>	\$32	\$67
<i>LaGrange, MO (1)</i>	\$30	\$67
Quad Cities IA (2)	\$66	NA
<i>St. Joseph, MO (1)</i>	\$31	\$64
Northwood, IA (1)	\$63	NA
Osceola, IA (1)	\$60	NA
Quad Cities IL (1)	\$52	NA
Waterloo, IA (1)	\$52	NA
Sioux City, IA (1)	\$52	NA
Dubuque, IA (2)	\$51	NA
Emmetsburg, IA (1)	\$50	NA
Fort Madison, IA (1)	\$49	NA
Clinton, IA (1)	\$49	NA
Riverside, IA (1)	\$43	NA

Source: KlasRobinson Q.E.D.

Based upon our experience in analyzing gaming operations, we have prepared projections of participation rates and average win per patron for the market area within a four-hour drive-time of the subject facility in 15-minute increments for the third year of operation, allowing two years for the property to solidify its position in the competitive market. These projections are presented in the table on the following page. Population figures and dollar figures presented in the table reflect current 2014 levels without adjustment for inflation or growth.

**PROPOSED RESORTS WORLD HUDSON VALLEY CASINO RESORT  
 PROJECTED YEAR-3 GAMING REVENUE FROM WITHIN FOUR-HOUR DRIVE-TIME  
 (2014 DOLLARS)**

<u>DRIVE-TIME (min.)</u>	<u>POPULATION 21 &amp; OVER</u>	<u>PROPENSITY</u>	<u>VISITS/YEAR</u>	<u>PARTICIPATION RATE</u>	<u>VISITS</u>	<u>SPEND/VISIT</u>	<u>WIN GENERATED</u>	<u>PERCENT</u>
0-15	109,873	46.25%	12	5.55	609,800	\$65.00	\$39,637,000	6.0%
16-30	279,834	37.23%	12	4.47	1,250,200	\$70.25	\$87,826,000	13.2%
31-45	845,333	12.87%	10	1.29	1,087,900	\$80.25	\$87,307,000	13.1%
46-60	1,820,026	8.35%	8	0.67	1,215,800	\$95.25	\$115,803,000	17.4%
61-75	5,205,378	4.28%	6	0.26	1,336,700	\$110.00	\$147,042,000	22.1%
76-90	5,873,745	2.87%	5	0.14	842,900	\$141.00	\$118,846,000	17.9%
91-120	5,069,853	1.77%	3	0.05	269,200	\$171.00	\$46,035,000	6.9%
<u>121-240</u>	<u>18,268,477</u>	<u>0.65%</u>	<u>1</u>	<u>0.01</u>	<u>118,700</u>	<u>\$196.00</u>	<u>\$23,274,000</u>	<u>3.5%</u>
<u>0-240</u>	<u>37,472,519</u>				<u>6,731,200</u>	<u>\$99.00</u>	<u>\$665,770,000</u>	<u>100.0%</u>

SOURCES: NIELSEN CLARITAS (POPULATION) AND KLASROBINSON Q.E.D.

In addition to the gaming revenue the subject facility will capture from the residents living within a four-hour drive time of the facility, it will also capture gaming revenue from tourists either already in the market area for other reasons or coming specifically to visit Resorts World Hudson Valley Casino Resort from greater distances due to its quality and mix of lodging and amenities.

Visitor spending in Orange County has already been described, none of which is related to casino gaming at present as there are no casinos in the county. In addition to Orange County and greater Hudson Valley tourism, New York City attracted over 52 million visitors in 2012 according to nycandcompany.org. Nearly 11 million of those visitors were international, including over one million from Canada and 541,000 from China. Direct spending by New York City visitors in 2012 equaled nearly \$37 billion.

The convenience of the proposed site to the various transportation modes in the New York City area and the cross-marketing potential with Resorts World Racino will enable the proposed Resorts World Hudson Valley Casino Resort to capture a portion of the ambient tourist business in Orange County and the New York City Metro area. In addition, the world-class nature of the gaming, lodging and recreational amenities will result in destination demand from outside the four-hour drive time coming specifically to the property. This is common for any major casino resort. For Resorts World Hudson Valley, this could include junkets from Asia through the relationship with Genting Group.

Based upon the amount of ambient tourist demand present, the scale and quality of planned facilities at Resorts World Hudson Valley Casino Resort and our experience in analyzing gaming revenue at casinos throughout North America, we project an additional \$45.3 million in gaming revenue at the proposed facility from tourist demand in the third year of operation in 2014 dollars.

As previously noted, gaming revenue is projected to increase over the first three years as the property solidifies its position in the competitive market. The projections described above pertain to the third year of operation after that growth has occurred. After year three, we have assumed that gaming revenue increases by two percent annually due to population and non-inflationary income growth along with continued refinement in the effectiveness of target marketing and internal and external promotions.

Based upon these considerations and our experience in analyzing gaming developments throughout the North America, the following table presents the estimated gaming revenue in total and on a per machine/table/poker-day basis for its first ten years of operation in uninflated 2014 dollars. Revenue figures are before deductions for promotional credits. Operations are assumed to commence in 2017.

**RESORTS WORLD HUDSON VALLEY CASINO RESORT: PROJECTED GAMING WIN (2014 DOLLARS)**

	<b>MACHINES: 3,500</b>		<b>TABLES: 250</b>		<b>TABLES: 40</b>		<b>POSITIONS: 5,530</b>	
	<b><u>MACHINE WIN</u></b>	<b><u>WIN/MACHINE-DAY</u></b>	<b><u>TABLE WIN</u></b>	<b><u>WIN/TABLE-DAY</u></b>	<b><u>POKER WIN</u></b>	<b><u>WIN/TABLE-DAY</u></b>	<b><u>TOTAL WIN</u></b>	<b><u>WIN-POSITION-DAY</u></b>
<b>2017</b>	\$439,766,000	\$344.25	\$208,244,000	\$2,282	\$13,292,000	\$910	\$661,302,000	\$327.75
<b>2018</b>	\$459,555,000	\$359.75	\$217,615,000	\$2,385	\$13,890,000	\$951	\$691,060,000	\$342.25
<b>2019</b>	\$472,867,000	\$370.25	\$223,919,000	\$2,454	\$14,294,000	\$979	\$711,080,000	\$352.25
<b>2020</b>	\$482,324,000	\$377.50	\$228,397,000	\$2,503	\$14,581,000	\$999	\$725,302,000	\$359.25
<b>2021</b>	\$491,970,000	\$385.00	\$232,965,000	\$2,553	\$14,873,000	\$1,019	\$739,808,000	\$366.50
<b>2022</b>	\$501,809,000	\$392.75	\$237,624,000	\$2,604	\$15,170,000	\$1,039	\$754,603,000	\$373.75
<b>2023</b>	\$511,845,000	\$400.75	\$242,376,000	\$2,656	\$15,473,000	\$1,060	\$769,694,000	\$381.25
<b>2024</b>	\$522,082,000	\$408.75	\$247,224,000	\$2,709	\$15,782,000	\$1,081	\$785,088,000	\$389.00
<b>2025</b>	\$532,524,000	\$416.75	\$252,168,000	\$2,763	\$16,098,000	\$1,103	\$800,790,000	\$396.75
<b>2026</b>	\$543,174,000	\$425.25	\$257,211,000	\$2,819	\$16,420,000	\$1,125	\$816,805,000	\$404.75

SOURCE: KLASROBINSON Q.E.D.

The table on the following page presents a comparison of the projected average daily win per gaming machine and banked table game for the third year of operation of the proposed Resorts World Hudson Valley Casino Resort with actual performance figures for existing casino resorts and racinos in the region, including Atlantic City, eastern Pennsylvania, New York City, Sullivan County and Connecticut. Valley Forge was excluded from the comparison due to its size. Monticello was included due to its proximity. Borgata is shown separately from the other Atlantic City Casinos to highlight the ability of a newer, higher quality, well marketed casino resort in a superior location to outperform large, established, but older properties without the same advantageous locations. As the table demonstrates, the projected performance of Resorts World Hudson Valley Casino Resort is consistent with the performance patterns of the region, adjusted for the increased competitive supply on the one hand, and the advantages of a newer, higher quality, aggressively marketed property with a superior location on the other.

## COMPARISON: SUBJECT YEAR 3 VERSUS 2013 ACTUAL

	<u>MSA Population</u>	<u>Machines</u>	<u>Win/Machine-Day</u>	Banked <u>Tables</u>	<u>Win/Table-Day</u>	<u>Hotel Rooms</u>
Sands Bethlehem	6,034,678	3,018	\$385.41	133	\$3,173	300
Parx Philadelphia	6,034,678	3,377	\$400.43	101	\$2,459	-
Harrah's Philadelphia	6,034,678	2,793	\$308.56	83	\$2,266	-
Sugar House	6,034,678	1,605	\$374.80	56	\$4,168	-
Mohegan PA	562,037	2,332	\$349.96	66	\$1,614	238
Mount Airy	167,148	2,030	\$243.95	61	\$1,662	188
Foxwoods	274,150	6,020	\$244.00	349	\$2,037	2,577
Mohegan CT	274,150	5,553	\$305.00	285	\$2,886	1,176
Borgata	275,862	3,700	\$309.82	259	\$2,100	2,000
Other A.C.	275,862	23,995	\$187.87	1,398	\$1,090	16,147
Monticello Casino	76,665	1,110	\$151.35	NA	NA	-
Empire City Yonkers	19,949,502	5,375	\$278.93	NA	NA	-
Resorts World NYC	19,949,502	5,005	\$433.86	NA	NA	-
<b>Subject</b>	<b>19,949,502</b>	<b>3,500</b>	<b>\$370.25</b>	<b>250</b>	<b>\$2,454</b>	<b>600</b>

SOURCES: STATE GAMING BOARD REPORTS, U.S. CENSUS BUREAU AND KLASROBINSON Q.E.D.

# **SUPPLEMENTAL ANALYSES**

## **GENERAL**

This section presents a discussion of certain supplemental analyses requested to meet the requirements of submissions to the State of New York. The analyses that follow are based upon and subject to the same assumptions as the revenue projections presented in the previous section and the discussion of market conditions in this report.

## **REVENUE BY SOURCE**

The State of New York has requested more detailed segmentation of projected gaming revenue by various categories of origin. These requests include detail on tourism demand by point of origin, tourism revenue by type of gaming device, estimated cannibalization from existing New York casinos and estimated recapture of gaming revenue currently spent by New York residents outside of the state. The State has also requested that high, average and low case versions be presented for each set of analyses.

Projections of gaming revenue derived from residents within a four-hour drive-time of the subject site for the third year of operation have already been presented. Differences in gaming revenue from within this area by year both before and after the third year are assumed to be attributable to changes in total visitation rather than in average win per visit since inflation is excluded. Differences in visitation before and after the third year are assumed to be uniform on a proportional basis by distance. Thus visitation from all drive-time areas is projected to be 93 percent lower in the first year of operation than in the third, to increase by 4.5 percent in year two, and to increase by two annually in years four through ten. Projections of gaming revenue by drive-time zone presented in the required Exhibit VIII.A.3 template reflect these assumptions. Maps included at the end of this section show the geographic boundaries of each drive-time area used in the segmented analysis.

Projections of total revenue by gaming device or table for all ten years under analysis have also already been presented. The projections reflect the assumption that 66.5 percent of gaming win at the property will come from gaming machines, 31.5 percent will come from table games and 2.0 percent will come from poker tables. These percentages reflect the large number of tables games planned for the project, the lack of table games at racinos that are the closest existing competitors to the project and the strength of table game performance at casinos in New Jersey and Pennsylvania. They also reflect the anticipated market positioning of the proposed project by RW Orange County LLC, based upon conversations with the project team.



Total projected gaming revenue from tourists residing outside of a four-hour drive-time from the site was already described. To conform to the data requested by the state, we have further segmented the projected tourism gaming revenue by both point of origin and type of device/game played. In terms of the type of device/game played, the tourist demand is assumed to be distributed between gaming machines, table games and poker tables in the same percentages as other demand.

In terms of point of origin, tourist demand was further segmented into demand attracted directly to the facility from beyond the four-hour drive-time and tourist demand captured from the ambient tourism activity of New York City. Additional demand attracted directly to the complex from beyond four hours was estimated to equate to an additional 1.2 percent of the total visitation from within four hours. This estimate is based upon our experience in working with players' club data from other major gaming destinations. In our experience, we generally anticipate direct capture from outside of the regional market for major casino resorts with adequate lodging of an additional 1.0 to 3.0 percent.

An estimated capture rate of 0.27 percent was used to penetrate the ambient tourism demand in New York City. This capture rate was applied to the estimated 52,000,000 million visitors to New York City in 2013 that was previously referenced. The capture rate is lower than we would normally consider for a project of this size and proximity to such a large metropolitan area with such strong tourism. However, the lower rate is considered appropriate given the amount of New York City tourists that reside within a four-hour drive of the site, the amount of visitation related to non-leisure activities, and the variety of other recreational activities available in the city, including the availability of VLT's at racinos.

Estimates of direct tourism demand and ambient tourism demand were then further segmented by point of origin as required. Direct tourism demand is expected to be captured primarily from portions of Pennsylvania and New York State beyond a four-hour drive from the site. Those two states are estimated to account for 42 percent of the direct tourism demand each. Smaller but measurable amounts of direct tourism demand are also expected to be captured from Ontario and Quebec, the two closest Canadian provinces, each of which has major population centers with significant income levels and established patterns of visiting the U.S. for vacations. Ontario is projected to account for six percent of the direct tourist demand while Quebec is projected to account for 3.5 percent. No other state or province is projected to account for sufficient direct tourist demand to warrant separate listing. All other U.S. states combined are projected to account for the remaining 6.5 percent of the direct tourist demand.

Estimates of ambient tourist demand captured from New York City were further segmented by point of origin as well. The proportions of ambient tourism demand derived from New York and Pennsylvania residents are expected to be much smaller, as those people would be capable of visiting the facility directly if they had an interest. New York is projected to account for five percent of the ambient tourism demand with Pennsylvania accounting for four percent. Ambient tourism from Ontario and Quebec, primarily fly-in visitors, are projected to account for 10 percent and eight percent of such demand attracted to Resorts World Hudson Valley respectively. Other international tourists, are projected to account for 15 percent of ambient tourism demand.

Two additional U.S. states generate sufficient air travel to New York City to yield measurable segments of the ambient tourism demand, Florida and California. Two of the top five true origin/destination city pairs in the U.S are Los Angeles and San Francisco with New York City. A total of 2.8 million passengers travel those routes each year. Similarly three of the top eight true origin and destination city pairs for air travel are Ft. Lauderdale, Orlando and Miami with New York City, accounting for a combined total of nearly 3.8 million travelers annually. Florida, in particular, is supplemented by snowbirds that have transferred their residency to that state for tax reasons but return to New York in the summer. Because of their official residency, these individuals are not included in the population figures by drive-time area. Based upon the air travel patterns for these two states, we project that Florida will account for 13 percent of ambient tourist demand captured by the proposed facility and California will account for 10 percent of the total. The remaining 35 percent of ambient tourist demand is projected to derive from other U.S. states, none of which will contribute a large enough amount individually to warrant separate listing. The sum of direct and ambient tourist demand by point of origin is presented for the relevant states and provinces in the required template for Exhibit VIII.A.3.

The final segmentation of projected gaming win requested pertains to the amount of win that will be cannibalized from existing New York gaming facilities, the amount that will be recaptured from out of state gaming facilities and the respective amounts of new gaming win captured by the subject facility from within New York State and from outside of its borders. Because of the relatively underserved nature of the New York City gaming market, particularly in regard to table games, New Yorkers frequently travel outside of the state to gamble. New York residents have been estimated to account for approximately 11.8 percent of the gaming revenue at Connecticut Indian casinos according to the University of Massachusetts at Dartmouth. A legislative report for the State of Pennsylvania estimated New Yorkers contribute 9.6 percent of the gaming revenue to that state. The New York/Las Vegas city pair is the ninth busiest direct air route in the U.S. with an average of nearly 772,000 passengers annually. Visitation estimates from New York to the State of New Jersey range from 17.6 percent by D.K. Shifflet and Associates to 25.5 percent by Tourism Economics. Surveys completed by the Levenson Institute of Gaming, Hospitality & Tourism in New Jersey show visitation to Atlantic City from the New York DMA of 41.2 percent. However, this area includes the northern half of the State of New Jersey and only the greater New York metropolitan area, not the entire state of New York.

This pattern indicates both a significant potential for recapture of lost gaming revenue and a significant potential for the generation of new gaming revenue with much more easily accessible, more complete and more attractive gaming facilities for New York City residents. Even with this potential however, the proposed Resorts World Hudson Valley Casino Resort will undoubtedly take a portion of its revenue from existing New York Casinos. That cannibalization will be reduced in some part, however, by the common ownership of Resorts World Hudson Valley and the Resorts World racino in Jamaica. This will enable joint marketing and planned segmentation to maximize the combined gaming win of the two properties together rather than a simple transference from one to the other.

Based upon our experience in analyzing sources of gaming revenue and market growth versus cannibalization due to new entrants and our analysis of the subject market we project the following percentages of cannibalization, recapture and new revenue for the subject casino resort for each of the years under analysis:

<b>RECAPTURED REVENUE</b>	<b>13.0%</b>
<b>CANNIBALIZED REVENUE</b>	<b>18.5%</b>
<b>NEW REVENUE FROM NEW YORK</b>	<b>41.5%</b>
<b>NEW REVENUE FROM OUTSIDE NEW YORK</b>	<b><u>27.0%</u></b>
	<b><u>100.0%</u></b>

Source: KlasRobinson Q.E.D.

We have further segmented our projections of recaptured gaming revenue by the location to which the revenue is currently leaking. Segmentation is based upon the relative proportions of leakage to each state derived from the visitation/gaming origin percentages presented previously, adjusted to reflect differences in travel time between the subject site and its existing competitors in each state. Total gaming revenue recaptured in the third year of operation for the proposed casino resort by location and the associated percentages that would apply uniformly for all years are presented in the following table:

<b>RECAPTURED GAMING WIN BY STATE - YEAR 3</b>			
		<u>AMOUNT</u>	<u>PERCENT</u>
NEW JERSEY	\$	46,999,000	50.8%
PENNSYLVANIA	\$	23,907,000	25.9%
CONNECTICUT	\$	10,826,000	11.7%
OTHER	\$	10,708,000	11.6%
<b>TOTAL RECAPTURED</b>	<b>\$</b>	<b>92,440,000</b>	<b>100.0%</b>

SOURCE: KLASROBINSON Q.E.D.

The figures presented in this report reflect the average case scenario for the proposed project. We have also prepared low case and high case projections as required. They are presented in the Exhibit VIII.A.3 template. The low case projections reflect a 15 percent reduction in total gaming revenue derived from an assumed 11 percent decrease in local visitation, 15 percent decrease in tourist visitation and \$4.75 reduction in average win per visit. The high case projections reflect a 15 percent increase in total gaming revenue derived from an assumed nine percent increase in local visitation, 15 percent increase in tourist visitation and \$5.00 increase in win per visit. All other proportions and assumptions remain the same for both scenarios. The tables on the following page compare the projected average gaming win by device and total visitation for the first ten years of operation of Resorts World Hudson Valley Casino Resort for the High, Average and Low case scenarios. The table on page 71 compares projected gaming revenue from in-state versus out-of-state residents for each scenario.

## **NON-GAMING REVENUE**

Projections of revenue at Resorts World Casino Resort from non-gaming operating departments have been prepared by a separate firm, Strategic Market Advisors. The assumptions and estimates underlying their projections are described in a separate report prepared by them. A copy of their report is appended to this report. Projections of revenue from non-operated departments, such as ATM fees, commissions and other miscellaneous sources have been prepared by RW Orange County LLC. We have assumed the same proportional breakdown between New York and non-New York residents for non-gaming revenue as for our gaming revenue projections. We have also assumed the same two percent growth rate for non-gaming revenue in years six through ten as for our gaming revenue projections. Subject to these assumptions and the assumptions and estimates of the Strategic Market Advisors Report, the tables on page 72 compare non-gaming revenue from in-state versus out-of-state residents for the low, average and high cases.

## **DRIVE-TIME BOUNDARY MAPS**

After the series of comparative analysis tables, this section concludes with maps showing the individual drive-time boundaries for the Resorts World Hudson Valley site used in our analysis in 15-minute increments to allow the reader to determine the precise locations and areas included in each boundary.

**RESORTS WORLD HUDSON VALLEY CASINO RESORT: PROJECTED GAMING WIN (HIGH CASE)**

	MACHINES: 3,500		TABLES: 250		TABLES: 40		POSITIONS: 5,530		TOTAL VISITS
	MACHINE WIN	WIN/MACHINE-DAY	TABLE WIN	WIN/TABLE-DAY	POKER WIN	WIN/TABLE-DAY	TOTAL WIN	WIN-POSITION-DAY	
2017	\$505,730,900	\$396.00	\$239,480,600	\$2,624	\$15,285,800	\$1,047	\$760,497,300	\$376.75	6,839,200
2018	\$528,488,250	\$413.75	\$250,257,250	\$2,743	\$15,973,500	\$1,094	\$794,719,000	\$393.75	7,147,000
2019	\$543,797,050	\$425.75	\$257,506,850	\$2,822	\$16,438,100	\$1,126	\$817,742,000	\$405.25	7,353,950
2020	\$554,672,600	\$434.25	\$262,656,550	\$2,878	\$16,767,000	\$1,148	\$834,096,150	\$413.25	7,501,000
2021	\$565,765,500	\$442.75	\$267,909,750	\$2,936	\$17,102,800	\$1,171	\$850,778,050	\$421.50	7,651,000
2022	\$577,081,000	\$451.75	\$273,268,000	\$2,995	\$17,445,000	\$1,195	\$867,794,000	\$430.00	7,804,000
2023	\$588,623,000	\$460.75	\$278,733,000	\$3,055	\$17,794,000	\$1,219	\$885,150,000	\$438.50	7,960,100
2024	\$600,395,000	\$470.00	\$284,308,000	\$3,116	\$18,150,000	\$1,243	\$902,853,000	\$447.25	8,119,300
2025	\$612,403,000	\$479.50	\$289,994,000	\$3,178	\$18,513,000	\$1,268	\$920,910,000	\$456.25	8,281,700
2026	\$624,651,000	\$489.00	\$295,794,000	\$3,242	\$18,883,000	\$1,293	\$939,328,000	\$465.25	8,447,300

SOURCE: KLASROBINSON Q.E.D.

**RESORTS WORLD HUDSON VALLEY CASINO RESORT: PROJECTED GAMING WIN (AVERAGE CASE)**

	MACHINES: 3,500		TABLES: 250		TABLES: 40		POSITIONS: 5,530		TOTAL VISITS
	MACHINE WIN	WIN/MACHINE-DAY	TABLE WIN	WIN/TABLE-DAY	POKER WIN	WIN/TABLE-DAY	TOTAL WIN	WIN-POSITION-DAY	
2017	\$439,766,000	\$344.25	\$208,244,000	\$2,282	\$13,292,000	\$910	\$661,302,000	\$327.75	6,260,000
2018	\$459,555,000	\$359.75	\$217,615,000	\$2,385	\$13,890,000	\$951	\$691,060,000	\$342.25	6,541,700
2019	\$472,867,000	\$370.25	\$223,919,000	\$2,454	\$14,294,000	\$979	\$711,080,000	\$352.25	6,731,200
2020	\$482,324,000	\$377.50	\$228,397,000	\$2,503	\$14,581,000	\$999	\$725,302,000	\$359.25	6,865,800
2021	\$491,970,000	\$385.00	\$232,965,000	\$2,553	\$14,873,000	\$1,019	\$739,808,000	\$366.50	7,003,100
2022	\$501,809,000	\$392.75	\$237,624,000	\$2,604	\$15,170,000	\$1,039	\$754,603,000	\$373.75	7,143,200
2023	\$511,845,000	\$400.75	\$242,376,000	\$2,656	\$15,473,000	\$1,060	\$769,694,000	\$381.25	7,286,100
2024	\$522,082,000	\$408.75	\$247,224,000	\$2,709	\$15,782,000	\$1,081	\$785,088,000	\$389.00	7,431,800
2025	\$532,524,000	\$416.75	\$252,168,000	\$2,763	\$16,098,000	\$1,103	\$800,790,000	\$396.75	7,580,400
2026	\$543,174,000	\$425.25	\$257,211,000	\$2,819	\$16,420,000	\$1,125	\$816,805,000	\$404.75	7,732,000

SOURCE: KLASROBINSON Q.E.D.

**RESORTS WORLD HUDSON VALLEY CASINO RESORT: PROJECTED GAMING WIN (LOW CASE)**

	MACHINES: 3,500		TABLES: 250		TABLES: 40		POSITIONS: 5,530		TOTAL VISITS
	MACHINE WIN	WIN/MACHINE-DAY	TABLE WIN	WIN/TABLE-DAY	POKER WIN	WIN/TABLE-DAY	TOTAL WIN	WIN-POSITION-DAY	
2017	\$373,801,100	\$292.50	\$177,007,400	\$1,940	\$11,298,200	\$774	\$562,106,700	\$278.50	5,587,100
2018	\$390,621,750	\$305.75	\$184,972,750	\$2,027	\$11,806,500	\$809	\$587,401,000	\$291.00	5,838,500
2019	\$401,936,950	\$314.75	\$190,331,150	\$2,086	\$12,149,900	\$832	\$604,418,000	\$299.50	6,007,680
2020	\$409,975,400	\$321.00	\$194,137,450	\$2,128	\$12,393,000	\$849	\$616,505,850	\$305.50	6,127,800
2021	\$418,174,500	\$327.25	\$198,020,250	\$2,170	\$12,641,200	\$866	\$628,835,950	\$311.50	6,250,400
2022	\$426,538,000	\$334.00	\$201,981,000	\$2,213	\$12,894,000	\$883	\$641,413,000	\$317.75	6,375,400
2023	\$435,069,000	\$340.50	\$206,021,000	\$2,258	\$13,152,000	\$901	\$654,242,000	\$324.25	6,502,900
2024	\$443,770,000	\$347.25	\$210,141,000	\$2,303	\$13,415,000	\$919	\$667,326,000	\$330.50	6,633,000
2025	\$452,645,000	\$354.25	\$214,344,000	\$2,349	\$13,683,000	\$937	\$680,672,000	\$337.25	6,765,700
2026	\$461,698,000	\$361.50	\$218,631,000	\$2,396	\$13,957,000	\$956	\$694,286,000	\$344.00	6,901,000

SOURCE: KLASROBINSON Q.E.D.

**PROJECTED GAMING REVENUE BY ORIGIN**

<b>YEAR</b>	<b>NEW YORK RESIDENTS</b>			<b>OUT OF STATE RESIDENTS</b>			<b>TOTAL</b>		
	<b>LOW CASE</b>	<b>AVERAGE CASE</b>	<b>HIGH CASE</b>	<b>LOW CASE</b>	<b>AVERAGE CASE</b>	<b>HIGH CASE</b>	<b>LOW CASE</b>	<b>AVERAGE CASE</b>	<b>HIGH CASE</b>
2017	\$410,337,700	\$482,749,000	\$555,162,300	\$151,769,000	\$178,553,000	\$205,335,000	\$562,106,700	\$661,302,000	\$760,497,300
2018	\$428,802,000	\$504,472,000	\$580,144,000	\$158,599,000	\$186,588,000	\$214,575,000	\$587,401,000	\$691,060,000	\$794,719,000
2019	\$441,225,000	\$519,088,000	\$596,952,000	\$163,193,000	\$191,992,000	\$220,790,000	\$604,418,000	\$711,080,000	\$817,742,000
2020	\$450,048,850	\$529,469,000	\$608,890,150	\$166,457,000	\$195,832,000	\$225,206,000	\$616,505,850	\$725,301,000	\$834,096,150
2021	\$459,049,950	\$540,058,000	\$621,068,050	\$169,786,000	\$199,749,000	\$229,710,000	\$628,835,950	\$739,807,000	\$850,778,050
2022	\$468,230,900	\$550,859,200	\$633,489,400	\$173,181,800	\$203,743,900	\$234,304,200	\$641,412,700	\$754,603,100	\$867,793,600
2023	\$477,595,500	\$561,876,400	\$646,159,200	\$176,645,500	\$207,818,800	\$238,990,300	\$654,241,000	\$769,695,200	\$885,149,500
2024	\$487,147,400	\$573,113,900	\$659,082,400	\$180,178,400	\$211,975,200	\$243,770,100	\$667,325,800	\$785,089,100	\$902,852,500
2025	\$496,890,300	\$584,576,200	\$672,264,000	\$183,782,000	\$216,214,700	\$248,645,600	\$680,672,300	\$800,790,900	\$920,909,600
2026	\$506,828,100	\$596,267,700	\$685,709,300	\$187,457,600	\$220,539,000	\$253,618,500	\$694,285,700	\$816,806,700	\$939,327,800

SOURCE: KLASROBINSON Q.E.D.

**PROJECTED NON-GAMING DEPARTMENTAL REVENUE BY ORIGIN**

YEAR	NEW YORK RESIDENTS			OUT OF STATE RESIDENTS			TOTAL		
	LOW CASE	AVERAGE CASE	HIGH CASE	LOW CASE	AVERAGE CASE	HIGH CASE	LOW CASE	AVERAGE CASE	HIGH CASE
2017	\$93,687,325	\$104,096,634	\$114,506,669	\$34,651,380	\$38,501,926	\$42,351,747	\$128,338,704	\$142,598,560	\$156,858,416
2018	\$100,127,550	\$111,252,405	\$122,378,061	\$37,033,439	\$41,148,694	\$45,263,147	\$137,160,989	\$152,401,099	\$167,641,208
2019	\$104,829,291	\$116,476,937	\$128,124,803	\$38,772,523	\$43,080,634	\$47,388,526	\$143,601,814	\$159,557,571	\$175,513,329
2020	\$108,309,549	\$120,343,908	\$132,378,489	\$40,059,697	\$44,510,811	\$48,961,701	\$148,369,246	\$164,854,718	\$181,340,190
2021	\$111,880,882	\$124,312,076	\$136,743,436	\$41,380,588	\$45,978,446	\$50,576,138	\$153,261,470	\$170,290,522	\$187,319,574
2022	\$114,118,499	\$126,798,318	\$139,478,305	\$42,208,200	\$46,898,015	\$51,587,661	\$156,326,699	\$173,696,332	\$191,065,966
2023	\$116,400,869	\$129,334,284	\$142,267,871	\$43,052,364	\$47,835,975	\$52,619,414	\$159,453,233	\$177,170,259	\$194,887,285
2024	\$118,728,887	\$131,920,970	\$145,113,228	\$43,913,411	\$48,792,694	\$53,671,802	\$162,642,298	\$180,713,664	\$198,785,031
2025	\$121,103,465	\$134,559,389	\$148,015,493	\$44,791,679	\$49,768,548	\$54,745,238	\$165,895,144	\$184,327,937	\$202,760,731
2026	\$123,525,534	\$137,250,577	\$150,975,803	\$45,687,513	\$50,763,919	\$55,840,143	\$169,213,047	\$188,014,496	\$206,815,946

SOURCE: STRATEGIC MARKET ADVISORS REPORT

**PROJECTED NON-GAMING OTHER REVENUE (ATM FEES, COMMISSIONS, MISC.) BY ORIGIN**

YEAR	NEW YORK RESIDENTS			OUT OF STATE RESIDENTS			TOTAL		
	LOW CASE	AVERAGE CASE	HIGH CASE	LOW CASE	AVERAGE CASE	HIGH CASE	LOW CASE	AVERAGE CASE	HIGH CASE
2017	\$7,696,742	\$9,054,956	\$10,413,234	\$2,846,732	\$3,349,131	\$3,851,467	\$10,543,474	\$12,404,087	\$14,264,700
2018	\$8,043,085	\$9,462,416	\$10,881,815	\$2,974,836	\$3,499,844	\$4,024,784	\$11,017,921	\$12,962,260	\$14,906,599
2019	\$8,276,086	\$9,736,568	\$11,197,068	\$3,061,022	\$3,601,207	\$4,141,373	\$11,337,108	\$13,337,774	\$15,338,440
2020	\$8,358,863	\$9,833,954	\$11,309,063	\$3,091,634	\$3,637,220	\$4,182,787	\$11,450,498	\$13,471,174	\$15,491,850
2021	\$8,442,454	\$9,932,297	\$11,422,154	\$3,122,550	\$3,673,590	\$4,224,616	\$11,565,004	\$13,605,887	\$15,646,770
2022	\$8,611,303	\$10,130,943	\$11,650,597	\$3,185,001	\$3,747,062	\$4,309,108	\$11,796,304	\$13,878,005	\$15,959,705
2023	\$8,783,529	\$10,333,562	\$11,883,609	\$3,248,701	\$3,822,003	\$4,395,290	\$12,032,230	\$14,155,565	\$16,278,900
2024	\$8,959,199	\$10,540,233	\$12,121,282	\$3,313,675	\$3,898,443	\$4,483,196	\$12,272,875	\$14,438,676	\$16,604,478
2025	\$9,138,383	\$10,751,038	\$12,363,707	\$3,379,949	\$3,976,412	\$4,572,860	\$12,518,332	\$14,727,450	\$16,936,567
2026	\$9,321,151	\$10,966,059	\$12,610,981	\$3,447,548	\$4,055,940	\$4,664,317	\$12,768,699	\$15,021,999	\$17,275,298

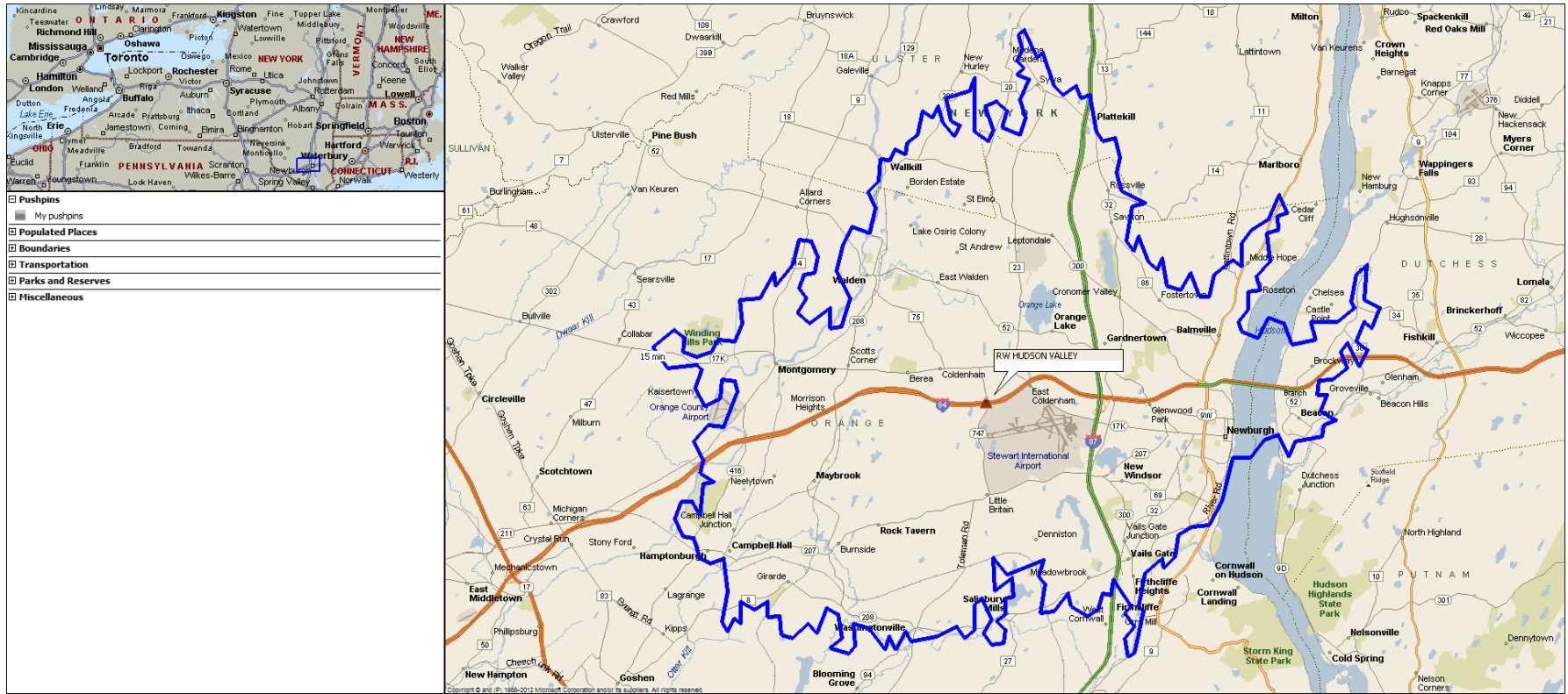
SOURCE: RW ORANGE COUNTY LLC

**COMBINED NON-GAMING REVENUE BY ORIGIN**

YEAR	NEW YORK RESIDENTS			OUT OF STATE RESIDENTS			TOTAL		
	LOW CASE	AVERAGE CASE	HIGH CASE	LOW CASE	AVERAGE CASE	HIGH CASE	LOW CASE	AVERAGE CASE	HIGH CASE
2017	\$101,384,067	\$113,151,591	\$124,919,903	\$37,498,112	\$41,851,057	\$46,203,214	\$138,882,179	\$155,002,648	\$171,123,117
2018	\$108,170,635	\$120,714,821	\$133,259,876	\$40,008,275	\$44,648,538	\$49,287,931	\$148,178,910	\$165,363,359	\$182,547,808
2019	\$113,105,377	\$126,213,505	\$139,321,871	\$41,833,545	\$46,681,841	\$51,529,898	\$154,938,922	\$172,895,346	\$190,851,769
2020	\$116,668,412	\$130,177,861	\$143,687,552	\$43,151,332	\$48,148,031	\$53,144,488	\$159,819,744	\$178,325,892	\$196,832,040
2021	\$120,323,335	\$134,244,373	\$148,165,590	\$44,503,138	\$49,652,035	\$54,800,754	\$164,826,474	\$183,896,409	\$202,966,344
2022	\$122,729,802	\$136,929,261	\$151,128,902	\$45,393,201	\$50,645,076	\$55,896,769	\$168,123,003	\$187,574,337	\$207,025,671
2023	\$125,184,398	\$139,667,846	\$154,151,480	\$46,301,065	\$51,657,978	\$57,014,704	\$171,485,463	\$191,325,824	\$211,166,184
2024	\$127,688,086	\$142,461,203	\$157,234,510	\$47,227,086	\$52,691,137	\$58,154,998	\$174,915,172	\$195,152,340	\$215,389,508
2025	\$130,241,848	\$145,310,427	\$160,379,200	\$48,171,628	\$53,744,960	\$59,318,098	\$178,413,476	\$199,055,387	\$219,697,298
2026	\$132,846,685	\$148,216,636	\$163,586,784	\$49,135,061	\$54,819,859	\$60,504,460	\$181,981,745	\$203,036,495	\$224,091,244

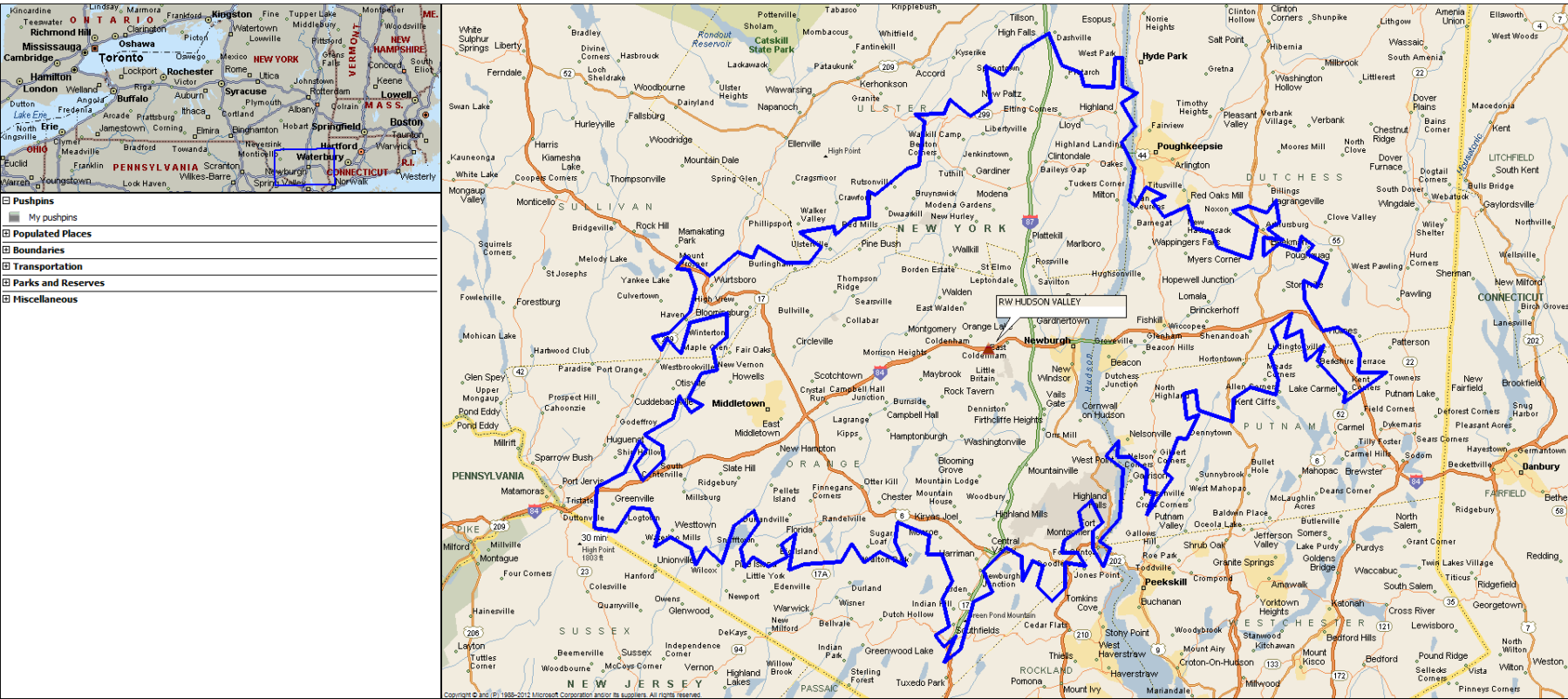
SOURCES: STRATEGIC MARKET ADVISORS REPORT AND RW ORANGE COUNTY LLC

# RESORTS WORLD HUDSON VALLEY: 15-MINUTE DRIVE-TIME BOUNDARY

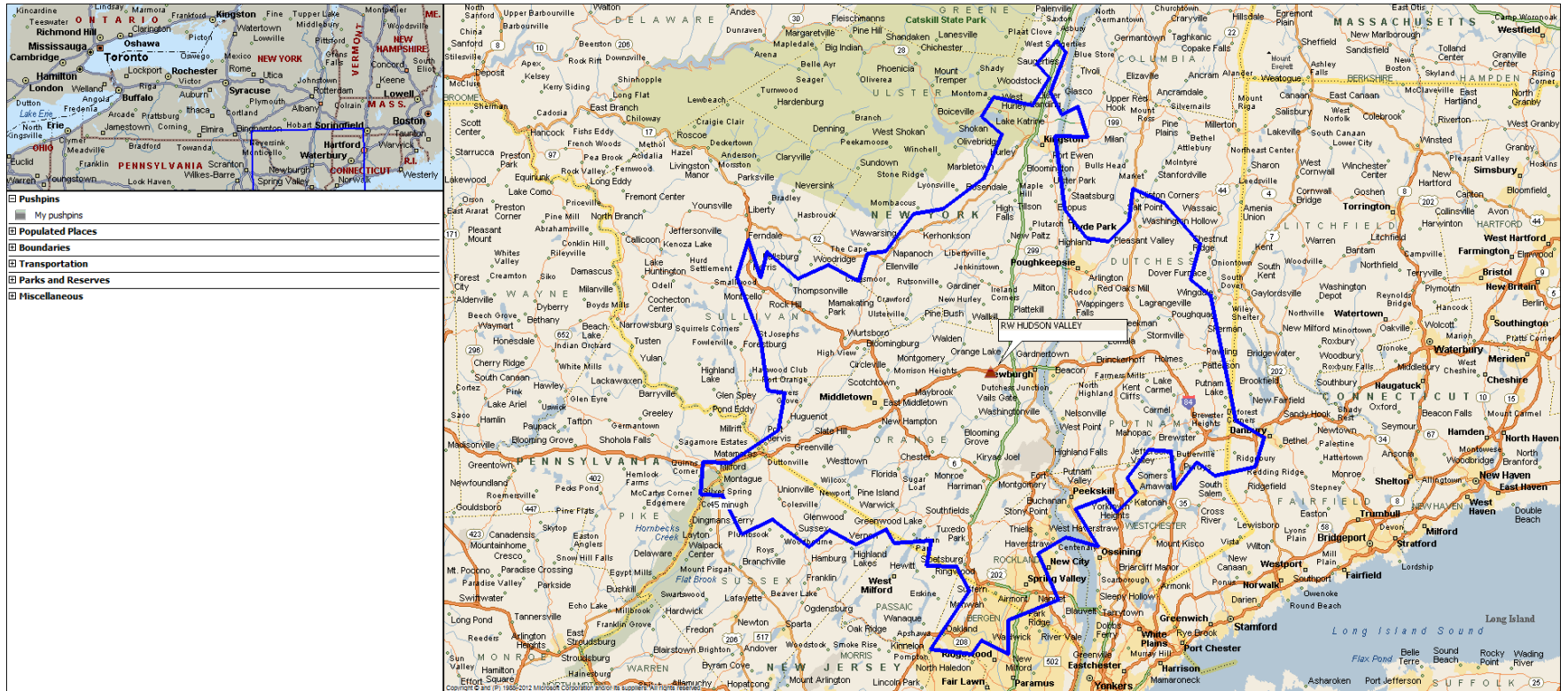




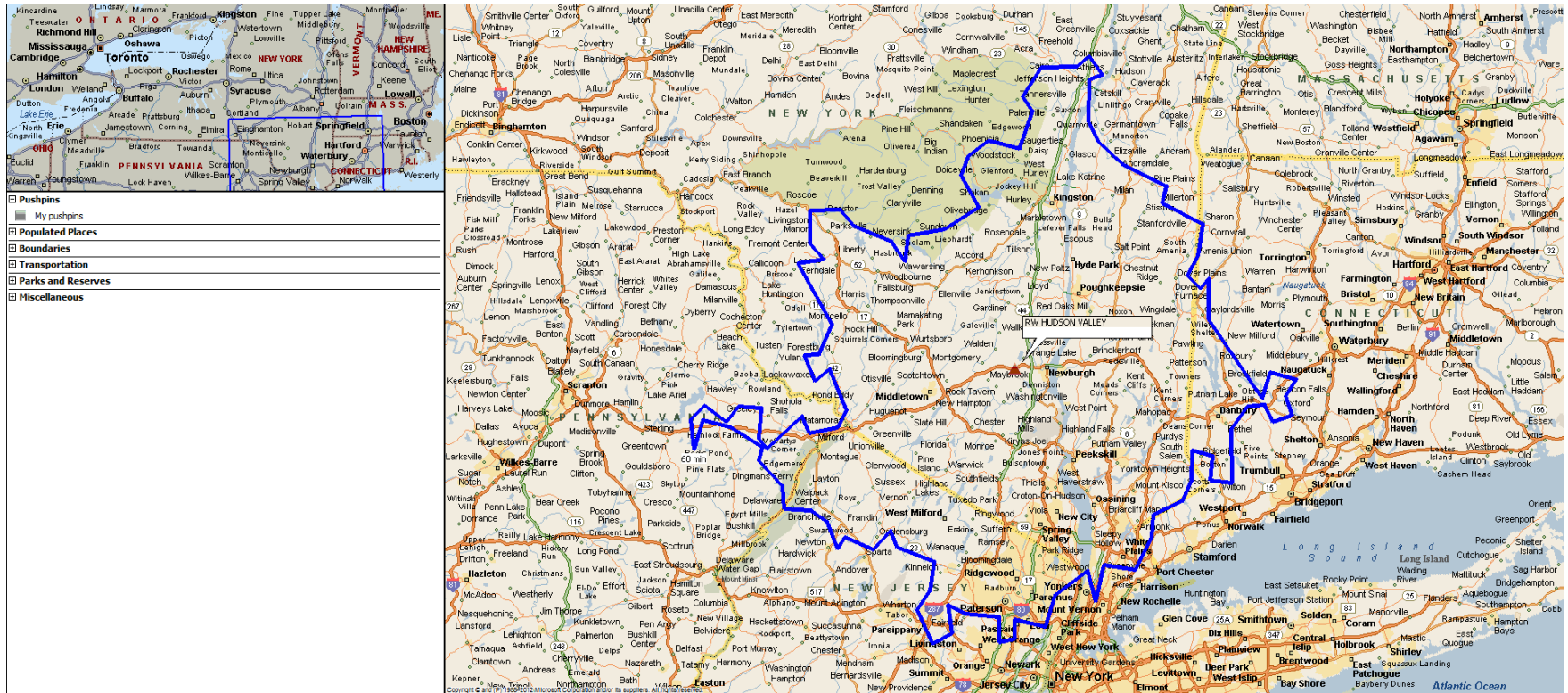
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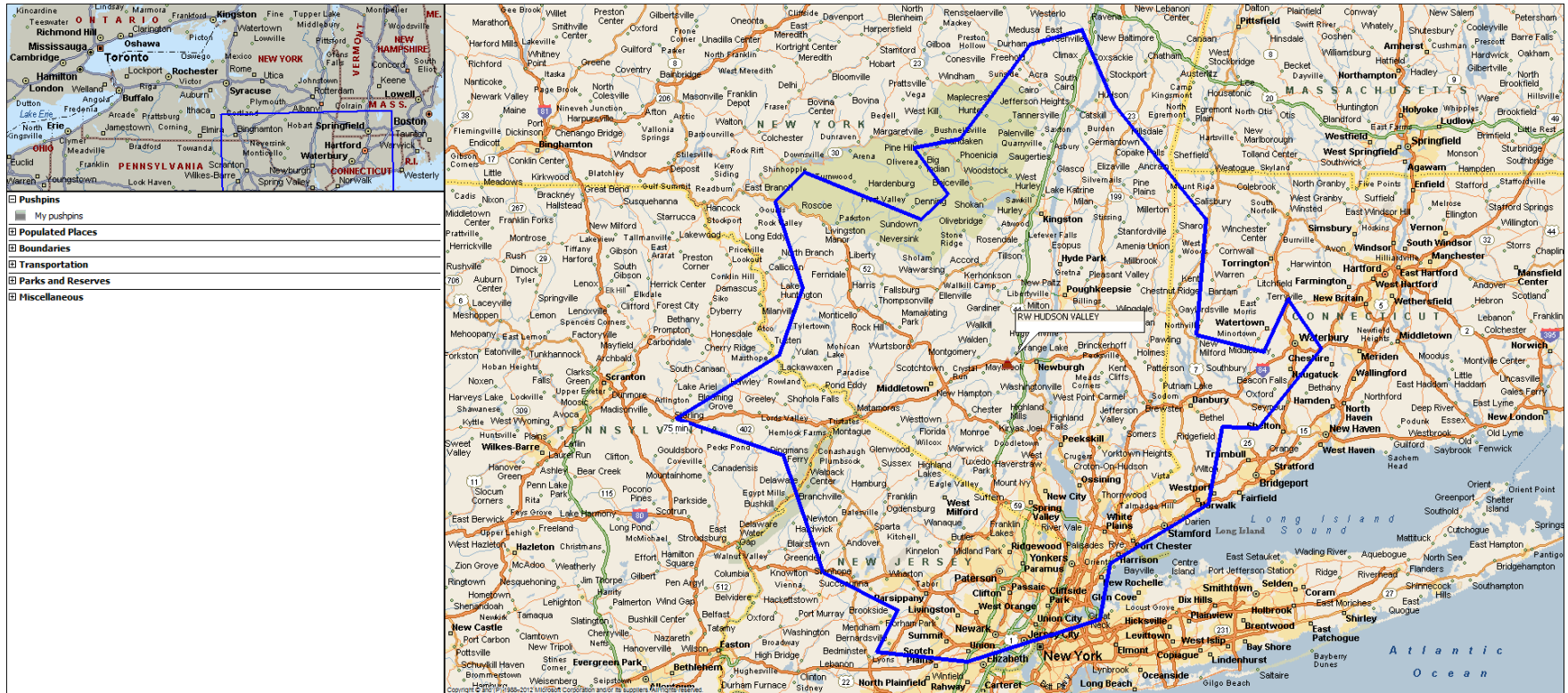
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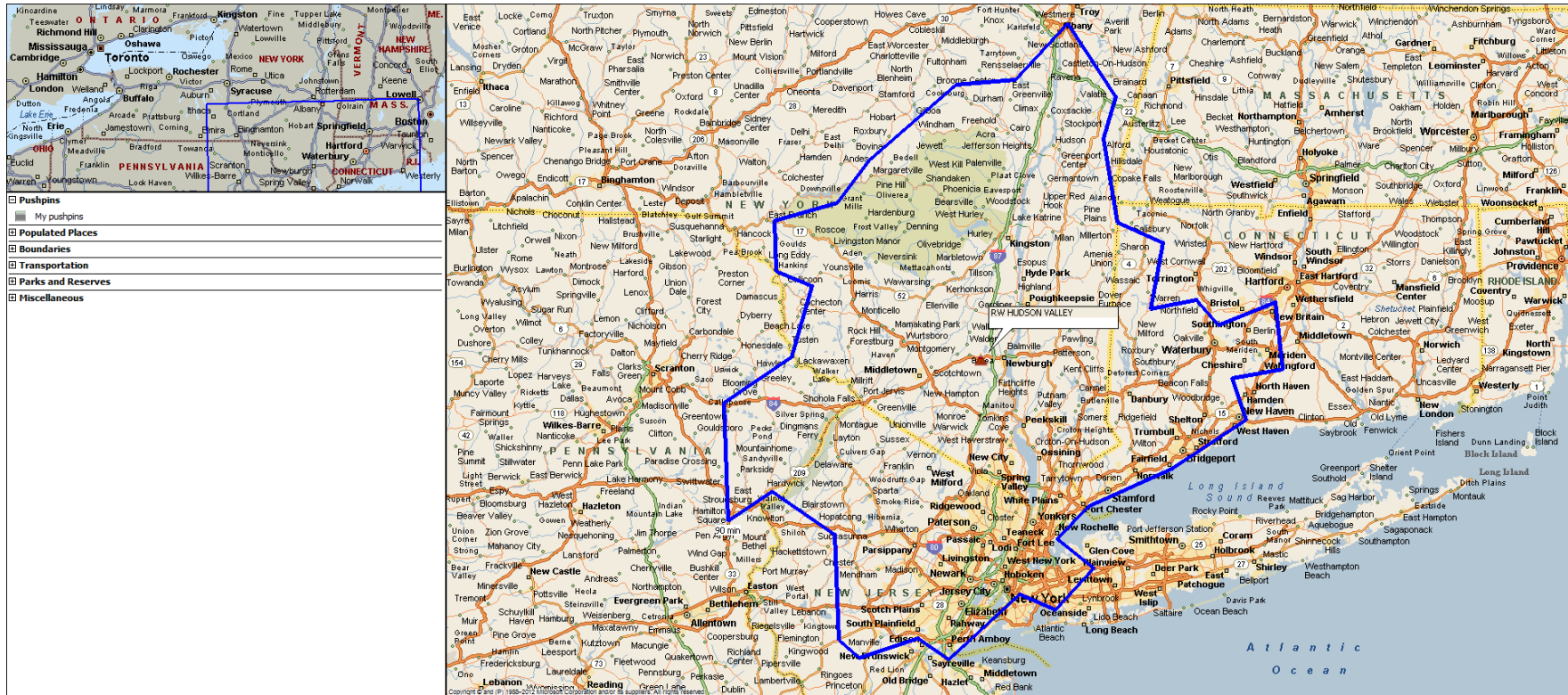
# RESORTS WORLD HUDSON VALLEY: 60-MINUTE DRIVE-TIME BOUNDARY



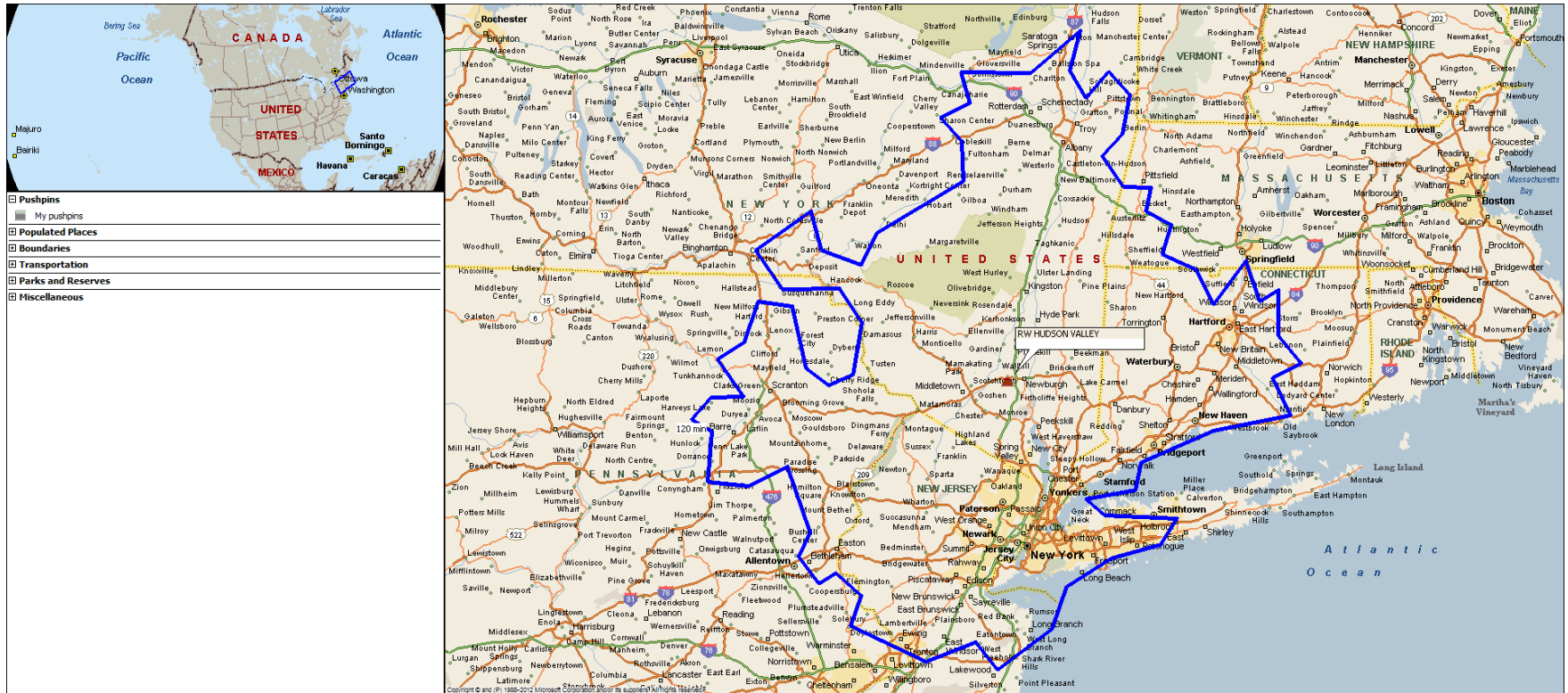
# RESORTS WORLD HUDSON VALLEY: 75-MINUTE DRIVE-TIME BOUNDARY



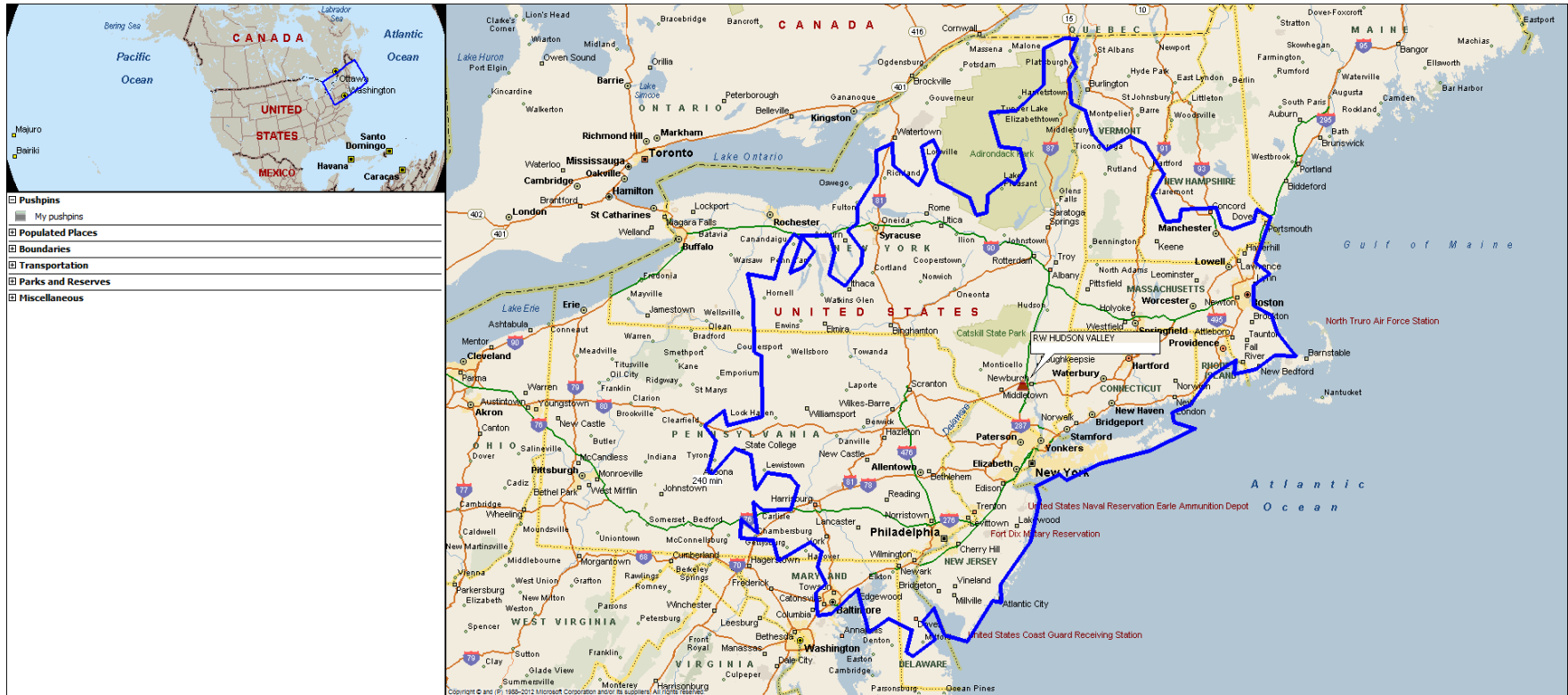
# RESORTS WORLD HUDSON VALLEY: 90-MINUTE DRIVE-TIME BOUNDARY



# RESORTS WORLD HUDSON VALLEY: 120-MINUTE DRIVE-TIME BOUNDARY



# RESORTS WORLD HUDSON VALLEY: 240-MINUTE DRIVE-TIME BOUNDARY



# ADDENDUM:

PROFILE OF





# OUR COMPANY

KlasRobinson Q.E.D. provides market research, financial feasibility analysis, economic impact analysis, litigation support and other development consulting to such diverse types of industries and businesses as:

- **Casinos, Bingo Halls and Racetracks**
- **Hotels and Resorts**
- **Convention Centers and Exhibit Halls**
- **RV Parks and Campgrounds**
- **Restaurants and Nightclubs**
- **Tribal and Community Development Planning**
- **Gas Stations, Truck Stops and Convenience Stores**
- **Amusements and Attractions**
- **Golf Courses**
- **Bowling Alleys**
- **Theaters and Other Entertainment Facilities**
- **Water Parks**

KlasRobinson Q.E.D. emphasizes hands-on, client-oriented consulting, based on our founding principles of integrity, accuracy and respect. Our comprehensive approach ensures accountability through the direct, absolute and exclusive involvement of the principals in each project, including meetings, market research, analysis, report writing and presentation. KlasRobinson Q.E.D. has a unique specialty in Indian gaming and economic development on tribal lands. The principals of KlasRobinson Q.E.D. have worked with over 200 tribes throughout the United States and Canada.

We perform comprehensive market research as a foundation for all of our feasibility studies, focusing on key demographic characteristics, tourism patterns, transportation infrastructure and other elements affecting the ability of a project to attract demand. We work in concert with the project team to develop facility recommendations that match the identified needs of the market and the goals of the project developers.

Due to our extensive experience with a broad array of leisure industry projects, we need not rely solely on published information in projecting future financial performance. Our projections are based upon years of experience working with leisure industry projects of all types and sizes that has given us access to operating and market data not available to the general public. Our analyses of direct, indirect and induced economic impact provide not merely facts and figures, but the context necessary to make them real and understandable to the reader.

Feasibility studies, business plans and other expert counseling provided by the principals of KlasRobinson Q.E.D. have been used to successfully attract over \$10.0 billion in financing and investment from bank financing, capital leases, private placements, registered securities and IPO's. The following pages provide biographical information on James Klas and Matthew Robinson, the founders and principals of KlasRobinson Q.E.D., along with a listing of engagements they have completed.



## **JAMES M. KLAS** **FOUNDER & PRINCIPAL**



Co-founder and Principal of KlasRobinson Q.E.D., Jim Klas has thirty years of operational and consulting experience in the hospitality industry. Mr. Klas has provided development consulting to numerous hotel, resort, casino and convention center projects -throughout the United States, as well as the provinces of Ontario, Quebec and British Columbia in Canada. Mr. Klas has specific expertise working in Indian Country. He is currently serving a two-year term on the executive board of the National Indian Gaming Association as an associate member representative.

Mr. Klas is a nationally recognized expert in economic impact analysis for the hospitality industry. He has authored studies commissioned by the Minnesota Indian Gaming Association and by Sodak Gaming Supplies, Inc., of the economic benefits of Indian gaming in Minnesota, as well as studies of the economic benefits of Indian gaming in the states of Oregon and Kansas for the gaming tribes in those states. He has also performed economic and social impact studies for the Minnesota Restaurant Association, the Minneapolis Convention Center, the University of St. Thomas and for individual casinos and hotel projects in both the United States and Canada.

Mr. Klas has made numerous presentations at annual conventions in the hospitality industry, including the National Indian Gaming Association, the NYU International Hospitality Industry Investment Conference, Global Gaming Expo, IGBE and the World Gaming Congress. He has been quoted in International Gaming & Wagering Business, Casino Executive, The New York Times, The Las Vegas Sun and several other local and regional newspapers and periodicals. He provided expert commentary in a National Public Television documentary on Indian gaming. He has also authored several articles for the Grogan Report, Minnesota Real Estate Journal, Casino Magazine, and Indian Gaming Magazine.

Prior to co-founding KlasRobinson Q.E.D., Mr. Klas was the Senior Vice President in charge of the Hospitality Group at GVA Marquette Advisors. In addition to his past leadership at GVA Marquette Advisors, Mr. Klas was Vice President and co-founder of the consulting firm MHA Research and spent four years as a hospitality consultant with Laventhol & Horwath, formerly a major U.S. public accounting firm.

Mr. Klas has a Master's degree from the Cornell University School of Hotel Administration and a Bachelor's degree in Economics from the University of Minnesota. He is a past president of the Minnesota Association of Hospitality Accountants and past member of the Hospitality Education Committee of the Minnesota Hotel, Restaurant and Resort Associations. Mr. Klas has also taught Hospitality and Tourism Development and Marketing at Metropolitan State University in Minneapolis.



## **MATTHEW ROBINSON**

### **FOUNDER & PRINCIPAL**



Co-founder and Principal of KlasRobinson Q.E.D., Matt Robinson has been a consultant in the hospitality industry for over 20 years, specializing in market research, feasibility analyses and economic impact studies. Mr. Robinson has consulted on numerous casino, hotel and other hospitality and leisure industry projects. With a background in planning and economic development, Mr. Robinson has specific expertise working in Indian Country on gaming and other tribal economic diversification projects. Mr. Robinson served two terms on the Executive Board of the National Indian Gaming Association and currently serves on NIGA's Spirit of Sovereignty Committee.

Mr. Robinson is a frequent speaker at national and regional conferences on issues related to feasibility, economic impact and planning. He is a guest lecturer at colleges and universities including his alma mater Macalester College. Mr. Robinson is also a featured contributor to a variety of national trade publications including *Indian Gaming Magazine* and *Casino Enterprise Management Magazine* and is often quoted in regional periodicals.

Mr. Robinson has a Master's degree in Planning with a secondary concentration in economic and community development from the Humphrey Institute at the University of Minnesota. While at the Humphrey Institute, Mr. Robinson conducted research at the Tourism Center of the University of Minnesota, specializing in rural tourism development. He is a graduate of Macalester College with a Bachelor of Arts degree in three majors: Economics, Spanish and International Studies. During the 1988-89 academic year, he attended the Universidad De Complutense and the Institute of European Studies in Madrid, Spain.

Mr. Robinson also has more than five years of operational and management experience working in various facets of the hospitality industry both at home and abroad. He is fluent in oral and written Spanish and is a member of La Sociedad Hispanica Sigma Delta of the National Spanish Honor Society. Mr. Robinson is also a member of Omicron Delta Epsilon of the National Economics Honor Society.

Prior to co-founding KlasRobinson Q.E.D., Mr. Robinson was Vice President of the Hospitality Group of GVA Marquette Advisors, a national consulting firm. During his eight-plus years with The Hospitality Group, Mr. Robinson consulted on numerous gaming, hotel and other hospitality and leisure industry projects and was the editor and analyst of both The Twin Cities Hotel Report and The Seattle Hotel Report, quarterly publications on lodging industry trends.

## RELEVANT ENGAGEMENTS (CONTINUED)

**29 PALMS BAND OF MISSION INDIANS – Coachella, California:** Feasibility study on behalf of the 29 Palms Band of Mission Indians for the proposed Nuwu Casino Resort & RV Park in southern California.

**APACHE TRIBE OF OKLAHOMA – Anadarko, Oklahoma:** Feasibility study and subsequent update on behalf of the Apache Tribe of Oklahoma for a proposed casino resort complex near the Oklahoma/Texas border near Wichita Falls, Texas. Analysis included a casino, hotel, food & beverage, spa and meeting and convention space.

**ARIZONA INDIAN GAMING ASSOCIATION - Phoenix, Arizona:** Impact analysis on behalf of the Arizona Indian Gaming Association which included the impact of changes in future population through the year 2052 on the number of future gaming device allocations and new gaming operating rights for Indian Tribes in the State of Arizona, based on existing Tribal-State compacts.

**ARIZONANS FOR TRIBAL GOVERNMENT GAMING – Phoenix, Arizona:** Impact analysis on behalf of Arizonans for Tribal Government Gaming for the introduction of slot machines and table games at racetracks in the State. Analysis included estimates of revenue at up to nine planned racinos and the corresponding impact at Indian casinos throughout the State of Arizona.

**AUSTI, LLC - Las Vegas, Nevada:** Feasibility study for Austi, LLC on behalf of Marnell Corrao Associates for its proposed *M Resort Spa Casino* in Henderson, Nevada. Analysis included multiple development scenarios and facility options including a casino, hotel, multiple bars and restaurants, spa, fitness center and large outdoor pool and recreation area, convention center, Dave & Buster's-style adult fun center, indoor/outdoor waterpark, 15-screen Cineplex, 32-lane bowling alley, retail and an RV park.

**BAD RIVER BAND OF THE LAKE SUPERIOR TRIBE OF CHIPPEWA INDIANS AND THE ST. CROIX CHIPPEWA INDIANS OF WISCONSIN – Beloit, Wisconsin:** Feasibility study and economic impact study on behalf of the Bad River Band of the Lake Superior Tribe of Chippewa Indians and the St. Croix Chippewa Indians of Wisconsin for a proposed casino resort development near Beloit, Wisconsin. Analysis included a casino, 500-unit hotel, convention center, food and beverage, retail, arcade, childcare and an indoor/outdoor waterpark.

**BLACKFEET NATION – Browning, Montana:** Feasibility Study and subsequent update for Siyeh Development Corporation on behalf of the Blackfeet Nation for an all-new Glacier Peaks Casino in Browning, Montana.

**CEDAR BAND OF PAIUTES – Cedar City, Utah:** Feasibility study on behalf of the Cedar Band of Paiutes for a proposed interstate truckstop and travel center on reservation land near Cedar City, Utah.

**CHEHALIS TRIBE – Rochester, Washington:** Preliminary market analysis on behalf of the Chehalis Tribal Enterprises for a planned fast food/retail development in conjunction with the Tribe's Great Wolf Lodge in Grand Mound, Washington.

## RELEVANT ENGAGEMENTS (CONTINUED)

**CHEROKEE NATION - Tahlequah, Oklahoma:** Preliminary market study, facility recommendations and financial projections for Cherokee Casino Resort – Catoosa, Cherokee Casino – Roland and Cherokee Casino – West Siloam on behalf of the Cherokee Nation Gaming Enterprises. Analyses included recommendations for phasing, size and quality level of gaming, hotel and other ancillary facilities and amenities.

**CHOCTAW NATION - Durant, Oklahoma:** Market studies, site and facility recommendations, financial projections, feasibility analyses and on-going consulting for the all seven Choctaw Casino gaming operations on behalf of the Choctaw Nation of Oklahoma. Analyses included recommendations for phasing, size and quality level of future gaming, hotel and other ancillary facilities and amenities, as well as alternative uses for existing gaming buildings. Recent projects include the all-new \$300.0 million Choctaw Casino Resort-Durant, as well as the new Choctaw Casino-McAlester, Choctaw Casino Stringtown-Route 69 and Choctaw Casino Resort-Grant. Also, trade market analysis of the retail and entertainment development potential in the Durant market, not only in association with the casino resort, but also for the broader land holdings of the Choctaw Nation in the area. Analysis included characteristics, preferences and buying power of the local and destination customer base, coupled with an examination of the competitive supply of retail and entertainment businesses that cater to that demand, resulting in an identification of the gaps that exist in the market that could be exploited by the Choctaw Nation to complement their existing casino resort operations and/or expand their overall economic development and diversification in the Durant area.

**COASTAL DEVELOPMENT MASSACHUSETTS LLC – New York, New York:** Preliminary market analysis and revenue projections for a proposed casino resort complex gaming facility at *Suffolk Downs* in Boston, Massachusetts.

**COMANCHE NATION – Lawton, Oklahoma:** Feasibility study on behalf of the Comanche Nation for a proposed horse arena and hotel development at its existing Comanche Nation Games facility in Lawton, Oklahoma. Analysis included a 5,000-seat multi-use equine events center/arena/convention complex and a 100-unit hotel, as well as projection of incremental gaming revenue generated by the planned expansion. Feasibility study and subsequent update on behalf of the Comanche Nation for a proposed all-new Comanche Red River Casino Resort. Analysis included a new casino, hotel, food & beverage, spa, meeting and convention space, amphitheater and 18-hole golf course. Also, preliminary market analysis on behalf of the Comanche Nation for a proposed satellite casino complex in southwestern Oklahoma.

**CONFEDERATED TRIBES OF THE COOS, LOWER UMPQUA and SIUSLAW INDIANS – Coos Bay, Oregon:** Market study and financial projections on behalf of the Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians for a proposed RV park and cultural attraction near its existing Three Rivers Casino and Hotel facility in Florence, Oregon. Analysis included an RV park, longhouse and interpretive trail, as well as calculations of incremental gaming revenue.

## RELEVANT ENGAGEMENTS (CONTINUED)

**CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION – Pendleton, Oregon:** Feasibility study on behalf of the Confederated Tribes of the Umatilla Indian Reservation for its \$45.0 million gaming and ancillary expansion at its Wildhorse Resort & Casino. Analysis included multiple development scenarios including expanded gaming and hotel rooms, additional food & beverage, convention space, as well as an indoor waterpark and cinema.

**COQUILLE INDIAN TRIBE – North Bend, Oregon:** Feasibility study for CEDCO on behalf of the Coquille Indian Tribe for a proposed gaming and ancillary expansion at the Mill Casino Hotel in North Bend. Analysis included expanded gaming, hotel, food and beverage, gift retail and additional meeting and convention space.

**CROW TRIBE OF MONTANA – Crow Agency, Montana:** Feasibility Study on behalf of the Crow Tribe of Montana for proposed casino located southwest of Billings, Montana. Also, preliminary market analysis on behalf of the Crow Tribe of Montana for a proposed all-new Little Big Horn Casino to replace its existing casino.

**DELAWARE NATION OF OKLAHOMA – Anadarko, Oklahoma:** Feasibility study for the Delaware Nation of Oklahoma for a proposed casino development in Hinton, Oklahoma. Analysis included numerous development scenarios for gaming, hotel and waterpark alternatives.

**EXCELSIOR RACING ASSOCIATES LLC – NEW YORK, NEW YORK:** Preliminary analysis and utilization estimates for the planned VLT gaming facility components at *Aqueduct* and *Belmont Park* in New York, as well as a scenario that assumes that Belmont Park does not operate VLTs (video lottery terminals).

**FLANDREAU SANTEE SIOUX TRIBE - Flandreau, South Dakota:** Economic impact study of planned Grand Falls Casino Resort in neighboring Iowa on the Greater Sioux Falls Area of South Dakota and the Flandreau Santee Sioux Tribe. Analysis included estimates of revenues, expenditures, purchases and employment at the planned Grand Falls Casino Resort in Lyon County, Iowa, as well as the corresponding impact on employment, tourism and video lottery terminals in the Greater Sioux Falls Area. Also, gaming market density analysis, as well as expert witness testimony for Monteau & Peebles, LLP on behalf of the Flandreau Santee Sioux Tribe in support of their compact negotiations with the State of South Dakota.

**FOREST COUNTY BAND OF POTAWATOMI INDIANS - Milwaukee, Wisconsin:** Investment advisory services to the Forest County Band of Potawatomi Indians for their participation in a “ground-breaking” multi-tribal consortium formed to develop a \$43-million Residence Inn hotel in Washington D.C. Economic impact analysis for the Tribe’s proposed Potawatomi Bingo Casino in downtown Milwaukee. Also, market/feasibility study on behalf of the Forest County Band of Potawatomi Indians for a proposed hotel and ancillary development at Potawatomi Bingo Casino. Analysis included multiple scenarios regarding size, quality, affiliation, ancillary facilities and finance alternatives.

**FORT BELKNAP INDIAN COMMUNITY - Harlem, Montana:** Preliminary market analysis for the Fort Belknap Indian Community for a planned grocery/convenience store development. Analysis included alternate sites and development options.

## RELEVANT ENGAGEMENTS (CONTINUED)

**GILA RIVER INDIAN COMMUNITY – Chandler, Arizona:** Analysis of development alternatives for the new Wild Horse Pass Casino on behalf of the Wild Horse Pass Development Authority. Analyses included recommendations for alternate locations, phasing, size and quality level of gaming, hotel and other ancillary facilities and amenities. Also, feasibility study on behalf of the Wild Horse Pass Development Authority for a proposed gas station, convenience store and/or smoke shop on Tribal lands (both trust and fee) in southern Phoenix area. Analyses included recommendations for location, facilities and phasing.

**GREATER DUBUQUE RIVERBOAT COMPANY - Dubuque, Iowa:** Market analysis and projection of total market gaming revenue for installation of slot machines at *Dubuque Greyhound Park*.

**GREEKTOWN CASINO, L.L.C. - Detroit, Michigan:** Feasibility study and economic impact analysis for the proposed *Greektown Casino* development in downtown Detroit. Completion of all financial and economic impact input for submissions to the City of Detroit in the RFP process resulting in the award of one of only three authorized casino development agreements to the client.

**HO-CHUNK NATION – Black River Falls, Wisconsin:** Feasibility study on behalf of the Ho-Chunk Nation for a planned gaming, hotel and ancillary expansion at Ho-Chunk Gaming – Black River Falls. Feasibility study on behalf of the Ho-Chunk Nation for a planned hotel waterpark and Class II gaming expansion at Ho-Chunk Gaming – Wisconsin Dells.

**HOPLAND BAND OF POMO INDIANS – Hopland California:** Feasibility study on behalf of the Hopland Band of Pomo Indians for a proposed gas station/convenience store adjacent to its Hopland Sho-Ka-Wah Casino. Analyses included recommendations for location, facilities and phasing, as well as estimates of incremental gaming revenue. Also, market study and revenue projections on behalf of the Hopland Band of Pomo for a proposed casino and hotel development near Cloverdale, California.

**ISLE OF CAPRI (CASINO AMERICA, INC). - Biloxi, Mississippi:** Analysis of Mississippi Gulf Coast gaming market and subsequent strategic recommendations and financial projections for expansion of the *Isle of Capri Casino and Resort* in Biloxi, Mississippi. Completion of similar strategic analyses for *Isle of Capri Casino* in Lake Charles, Louisiana and *Isle of Capri Casino & Hotel* in Bossier City, Louisiana.

**JAMUL INDIAN VILLAGE: Jamul, California:** Feasibility Study and subsequent update for Lakes Entertainment on behalf of the Jamul Indian Village for a proposed casino in California. Analysis included scenarios for both Class II and Class III gaming.

**JICARILLA APACHE NATION – Dulce, New Mexico:** Feasibility studies on behalf of the Jicarilla Apache Nation for a planned hotel and ancillary expansion at the existing Best Western Jicarilla Inn & Casino in Dulce, as well as an all-new Apache Nugget Casino & Travel Plaza near Cuba.

## RELEVANT ENGAGEMENTS (CONTINUED)

**LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWA INDIANS – Lac du Flambeau, Wisconsin:** Feasibility study on behalf of the Lac du Flambeau Band of Lake Superior Chippewa Indians for a proposed Indian casino resort complex in Shullsburg, Wisconsin. Analysis included a casino, hotel, spa, golf course, showroom, food and beverage, retail and meeting and convention space.

**LADY LUCK GAMING CORPORATION - Las Vegas, Nevada:** Market studies and financial projections for a casino hotel at *Lady Luck Casino* in Biloxi, Mississippi and a casino expansion and hotel addition at *Lady Luck Rhythm and Blues Casino* in Lula, Mississippi. Also, market study and financial projections for a proposed hotel connected to *Lady Luck Casino* in Bettendorf, Iowa.

**LAKES ENTERTAINMENT, INC. - Minnetonka, Minnesota:** Market study, financial projections and economic impact analysis for a proposed casino resort in Sumner County, Kansas. Preliminary market analysis for a planned land-based casino resort in Ohio.

**LITTLE TRAVERSE BAY BAND OF ODAWA INDIANS – Petoskey, Michigan:** Feasibility Study and subsequent update for the Victories Casino on behalf of the Little Traverse Bay Band of Odawa Indians for its planned Odawa Casino Resort in Petoskey, Michigan. Analysis included Feasibility Study for a proposed second casino development in Michigan's Upper Peninsula on behalf of the Little Traverse Bay Band of Odawa Indians. Alternative best-use assessment for the site of the former Victories Casino on behalf of the Little Traverse Bay Band of Odawa Indians. Analysis included general commercial/retail, big box retail, specialty/destination retail, gas station/c-store, auto service mall, fast food and destination attraction. Subsequent market study and financial projections for the recommended gas station/c-store/oil & lube complex.

**LOWER SIOUX INDIAN COMMUNITY – Morton, Minnesota:** Economic impact analysis on behalf of the Lower Sioux Indian Community examining the impact of the proposed Canterbury Park racino on on-going operations at Jackpot Junction Hotel Casino. Analysis included both the direct impact and multiplier effect on the Lower Sioux Indian Community and its Tribally-owned businesses, and the local and regional economies, as well as on local, state and national governments. Also, market analyses and subsequent feasibility study for a variety of proposed developments at Jackpot Junction Casino Hotel on behalf of the Lower Sioux Indian Community including a grocery store, retail/commercial complex, amusement/entertainment complex, indoor waterpark and a second hotel. Feasibility study on behalf of a planned renovation and expansion at Jackpot Junction Hotel Casino.

**LUMMI NATION - Ferndale, Washington:** Feasibility study for the \$25-million, 105-unit hotel and spa development at Silver Reef Casino (Phase III expansion). Feasibility study for the \$9-million gaming and ancillary expansion at Silver Reef (Phase IV expansion). Feasibility study for the \$9-million gaming and ancillary expansion at Silver Reef (Phase V expansion). Analyses have included multiple development and phasing scenarios including additional hotel rooms, gaming expansion, spa, entertainment venues, conference center, bowling center, cinema, big box retail, parking ramp, Tribal day care facility and RV Park. Also, recently completed feasibility study for the \$29-million ancillary expansion at Silver Reef (Phase VI) expansion.



## RELEVANT ENGAGEMENTS (CONTINUED)

**MANZANITA BAND OF THE KUMEYAAY NATION – Boulevard, California:** Feasibility study for Independent Management Resources on behalf of the Manzanita Band of the Kumeyaay Nation for a proposed Indian casino resort complex near Calexico, California. Analysis included a casino, hotel, food and beverage, retail, meeting and convention space, truckstop/travel plaza and RV park.

**MATCH-E-BE-NASH-SHE-WISH BAND OF POTTAWATOMI INDIANS - Dorr, Michigan:** Feasibility study and subsequent update on behalf of the Gun Lake Tribe for its \$157.0 million Gun Lake Casino development in Allegan County on U.S. Highway 131, between Grand Rapids and Kalamazoo, Michigan. Analysis included scenarios for a Class II vs. Class III gaming complex.

**MENOMINEE INDIAN TRIBE OF WISCONSIN – Keshena, Wisconsin:** Feasibility study and subsequent update on behalf of the Menominee Indian Tribe of Wisconsin for its planned all-new Menominee Casino Hotel complex in Keshena, Wisconsin.

**MERIT MANAGEMENT GROUP, LP – Burr Ridge, Illinois:** Preliminary market analysis for a proposed racino in Raton, New Mexico.

**MIAMI TRIBE OF OKLAHOMA – Miami, Oklahoma:** Feasibility study and business plan on behalf of the Miami Tribe of Oklahoma for a proposed casino development in Miami, Oklahoma.

**MINNESOTA STATE LOTTERY - Roseville, Minnesota:** Economic impact analysis of the *Minnesota State Lottery* on the State of Minnesota.

**MOORETOWN RANCHERIA – Oroville, California:** Feasibility study on behalf of the Mooretown Rancheria for its planned Lodge at Feather Falls hotel and KOA Kampground RV park development at its Feather Falls Casino in Oroville, California.

**NOTTAWASEPPI HURON BAND OF POTTAWATOMI INDIANS – Battle Creek, Michigan:** Feasibility Study for the eight-story, 242-unit hotel and entertainment venue development at FireKeepers Casino. Analysis included multiple scenarios regarding size, quality, affiliation, ancillary facilities and finance alternatives.

**ONEIDA NATION OF WISCONSIN - Green Bay, Wisconsin:** Investment advisory services to the Oneida Nation of Wisconsin for their participation in a “ground-breaking” multi-tribal consortium formed to develop a \$53-million Residence Inn hotel at Capitol Park in Sacramento. Feasibility study on behalf of the Oneida Nation of Wisconsin for its planned Oneida One-Stop Packerland casino and travel plaza in Green Bay, Wisconsin. Also, master plan feasibility study on behalf of the Oneida Nation of Wisconsin for a proposed new casino, hotel addition and ancillary expansion at Oneida Bingo-Casino/Radisson Hotel & Conference Center in Green Bay.

**OSAGE NATION – Pawhuska, Oklahoma:** Market study and financial projections and subsequent update on behalf of the Osage Nation for a proposed gaming, hotel and ancillary expansion at Osage Million Dollar Elm Casino in Tulsa, Oklahoma.

## RELEVANT ENGAGEMENTS (CONTINUED)

**PASKENTA BAND OF NOMLAKI INDIANS - Corning, California:** Feasibility study on behalf of the Paskenta Band of Nomlaki Indians for a proposed waterpark at its Rolling Hills Casino complex in Corning, California.

**PAWNEE NATION OF OKLAHOMA: Pawnee, Oklahoma:** Preliminary market analysis on behalf of the Pawnee Nation of Oklahoma for its planned Stone Wolf Casino travel plaza expansion. Also, feasibility study and subsequent updates on behalf of the Pawnee Nation of Oklahoma for its proposed Chilocco Casino resort project in north-central Oklahoma.

**PERDIDO BAY TRIBE OF LOWER MUSCOGEE CREEK INDIANS – Pensacola, Florida:** Preliminary market study, financial projections and economic impact analysis for a proposed Class II casino resort development near Pensacola, Florida.

**PHL LOCAL GAMING, LLC. – Philadelphia, Pennsylvania:** Economic impact analysis and testimony before State gaming board for a proposed casino development in Philadelphia.

**PICAYUNE RANCHERIA OF THE CHUKCHANSI INDIANS - Coursegold, California:** Consulting services on behalf of the Picayune Rancheria of the Chukchansi Indians for a planned expansion of Chukchansi Gold Resort & Casino near Coursegold, California. Services included review of historical operating data and subsequent recommendations regarding the mix, size, quality level and market position of the facilities to be added/expanded. Feasibility study on behalf of the Picayune Rancheria of the Chukchansi Indians for a proposed hotel addition and ancillary expansion at Chukchansi Gold Resort & Casino.

**PICURIS PUEBLO – Peñasco, New Mexico:** Market study and financial projections for a planned gaming development on behalf of the Picuris Pueblo in northern New Mexico. Also, investment advisory services including financial analysis on behalf of the Picuris Pueblo for its Hotel Santa Fe/The Hacienda and Spa in Santa Fe, New Mexico.

**PIT RIVER TRIBE – Burney, California:** Feasibility study on behalf of the Pit River Tribe for a planned new Pit River Casino in Burney, California. Analysis included a new casino, multi-purpose bingo hall/entertainment complex, food and beverage and gift retail. Preliminary financial analysis on behalf of the Pit River Tribe for a proposed casino in Alturas, California, including analysis of a bingo hall and bowling alley.

**PONCA TRIBE OF NEBRASKA - Niobrara, Nebraska:** Feasibility study and economic impact analysis on behalf of the Ponca Tribe of Nebraska for a proposed casino resort complex in Carter Lake, Iowa. Analysis included scenarios for both Class II and Class III gaming. Preliminary market analysis and financial projections on behalf of the Ponca Tribe of Nebraska for a variety of proposed Tribal enterprises in Niobrara, Nebraska. Analysis included a Class II casino, gas station/convenience store, motel and golf course.

**PONCA TRIBE OF OKLAHOMA – Ponca City, Oklahoma:** Feasibility study and subsequent updates on behalf of the Ponca Tribe of Oklahoma for its planned Ponca Fancy Dance Casino Hotel development in Chilocco, Oklahoma. Market study and financial analysis on behalf of the Ponca Tribe of Oklahoma for a proposed gaming development in Ponca City, Oklahoma.

## RELEVANT ENGAGEMENTS (CONTINUED)

**PORT GAMBLE S'KLALLAM TRIBE – Kingston, Washington:** Feasibility study and business plan for a proposed all-new casino hotel development which will replace its existing Point Casino. Analysis included multiple scenarios regarding size, quality, affiliation and ancillary facilities.

**PRAIRIE BAND POTAWATOMI NATION – Mayetta, Kansas:** Trade Market Analysis, cost-benefit analysis and subsequent feasibility study on behalf of the Prairie Band Potawatomi Nation for a mixed-use development near its Prairie Band Casino & Resort in Mayetta, Kansas. Study included a variety of development options including a truck stop/travel center, fast food, specialty coffee, laundromat, bank branch, mixed specialty retail and a motel.

**PRAIRIE ISLAND INDIAN COMMUNITY – Welch, Minnesota:** Economic impact analysis on behalf of the Prairie Island Indian Community examining the impact of proposed racinos at Canterbury Park and Running Aces Harness Track, as well as a land-based Twin Cities casino on on-going operations at Treasure Island Resort Casino. Analysis included both the direct impact and multiplier effect on the Prairie Island Indian Community and its tribally-owned businesses, and the local and regional economies, as well as on local, state and national governments.

**PRAIRIE MEADOWS RACETRACK - Polk County, Iowa:** Feasibility study for the financing of a complete track renovation and installation of 1,100 slot machines at *Prairie Meadows Racetrack*, including estimates of the impact upon pari-mutuel handle.

**PUYALLUP NATION – Puyallup, Washington:** Preliminary Trade market analysis and cost-benefit analysis on behalf of the Puyallup Nation for a mixed-use development adjacent to its planned new Emerald Queen I-5 Casino. Study included a variety of development options including residential, retail, hotel and/or entertainment complex/district, as well as projections of incremental gaming revenue for each development alternative.

**QUANTUM ENTERTAINMENT COMPANY - Santa Fe, New Mexico:** Feasibility study for a proposed horse track and racino in Hobbs, New Mexico.

**QUAPAW TRIBE OF OKLAHOMA – Quapaw, Oklahoma:** Feasibility and economic impact study on behalf of the Quapaw Tribe of Oklahoma for its \$310.0 million Downstream Casino Resort in the three corners area of Oklahoma, Kansas and Missouri. Also, recently completed a feasibility study on behalf of the Quapaw Tribe of Oklahoma for phase II expansion which will include an RV park, gas station, convenience store and liquor store. Also, market analysis and preliminary financial projections on behalf of the Quapaw Tribe of Oklahoma for a planned expansion at the existing Quapaw Casino near Miami, Oklahoma.

**RED CLIFF BAND OF LAKE SUPERIOR CHIPPEWA – Bayfield, Wisconsin:** Feasibility study on behalf of the Red Cliff Band of Lake Superior Chippewa for its proposed Legendary Waters Resort & Casino on Lake Superior, overlooking the Apostle Islands, which would replace the existing Isle Vista Casino. Analysis included a casino, resort, restaurant, lounge and meeting space.

## RELEVANT ENGAGEMENTS (CONTINUED)

**RINCON BAND OF LUISENO INDIANS - Valley Center, California:** Market study and financial projections on behalf of the Rincon Band of Luiseno Indians for proposed travel plaza and RV park developments near its existing Harrah's Rincon Hotel & Casino in San Diego County.

**SAC & FOX TRIBE OF THE MISSISSIPPI IN IOWA – Tama, Iowa:** Trade market analysis for Meskwaki Bingo-Casino-Hotel on behalf of the Sac & Fox Tribe of the Mississippi in Iowa. Analysis included the impact of various development scenarios at existing and potential gaming competitors in the region on planned operations at the expanded casino resort. Also included was the development of a gravity model and development matrix to assist the Tribe with future development scenarios including hotel expansion, as well as the addition of an RV park, waterpark and/or golf course.

**ST. REGIS MOHAWK TRIBE – Hogansburg, New York:** Feasibility study and subsequent update on behalf of the St. Regis Mohawk Tribe for a proposed gaming, hotel and ancillary expansion at its Akwesasne Mohawk Casino near Hogansburg, New York. Analysis included expanded gaming, all-suite hotel, fine dining restaurant, sports bar, convention/entertainment complex and retail. Also, financial impact analysis for the Akwesasne Mohawk Casino on behalf of the St. Regis Mohawk Tribe for a new compact with the State of New York. Analysis included multiple facility and compact scenarios and their subsequent financial impact on existing and planned operations at the Akwesasne Mohawk Casino.

**SANTA YNEZ BAND OF CHUMASH INDIANS – Santa Ynez, California:** Preliminary market study, financial projections and incremental gaming revenue estimates on behalf of the Santa Ynez Band of Chumash Indians for a planned travel plaza at its Chumash Casino Resort near Santa Barbara, California.

**SCOTTS VALLEY BAND OF POMO INDIANS – Kelseyville, California:** Feasibility study and economic impact analysis for Taylor Gaming on behalf of the Scotts Valley Band of Pomo Indians for its planned Sugar Bowl Casino development in the San Francisco Bay Area. Analysis included multiple scenarios with respect to facility sizing. Follow up assistance to NEPA consultant in completing relevant portions of a draft EIS for a land into trust application, as well as responses to public comment on the draft EIS.

**SEMINOLE NATION OF OKLAHOMA – Wewoka, Oklahoma:** Feasibility Study on behalf of the Seminole Nation of Oklahoma for a proposed casino resort development near Seminole, Oklahoma. Trade market analysis on behalf of the Seminole Nation of Oklahoma. Analysis included the impact of various development scenarios at existing and potential gaming competitors in the region on at the existing three Seminole Nation casinos. Also included was a development matrix to assist the Tribe with future development scenarios including hotel expansion, as well as the addition of an RV park, food & beverage, sports bar and bowling.

**SENECA CAYUGA TRIBE OF OKLAHOMA – Grove, Oklahoma:** Market analysis and preliminary financial projections on behalf of the Seneca Cayuga Tribe of Oklahoma for a planned new casino complex near Grove, Oklahoma. Feasibility Study on behalf of the Seneca Cayuga Tribe of Oklahoma for a proposed casino resort in the Catskills region of New York. Analysis included casino, resort, food & beverage, nightclub, show theatre, meeting and convention space, spa & fitness center, waterpark, RV Park and gas station/c-store.

## RELEVANT ENGAGEMENTS (CONTINUED)

**SENECA NATION OF INDIANS - Niagara Falls, New York:** Market Analyses and subsequent update for the Seneca Gaming Corporation on behalf of the Seneca Nation of Indians for its existing and planned gaming operations including the original hotel at Seneca Casino Niagara, the original casino and subsequent hotel and ancillary expansion at Seneca Allegany Casino & Hotel and the proposed Seneca Buffalo Creek Casino. Analyses included the comparison and recommendation of multiple sites, as well as facility recommendations, utilization estimates and financial projections.

**SHAKOPEE MDEWAKANTON SIOUX COMMUNITY - Prior Lake, Minnesota:** Economic impact analysis of the various tribal enterprises of the Shakopee Mdewakanton Sioux Community, including both the direct impact and multiplier effect on local, state and national governments, as well as the tribe and its members. Also, trade market analysis of market potential and development alternatives on behalf of the Shakopee Mdewakanton Sioux Community for its Mystic Lake Casino Hotel in Prior Lake, Minnesota.

**SHOALWATER BAY TRIBE – Tokeland, Washington:** Feasibility study on behalf of the Shoalwater Bay Tribe for the refinancing by MM & S of the Shoalwater Bay Casino in Tokeland, Washington, including renovation of its casino complex and replacement of its existing slot machines to the new compact approved tribal lottery system player terminals.

**SHOSHONE-BANNOCK TRIBES OF THE FORT HALL RESERVATION – Fort Hall, Idaho:** Economic impact analysis of the various tribal enterprises of the Shoshone-Bannock Tribes of the Fort Hall Indian Reservation, including both the direct impact and multiplier effect on local, state and national governments, as well as the tribe and its members. Also, market study, financial projections and subsequent update on behalf of the Shoshone-Bannock Tribes of the Fort Hall Indian Reservation for the master planning of its gaming enterprises. Analysis included multiple development scenarios for its existing Fort Hall Casino and Bannock Peak Casino, as well as for numerous potential new site alternatives, including the new Sage Hill Travel Center and Casino.

**SISSETON-WAHPETON OYATE – Agency Village, South Dakota:** Trade market analysis for Dakota Magic Casino near Hankinson, North Dakota, Dakota Sioux Casino near Watertown, South Dakota and Dakota Connection Casino in Sisseton, South Dakota on behalf of the Sisseton-Wahpeton Oyate. Analysis for each casino in relation to other gaming operations in the region, as well as the development of a gravity model and development matrix for each casino to assist the Tribe with future development scenarios.

**SOUTHERN UTE INDIAN TRIBE, Ignacio, Colorado:** Consulting services on behalf of the Southern Ute Indian Tribe for a planned new Sky Ute Casino Resort. Services included review of project budgets, space planning and site plans, analysis of historic and projected future financial performance, as well as an independent IRR (internal rate of return) analysis.

**SPOKANE INDIAN TRIBE – Wellpinit, Washington:** Feasibility study for Two Rivers Casino & Resort on behalf of the Spokane Indian Tribe for a proposed casino resort expansion at the existing facility. Analysis included new casino, hotel, golf course, several food & beverage outlets, spa/wellness center, and a multi-purpose convention/entertainment complex, as well as the existing RV Park and marina.

## RELEVANT ENGAGEMENTS (CONTINUED)

**SQUAXIN ISLAND TRIBE – Shelton, Washington:** Feasibility study for Little Creek Casino on behalf of the Squaxin Island Tribe for a proposed hotel and ancillary expansion at the existing casino. Analysis included additional gaming at the casino, hotel, food and beverage and a multi-purpose convention/ entertainment complex.

**STATE OF FLORIDA – Tallahassee, Florida:** Assisted the State of Florida in successfully negotiating a compact with the Seminole Tribe of Florida.

**SWINOMISH INDIAN TRIBAL COMMUNITY – Anacortes, Washington:** Feasibility study on behalf of the Swinomish Indian Tribal Community for a proposed \$30-million, 100-unit hotel addition and ancillary expansion at Swinomish Casino. Analysis included multiple scenarios regarding size, quality, affiliation and ancillary facilities.

**TAOS PUEBLO – Taos, New Mexico:** Market study and financial projections for Taos Mountain Casino on behalf of Taos Pueblo for a proposed new casino resort complex and a proposed satellite casino. Analysis included a casino, hotel, convention and meeting space, food and beverage, gift retail and RV park at several alternative sites.

**THLOPTHLOCCO TRIBAL TOWN – Okemah, Oklahoma:** Preliminary market study on behalf of Thlopthlocco Tribal Town for a proposed casino expansion and gas station convenience store at Golden Pony Casino near Okemah, Oklahoma. Also, trade market analysis on behalf of Thlopthlocco Tribal Town for a planned land purchase and commercial development in central Oklahoma. The study included identification of opportunities, recommendation of the most advantageous potential enterprises and financial projections for said recommendations for the land parcel. Development options included a vineyard, alternative energy value added agricultural production, hydroponics, aqua-culture agri-tourism, commercial bison herd and/or dude ranch.

**TO’HAJIILEE CHAPTER OF NAVAJO - To’Hajiilee, New Mexico:** Feasibility study for To’Hajiilee Economic Development, Inc. on behalf of the To’Hajiilee Chapter of Navajo for a proposed casino resort along Interstate 40, west of Albuquerque, New Mexico.

**TOHONO O’ODHAM NATION – Tucson, Arizona:** Feasibility study on behalf of the Tohono O’odham Gaming Authority for the proposed new Desert Diamond Casino Nogales Highway casino resort and a proposed gaming and ancillary expansion at Desert Diamond Casino Interstate 19, both near Tucson, Arizona. Analysis included multiple development scenarios and facility options including a hotel, golf course, waterpark, outlet mall, convention center, RV Park and truckstop/travel plaza.

**TULALIP TRIBES - Marysville, Washington:** Market study and financial projections on behalf of the Tulalip Tribes for the proposed new Tulalip Resort Casino in conjunction with Quil Ceda Village, a regional retail, restaurant and entertainment complex north of Seattle, Washington.

## RELEVANT ENGAGEMENTS (CONTINUED)

**TUOLUMNE BAND OF ME-WUK INDIANS – Tuolumne, California:** Feasibility study for a proposed hotel and ancillary development at Black Oak Casino. Analysis included existing gaming, food & beverage, bowling center and arcade, as well as a proposed hotel, multi-purpose entertainment, meeting and function space, spa, parking garage and the planned 18-hole Westside Cherry Valley Golf Club. Trade market analysis, amenity best-use assessment on behalf of the Tuolumne Band of Me-Wuk Indians which included a mini mart / gas station, day care facility, quick lube and oil, fitness center, theme park/family entertainment center and business center building.

**TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS – Belcourt, North Dakota:** Feasibility study and economic impact study on behalf of the Turtle Mountain Band of Chippewa Indians for a proposed Indian Casino complex in Grand Forks, North Dakota. Feasibility study for all-new Sky Dancer Casino Resort in Belcourt, North Dakota. Also, trade market analysis on behalf of the Turtle Mountain Band of Chippewa Indians for both the expanded Sky Dancer Casino Hotel, as well as a separate site in downtown Belcourt.

**TULE RIVER TRIBE OF THE TULE RIVER INDIAN RESERVATION – Porterville, California:** Preliminary market analysis and financial projections for the Tule River Tribe of the Tule River Indian Reservation for a proposed gas station/convenience store. Also, preliminary market analysis for a proposed relocation and development of an all-new Eagle Mountain Casino including a hotel. Also, preliminary market analysis for a golf course and hotel development on behalf of the Tule River Tribe of the Tule River Indian Reservation.

**UTE MOUNTAIN UTE – Towaoc, Colorado:** Preliminary market analysis on behalf of the Economic Development Division of the Ute Mountain Ute Tribe for a planned hotel addition and ancillary development at Ute Mountain Casino near Cortez, Colorado. Analysis included multiple development scenarios and facility options including a hotel expansion, 30,000 square foot multi-purpose convention center, two-screen IMAX theater, four food & beverage outlets, 12,000 square feet of retail and state-of-the-art non-gaming video arcade.

**WINNEBAGO TRIBE OF NEBRASKA - Sloan, Iowa:** Feasibility study and subsequent update on behalf of the Winnebago Tribe of Nebraska for a planned new WinnaVegas casino resort complex near Sloan, Iowa.

**WYANDOTTE NATION – Wyandotte, Oklahoma:** Feasibility study on behalf of the Wyandotte Nation of Oklahoma for its proposed Wyandotte Nation Casino near Wyandotte, Oklahoma. Financial analysis on behalf of the Wyandotte Nation of Oklahoma for its planned Class II Wyandotte 7<sup>th</sup> Street Casino in downtown Kansas City, Kansas. Preliminary market analysis on behalf the Wyandotte Nation for a proposed Class II casino north of Wichita, Kansas.

**YUROK TRIBE – Klamath, California:** Feasibility study on behalf of the Yurok Tribe for a proposed casino development in Klamath, California.

**FOR ADDITIONAL INFORMATION, PLEASE CONSULT OUR  
WEBSITE: [WWW.KLASROBINSONQED.COM](http://WWW.KLASROBINSONQED.COM)**

**APPENDIX:  
STRATEGIC MARKET ADVISORS  
REPORT**



# **Resort Market Assessment**

**Resorts World Hudson Valley**

**Montgomery, New York**

**June 2014**

Completed by:  
Strategic Market Advisors  
7 Crest Drive  
Suite A  
Somersworth, NH 03878

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## Introduction

RW Orange County LLC retained Strategic Market Advisors (“SMA”) to provide advisory services related to its proposed Resorts World Hudson Valley to be located in Montgomery, New York. The proposed casino resort features a wide range of resort amenities and will be among the closest to the New York City Metropolitan Statistical Area (“MSA”). The \$1.0 billion investment targets the highest quality facility and customer service in the increasingly competitive Northeast market. Planned amenities include a casino offering 3,500 slot machines, 250 house-banked table games, and 40 poker tables, as well as a 600-room hotel, 29 food and beverage outlets, and approximately 94,000 square feet (“sq ft”) of flexible meeting for conventions and live entertainment.

The location at the northwest intersection of Interstate 84 and State Highway 747 offers excellent access approximately two miles from the intersection of Interstates 84 and 87. These two roadways provide excellent access along east/west (Interstate 84) and north/south (Interstate 87) axes. These main roadways cross the Hudson River and extend into the New York MSA, helping to reach a large and underserved customer base.

The New York MSA includes over 19 million people and is currently underpenetrated in terms of casino gaming. Nearby commercial facilities offer a limited selection of slot machines that are subject to high revenue sharing agreements and are not permitted to offer table games. Financially this makes investment in the facilities, marketing, and player rewards programs difficult compared to casino resort alternatives. The casino resort alternatives in the region tend to be out of state, requiring longer drives and/or overnight stays. They range from facilities in northeastern Pennsylvania, which are as close as a 1.5 hour drive, to Atlantic City and Connecticut properties which are approximately two-hours away. Resorts World Hudson Valley targets the New York MSA with a more robust casino resort experience for all visitors and a location that can provide superior access for relatively underserved parts of the MSA.

## Engagement Overview

In order to conduct its analysis, SMA supplemented its knowledge of the New York and Northeast tourism and gaming markets by conducting further research in the market area, discussing current trends with industry professionals familiar with the area, and meeting with RW Orange County LLC's management team to better understand its development plan and management strategies. In order to forecast the revenue potential of the resort, specific tasks SMA undertook include:

- Evaluating the site including building plans, ingress, and egress;
- Traveling the broader transportation network within the addressable market;
- Reviewing the competitive offerings in New York and other nearby markets;
- Researching tourism in the region;
- Evaluating the population demographics within the addressable market and comparable markets;
- Forecasting the revenue potential of the lodging components and amenities.

## Project Description

The Resorts World Hudson Valley master plan includes 373 acres dedicated to developing a world-class casino resort approximately one-hour and fifteen-minutes travel time from New York City. The plan includes a 194,000 square foot ("sq ft") casino, 600 hotel rooms, and approximately 94,000 sq ft of space to host meetings and conventions as well as live events. The diverse attractions and substantial investment create a major attraction within an easy day-trip of the New York City Metropolitan Area ("MSA").



## Location and Access

The proposed resort will be located at the intersection of Interstate 84 and State Highway 747 outside of Montgomery, New York. The northern Orange County location is approximately 6 miles west of downtown Newburgh and 18 miles east of Middletown. Populations from either town can reach the site using Interstate 84, where an exit at State Highway 747 (also known as International Boulevard) provides immediate access to the parcel. RW Orange County LLC plans to fund roadway improvements to ensure easy access to and from the property and offset any impact on local traffic patterns.



Interstate 84 extends to the east through New York into Danbury, Waterbury, and Hartford Connecticut and to the west to Middletown and Scranton, Pennsylvania. Exit 5 serves the property and is approximately 2 miles from exit 7, an exchange with Interstate 87. Interstate 87 runs north to Albany and south across the Tappan Zee Bridge and into central parts of the New York MSA. Several roadways, including Interstate 287, the Garden State Parkway, and the Palisades Interstate Parkway serve northern New Jersey and the western part of the New York MSA.

RW Orange County LLC recognizes the need for other transportation options and plans to use existing alternatives with which the public is familiar. Specifically, the resort will operate a regular shuttle from the nearby Beacon train station, which has regular service to Grand Central Station. In addition, bussing programs will operate from major source markets and in conjunction with Woodbury Common.

Ingress and egress at the resort itself is expected to be excellent, with entrances and exits featuring ample lanes for traffic at times of peak demand and well marked space for circulation around the property. Valets are expected to serve arriving guests at the hotel lobby, casino entrance, and at a separate entrance for VIP guests. In addition, self-parking will be available in a parking garage located towards the east end of the property, with additional parking available in surface lots. There will be a total of 6,550 parking spots dedicated to the resort.

## Overall Positioning

Resorts World Hudson Valley will target the regional population with a combination of a convenient location and compelling product offering. The Montgomery location features excellent access throughout the region including the New York MSA. Specifically, the access from the northern suburbs of New York City is excellent, with Interstate 84 extending across the Hudson River, making the property accessible from Westchester County and southwestern Connecticut.

The resort itself will be among the most convenient from Manhattan and will feature a substantial investment in the facility. This includes a four-star quality finish including an attractive exterior that will flow to the interior, providing a sense of arrival and distinction. The features more hotel rooms closer to New York City when compared to its immediate competitors, requiring a range of amenities for overnight guests and making it a viable location for a night-out even if a guest wishes to return home. The food and beverage options, events center, spa, and other amenities will serve a range of customers.



Resorts World Hudson Valley will compete with other casino resorts located in the Northeast. From New York City, the property will be a similar driving distance as Sands Bethlehem, Parx Casino, and Mount Airy. Those properties target customers from northern New Jersey due to their proximity. In addition, the proposed resort will be more convenient for residents of New York City's northern suburbs. While casino resorts are assumed in Concord and the Albany area, the proximity to this region and relative lack of out-of-state competition will give it an advantage. While all the resorts will actively market to potential guests from across the New York MSA, Resorts World Hudson Valley has a geographic advantage in that area.

Resorts World Hudson Valley's offering will be among the top in the region. From the quality of the property to the customer service, RW Orange County LLC plans to make a substantial investment to ensure the property's

comfortable and casual environment. Management plans extensive training for staff to complement the facilities and create the best possible experience for all customers. Overall, the location near the New York MSA, the objective of being the top offering in the region, and the ability to dedicate the necessary resources will make Resorts World Hudson Valley among the top facilities in the area.



## Competitive Environment

Casino gaming in the Northeast is becoming increasingly competitive. For a long time, Atlantic City was the only option in the region and attracted visitors from greater distances. Over the last two decades, the market has grown substantially as properties have opened in neighboring states. Atlantic City has also lost market share and revenue, as more proximate casino resorts provide what is at its core a commodity product. The most successful properties combine a resort environment with an excellent location and are able to attract and retain nearby customers, providing less risk and reliable revenue streams to their hosts.

### ***New York***

Casino gaming exists at 14 locations in New York, including nine racetracks that host video gaming machines and eight Native American casinos.

The commercial facilities were legalized in 2001 and the first property opened in 2004. More than 18,000 video lottery terminals ("VLTs") are offered at the state's racetracks, which are subject to some of the highest effective tax rates in the United States. According to the American Gaming Association's *2013 State of the States Report*, in 2012, gaming tax revenue from VLTs totaled more than \$822 million, 45.6% of gaming revenue.

The highest win per unit statistics come from more than 10,000 located in the New York City area, indicative of the demand in that region. Facilities located outside the area do not benefit from such densely populated surroundings and also compete with Native American properties that have more operating freedom. Revenue from VLTs located at racetracks exceeded \$1.9 billion in GGR in 2013, up 6.8% from a year earlier. Resorts World Casino generated the highest gross gaming revenue in 2013 at \$785.1 million while Yonkers generated almost \$560 million. These two facilities generated approximately 70 percent of statewide VLT revenue.

<b>New York VLT Gaming Revenue and Positions</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>CAGR<sup>2</sup></b>
Resorts World Casino NYC VLT Revenue (\$M) <sup>1</sup>	\$89.3	\$672.6	\$785.1	16.7%
Machine Count	730	4,954	5,004	1.0%
Win Per Unit Per Day	\$335	\$371	\$430	15.9%
Empire City VLT Revenue (\$M)	\$624.4	\$544.7	\$559.9	-5.3%
Machine Count	5,355	4,987	5,327	-0.3%
Win Per Unit Per Day	\$319	\$298	\$288	-5.1%
Saratoga VLT Revenue (\$M)	\$150.4	\$159.8	\$159.6	3.0%
Machine Count	1,782	1,780	1,782	0.0%
Win Per Unit Per Day	\$231	\$245	\$245	3.0%
Finger Lakes VLT Revenue (\$M)	\$122.0	\$129.6	\$131.5	3.8%
Machine Count	1,195	1,192	1,268	3.0%
Win Per Unit Per Day	\$280	\$297	\$284	0.8%
Monticello VLT Revenue (\$M)	\$60.9	\$63.9	\$62.8	1.6%
Machine Count	1,110	1,110	1,110	0.0%
Win Per Unit Per Day	\$150	\$157	\$155	1.6%
Fairgrounds (Buffalo Raceway) VLT Revenue (\$M)	\$72.7	\$81.2	\$76.8	2.8%
Machine Count	939	940	940	0.1%
Win Per Unit Per Day	\$212	\$236	\$224	2.8%
Tioga VLT Revenue (\$M)	\$57.0	\$61.7	\$59.6	2.3%
Machine Count	802	802	802	0.0%
Win Per Unit Per Day	\$195	\$210	\$204	2.2%
Vernon VLT Revenue (\$M)	\$42.3	\$43.7	\$43.7	1.6%
Machine Count	764	767	767	0.2%
Win Per Unit Per Day	\$152	\$156	\$156	1.4%
Batavia VLT Revenue (\$M)	\$39.8	\$45.1	\$46.5	8.1%
Machine Count	607	635	666	4.8%
Win Per Unit Per Day	\$180	\$194	\$191	3.2%
Total New York VLT Revenue (\$M)	\$1,258.8	\$1,802.2	\$1,925.6	23.7%
Machine Count	13,281	17,166	17,666	15.3%
Win Per Unit Per Day	\$260	\$287	\$299	7.2%

Source: New York Gaming Commission

<sup>1</sup>Resorts World opened Oct 2011

<sup>2</sup>CAGR - Compounded Annual Growth Rate for the 2-year period. Only used 2012/2013 for Resorts World Casino NYC

Despite this performance, casino gamers in New York and neighboring parts of New Jersey and Connecticut that make up the New York MSA continue to travel to casino resorts located in New Jersey, Pennsylvania, and Connecticut. Due in part to lower effective tax rates these facilities offer a more robust guest experience, including table games in addition to slot machines as well as lodging, a variety of dining experiences, and other amenities. Due in part to this missed opportunity, the State of New York has created a new framework for the introduction of casino resorts.

## **Upstate New York Gaming Development Act**

On July 30th, 2013, Governor Cuomo signed the Upstate New York Gaming Development Act of 2013 into law. This law, and a November 2014 voter-approved amendment to the State constitution, allows for the licensing and development of four new casino resorts to be allocated among three different regions in the state. Each of the below regions are allotted one facility, with the final facility eligible to be placed within any of the three regions. That facility is widely expected to be located in Region 1. The three regions are as follows:

- Region 1 – The Catskills/Hudson Valley region which includes seven counties (Delaware County, Greene County, Columbia County, Ulster County, Sullivan County, Orange County and Dutchess County). The proximity of Region 1 to the New York MSA makes it likely that the final license will be awarded in this region.
- Region 2 – The Albany region which consists of an eight county area (Albany County, Saratoga County, Fulton County, Washington County, Montgomery County, Schenectady County, Schoharie County, and Rensselaer County).
- Region 5 – The Eastern Southern Tier region includes portions of seven counties which either lie along the border with Pennsylvania or directly to the north of these counties (Broome County, Tioga County, Chemung County, Tompkins County, Schuyler County, Seneca County and Wayne County).

Additionally, the law allows for two new video gaming facilities on Long Island that may each offer 1,000 machines.

Licenses will be awarded by the New York State Gaming Facility Location Board (“the Board”), an independent five-member board that will review all applications. Successful applicants will have 24 months from the date of receiving the license to begin gaming operations. All licenses carry a 10-year term.

The Upstate New York Gaming Development Act of 2013 restricts the issuance of any additional casino licenses in the State for a 7-year period. When the 7-year restrictive period ends, three additional licenses may be allocated by the New York State Legislature. A constitutional amendment would be required to allow for more than the seven authorized casino licenses.

## **Application and Bidding Process**

A Request for Applications was issued by the Board on March 31, 2014 and all applications must be completed by June 30, 2014. A \$1 million application fee was due on April 23, 2014. Additionally, applicants must pay costs associated with reviewing the applications. Also, successful applicants must pay a one-time licensing fee within 30 days of the granting of the license. The licensing fee is dependent upon the specific area within the region and whether or not a 2nd license is granted within that region.

In the Catskills/Hudson Valley Region, a license in Dutchess or Orange counties will be \$70 million. The licensing fee for the other counties in the region is \$50 million and falls to \$35 million if a license is awarded in Dutchess or Orange counties.

A annual renewal fee may be levied to cover costs associated with evaluating the licensee for renewal on an annual basis.

Further fees include an annual license fee of \$500 per slot and \$500 per table game. These fees may be adjusted for inflation after a 5-year period. Other regulatory costs will be allocated based on the number of positions at each of the four facilities. Licensees will also be charged additional payments which will be earmarked to support horse racing and horse breeders in the state.

Applications will be evaluated based upon three primary factors and are weighted as follows – Economic Activity and Business Development (70%), Local Impact and Location Factors (20%), and Workforce Enhancement Factors (10%).

Each of the factors is described in further detail below as stated by the New York Gaming Commission.

### **Economic Activity and Business Development**

- Realizing maximum capital investment exclusive of land acquisition and infrastructure improvements;
- Maximizing revenues received by the state and localities;
- Providing the highest number of quality jobs in the gaming facility;
- Building a gaming facility of the highest caliber with a variety of quality amenities;
- Offering the highest and best value to patrons to create a secure and robust gaming market in the region and the state;
- Providing a market analysis detailing the benefits of the site location of the gaming facility and the estimated recapture rate of gaming-related spending by residents travelling to an out-of-state gaming facility;
- Offering the fastest time to completion of the full gaming facility;
- Demonstrating the ability to fully finance the gaming facility;
- Demonstrating experience in the development and operation of a quality gaming facility.

### **Local Impact and Location Factors**

- Mitigating potential impacts on host and nearby municipalities which might result from the development or operation of the gaming facility;
- Gaining public support in the host and nearby municipalities which may be demonstrated through the passage of local laws or public comment received by the board or gaming applicant;
- Operating in partnership with and promoting local hotels, restaurants and retail facilities so that patrons experience the full diversified regional tourism industry;
- Establishing a fair and reasonable partnership with live entertainment venues that may be impacted by a gaming facility under which the gaming facility actively supports the mission and the operation of the impacted entertainment venues;

- Implementing a workforce development plan that utilizes the existing labor force, including the development of workforce training programs that serve the unemployed;

### **Workforce Enhancement Factors**

- Taking additional measures to address problem gambling including, but not limited to, training of gaming employees;
- Utilizing sustainable development principles;
- Establishing, funding, and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities;
- Purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming facility;
- Implementing a workforce development plan that:
  - Incorporates an affirmative action program;
  - Utilizes the existing labor force in the state;
  - Includes specific goals for the utilization of minorities, women and veterans on construction jobs;
  - Identifies workforce training programs;
  - Identifies the methods for accessing employment;
- Demonstrating that the applicant has an agreement with organized labor, including hospitality services, and has the support of organized labor for its application, which specifies:
  - The number of employees to be employed at the gaming facility;
  - Detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation.

### **Gaming Tax**

In addition to the aforementioned fees and payments, gross gaming revenues will be taxed by the state. Gross gaming revenues are defined as all revenue generated from gaming sources minus all payouts – excluding free merchandise. Gross gaming revenue will be taxed in the following manner:

- In the Catskills/Hudson Valley Region, 39% of gross slot machine revenue and 10% of gross gaming revenue from all other sources.
- In the Albany Region, 45% of gross slot machine revenue and 10% of gross gaming revenue from all other sources.
- In the Southern Tier Region, 37% of gross slot machine revenue and 10% of gross gaming revenue from all other sources.

### **Minimum Capital Investment Requirements**

Each of the three regions has differing minimum capital investment requirements. The minimum capital investment requirement may also be dependent upon the awarding of licenses to other areas within specific regions. In addition to the casino area, at least 1 hotel and other amenities are required as part of the minimum capital requirements for all regions.

The Board will make the determination as to whether or not the purchase or lease of the land and any support infrastructure is included in the minimum capital investment calculation. The minimum capital investment does not include factors such as the licensing fee, financing, other start-up costs and potentially the purchase or lease of the land, pending the decision by the Board. These “implied” excluded costs are projected to total approximately 35% of the total investment.

The table below outlines each region’s minimum capital investment requirement based on potential location and potential additional regional licensing.

Minimum Capital Investment Per Region				
Region	Location	Minimum Capital Investment	Implied Excluded Investment	Total Investment
1	Dutchess or Orange Counties	\$350,000,000	\$122,500,000	\$472,500,000
	All other Counties (if no license is awarded in			
1	Dutchess or Orange Counties)	\$130,000,000	\$45,500,000	\$175,500,000
	All other Counties (if a license is also			
1	awarded in Dutchess or Orange Counties)	\$100,000,000	\$38,500,000	\$138,500,000
2	All Counties	\$135,000,000	\$47,250,000	\$182,250,000
5	Wayne or Seneca Counties	\$135,000,000	\$47,250,000	\$182,250,000
	All other Counties (if no license is awarded in			
5	Wayne or Seneca Counties)	\$85,000,000	\$29,750,000	\$114,750,000
	All other Counties (if a license is also			
5	awarded in Wayne or Seneca Counties)	\$70,000,000	\$24,500,000	\$94,500,000

Source: New York Gaming Facility Location Board

Winning applicants will be required to place 10% of the projected total investment into an account which will be applied to the final phase of the construction plan. If the facility is not completed in a timely manner, this deposit is subject to forfeit to the state.

## Competitive Environment in Neighboring States

### New Jersey

All casino gaming in New Jersey is based in Atlantic City – including recently passed legislation which allows for online gaming throughout the state and facilitated by Atlantic City resorts. Casinos began operating in Atlantic City in 1978 and currently there are 11 casinos in operation. The effective tax rate in New Jersey is significantly lower than the VLT facilities in New York and the region. The gaming tax rate is 8% with additional obligations for community investment of 1.25%. For years Atlantic City held a monopoly on gaming in the Northeast, enabling it to market aggressively and invest in their facilities. This broadened its appeal and GGR grew steadily even as competition was introduced. In 2006, GGR peaked at \$5.2 billion. Since that time, increased competition from properties more proximate to major source markets including New York City and Philadelphia led to a decline in Atlantic City's performance. The table that follows provides a summary of Atlantic City gaming revenues from 2011 through 2013.

Atlantic City Gaming Revenue Summary							
	Slot Revenue (\$M)	Table Revenue (\$M)	Total Revenue (\$M)	Average Annual Slot Count	Annual Table Count	Win Per Slot/Day	Win Per Table/Day
2011	\$2,341.2	\$974.7	\$3,315.8	27,302	1,590	\$235	\$1,680
2012	\$2,191.5	\$859.6	\$3,051.1	27,123	1,649	\$221	\$1,428
2013	\$2,073.1	\$801.2	\$2,874.3	26,085	1,624	\$218	\$1,351

Source: New Jersey Division of Gaming Enforcement

### Pennsylvania

The Pennsylvania Racehorse Development and Gaming Act passed in 2004 and enabled up to 61,000 slot machines at up to 14 locations throughout the state. In 2010, this legislation was amended to allow for table games.

Casino gaming in Pennsylvania commenced in late 2006 with the opening of Mohegan Sun Pocono Downs and Philadelphia Park/PARX. Currently, there are 12 gaming facilities operating in the state at racetracks and in stand-alone developments.

As in New York, effective gaming tax rates in Pennsylvania are high. Slot machines are taxed at 55% of gross gaming revenue. Revenue from table games is subject to a 14% tax. These parameters lead to a harmonized tax rate of approximately 47%.

Facilities in Eastern Pennsylvania present a formidable competitive threat to the new properties that will be constructed in New York. Sands Bethlehem and Philadelphia Park/PARX are both located only approximately 80 miles from New York City. These properties are well established in the marketplace and are run by experienced operators.

In 2012, total gaming revenue in Pennsylvania reached \$3.1 billion, surpassing Atlantic City. Pennsylvania is now the second largest commercial casino market in the U.S., behind Nevada. Total gaming revenue dipped slightly in 2013, largely due to maturing competition in surrounding markets.

The following table provides gaming revenue figures for Pennsylvania from 2011 through 2013.

<b>Pennsylvania Gaming Revenue 2011-2013</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
Sands Bethlehem (\$M)	\$377.3	\$438.0	\$465.0
Philadelphia Park/ PARX (\$M)	\$493.0	\$494.5	\$487.7
Mohegan Sun (\$M)	\$274.8	\$274.9	\$263.4
Harrah's Chester Downs (\$M)	\$349.1	\$340.8	\$311.2
SugarHouse (\$M)	\$247.7	\$274.1	\$265.6
Presque Isle (\$M)	\$188.4	\$169.6	\$144.6
The Meadows (\$M)	\$282.9	\$284.4	\$264.3
Mount Airy (\$M)	\$185.4	\$186.6	\$183.4
Penn National (\$M)	\$287.3	\$283.0	\$266.8
The Rivers (\$M)	\$343.1	\$351.9	\$352.0
Valley Forge <sup>1</sup> (\$M)	\$0.0	\$45.7	\$80.3
Nemacolin <sup>2</sup> (\$M)	\$0.0	\$0.0	\$13.8
<b>Total (\$M)</b>	<b>\$3,029.2</b>	<b>\$3,143.7</b>	<b>\$3,097.9</b>

Source: Pennsylvania Gaming Control Board

<sup>1</sup>Valley Forge opened in March 2012

<sup>2</sup>Nemacolin opened in June 2013

## Connecticut

Two casino properties, Foxwoods and Mohegan Sun, are located approximately seven miles from each other in the eastern part of Connecticut. The properties have lost some revenue in recent years due to competition primarily originating in New York. In 2013 combined to offer more than 11,000 slots and generated over \$1.1 billion in slot revenue.

The tribes that operate the casinos: the Mashantucket Pequot Tribe (Foxwoods) and the Mohegan Tribe of Indians of Connecticut (Mohegan Sun) both have compacts in place with the State of Connecticut that include revenue sharing components. Both tribes contribute 25% of their gross slot revenue to Connecticut's general fund.

The following table summarizes slot revenue for both properties from 2011 through 2013.

<b>Connecticut Slot Revenue (\$M)</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
Foxwoods	\$633.8	\$576.8	\$530.6
Mohegan Sun	\$712.3	\$652.8	\$614.4
<b>Total</b>	<b>\$1,346.1</b>	<b>\$1,229.6</b>	<b>\$1,145.0</b>

Source: State of Connecticut - Department of Consumer Protection



In addition to the substantial slot revenues noted above, both properties generate significant table revenue. According to the Mohegan Tribal Gaming Authority's annual report, Mohegan Sun held \$300.1 million in table revenue in 2013. Foxwoods is expected to generate similar table revenue totals. This implies 2013 gross gaming revenue in Connecticut of \$1.7 billion.

## Massachusetts

Massachusetts approved casino gaming in 2011 with the targeted development of up to three casino resorts and one slot parlor. A Category 1 license permits the operation of a casino resort offering slots and table games and requires an \$85 million licensing fee, minimum \$500 million investment, and 25% tax on gross gaming revenue in addition to fees offsetting regulatory costs and increases in public health expenditures. A Category 2 license permits the operation of a slot parlor and requires a \$25 million licensing fee, minimum \$125 million investment, and a 40% tax on gross gaming revenue and additional 9% assessment for the Race Horse Development Fund.

The slot parlor license is being developed by Penn National Gaming in Plainville, which is located in the eastern part of the Commonwealth. MGM recently received the first casino resort license in Springfield. The planned MGM Springfield project is an \$800 million development which will include the casino, hotel, and entertainment and a shopping complex. The complex could potentially be completed within two years and construction may begin as early as this summer. In late June 2014, the two competing proposals for the eastern license will be aired at public hearings. Mohegan Sun's \$1.2 billion proposed development at Suffolk Downs in East Boston is competing against Wynn Resorts' proposed \$1.6 billion plan at a former chemical plant located along the Mystic River in Everett. Finally, a casino resort is expected to be developed in the southeastern part of Massachusetts for which applications have not yet been received.

## Synopsis

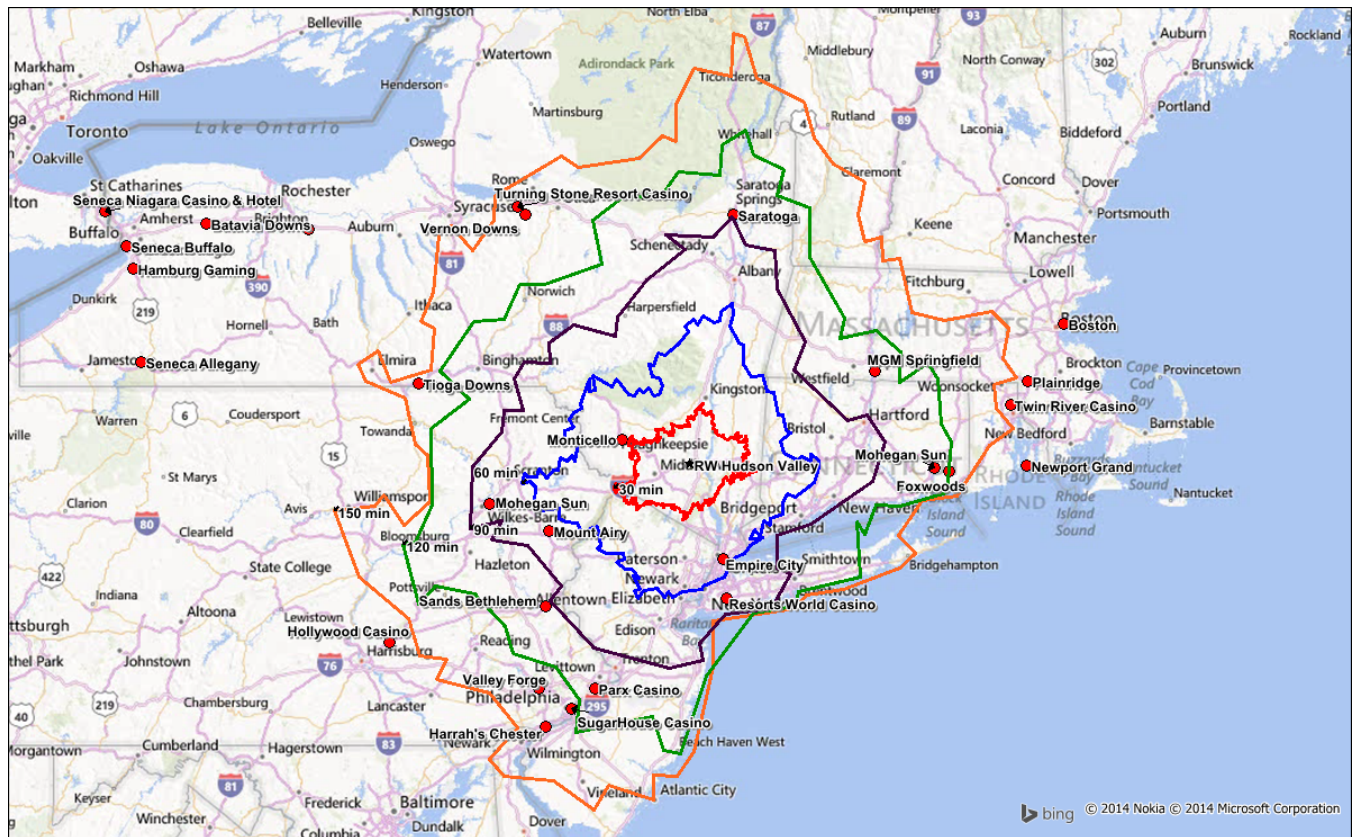
The high revenue sharing agreements that characterize commercial facilities in the New York MSA would put a great deal of pressure on most operations. The lack of competition within this densely populated and wealthy area enables these facilities to overcome their financial burden. Due to those burdens, these properties are largely built for the convenience of those customers and lack the financial flexibility to justify developing a resort experience.

Other competition includes commercial properties in New Jersey and Pennsylvania and Native American properties in New York and Connecticut. These properties offer resort experiences that include slot machines, which are preferred by most players compared to the VLT machines offered in New York. In addition those properties offer table games, which appeal to different players and broaden a resort's customer base. In New Jersey and at the Native American properties, lower gaming taxes and revenue sharing agreements enable the properties to offer incentives that casino gamers value. The New York casino resorts will have a tax advantage for slot play when compared to Pennsylvania. They will also have a benefit in both tax and product compared to the New York VLT properties. For table games, all of the properties in the region pay tax rates that enable them to compete effectively for those customers.

Additional competition is expected to come from the resorts authorized by the New York legislation, the casino resort planned for Springfield, MA, and the addition of a casino resort in Philadelphia, PA. SMA has assumed that two casino resorts are constructed in Region 1, and the second property in that region will offer the most immediate and direct competition to the Resorts World Hudson Valley. That property is assumed to be located in Sullivan County. The other casino resorts mentioned here are either in markets that are largely unrelated, like the Boston area, or will only offer a limited amount of competition in outer market areas. This includes the

Springfield location, which will compete with the proposed facility for tertiary market areas. Similarly, a Philadelphia property is expected to largely compete with the existing properties in that area.

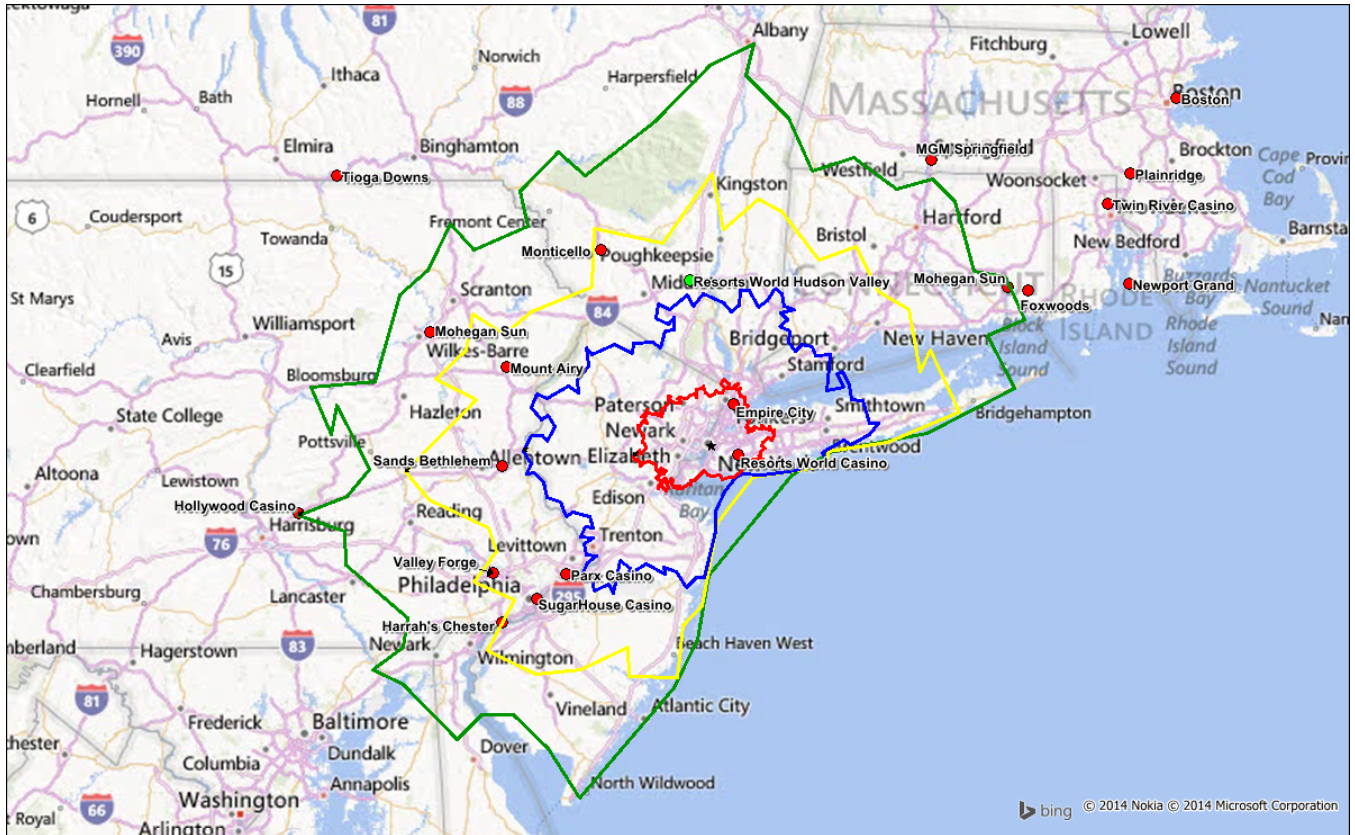
These dynamics are evident in the following map, which shows the drive time distances from the proposed Resorts World Hudson Valley in 30-minute increments. The most immediate competition will arise from the existing Monticello property and the assumed second casino resort that will be introduced in Region 1. An Albany-area property may also be located within proximity such that they compete for players, although Resorts World Hudson Valley will focus on attracting customers from the New York MSA. Similarly, competition for potential patrons from outer market areas can come from MGM Springfield and the two Native American properties to the east and properties located in northeastern Pennsylvania to the west.



As several of these properties target customers from New York, SMA evaluated the proposed site relative to the existing and anticipated options. Resorts World Hudson Valley will be a similar distance from central Manhattan as several eastern Pennsylvania locations including Sands Bethlehem, Parx Casino, and Mount Airy. These properties are all just outside an hour from New York City, but each is more proximate to parts of the New York MSA. Whereas the Pennsylvania properties are proximate for the western part of the MSA, which largely consists of northern New Jersey, the Resorts World Hudson Valley site will be the most proximate option for the northern part of the New York MSA and particularly convenient for people living east of the Hudson River. Atlantic City is about an additional half-hour drive, and the properties in Connecticut tend to be about a two-hour drive.

Resorts World Hudson Valley is expected to feature a quality of construction, finish, and amenities that put it among the top potential competitors in the region. SMA considers those properties to be Borgata and Mohegan

Sun, two more distant options. Among the most proximate existing and proposed competitors, Resorts World Hudson Valley plans to offer the highest quality experience to its clients.



## New York MSA Market

The overall penetration of the New York market remains relatively low despite the current offerings in the region. SMA examined revenue totals of the two proximate New York VLT facilities along with estimated market share of regional competitors to generate an approximated revenue per person figure for the New York MSA. The average revenue per person in the New York MSA is currently estimated at \$177. SMA also compared these figures to selected established casino markets in the Northeast: Pittsburgh, Philadelphia and Cincinnati. In 2013, the average revenue per person in these markets ranged from an estimated \$274 to \$408 and averaged \$336. The average nearly doubles the New York MSA figure, demonstrating that significant untapped potential in the New York market. The New York MSA performance appears even more deflated considering the substantially higher average annual household income ("AAHI") in the region when compared to many other parts of the country.

By taking these factors into account and simply doubling the average revenue per person, the New York MSA appears to have additional \$3.5 billion of unmet demand. While reaching such a figure would likely take a significant change in product, the potential is apparent. The proposed Resorts World Hudson Valley would be expected to retain some of the revenue being generated within the New York MSA and drive growth from this unmet demand.

The table that follows provides an examination of the 2013 MSA projected gaming penetration of selected markets.

<b>2013 Metropolitan Statistical Area Gaming Penetration</b>			
<b>Facility Revenues in Millions</b>			
<b>Pittsburgh</b>		<b>Cincinnati</b>	
Rivers	\$352.0	Horseshoe Cincinnati	\$228.0
Meadows	\$264.3	Hollywood Lawrenceburg	\$269.7
Mountaineer	\$223.6	Rising Star	\$69.9
Wheeling Island	\$124.1	Belterra	\$129.8
Total	\$964.0	Total	\$697.4
Population	2,360,867	Population	2,137,406
<b>Revenue/Person</b>	<b>\$408</b>	<b>Revenue/Person</b>	<b>\$326</b>
<b>New York</b>		<b>Philadelphia</b>	
Empire City	\$613.6	Sugarhouse	\$265.6
Resorts World	\$861.9	Parx	\$487.7
Mohegan Sun Pocono	\$263.4	Sands @ 7.5%	\$34.9
Mount Airy	\$183.4	Harras Philadelphia	\$311.2
Sands @ 27%	\$125.6	Valley Forge	\$96.3
Connecticut @ 26%	\$429.1	Delaware Park	\$167.9
Atlantic City @ 37%	\$1,063.8	Atlantic City @ 10%	\$287.5
Total	\$3,540.7	Total	\$1,651.1
Population	19,949,502	Population	6,034,678
<b>Revenue/Person</b>	<b>\$177</b>	<b>Revenue/Person</b>	<b>\$274</b>
<b>Average of Pittsburgh, Cincinnati, and Philadelphia</b>		<b>\$336</b>	

Source: State agencies , Mohegan Tribal Gaming Authority , US Census Bureau, Strategic Market Advisors

## Tourism in the Region

The proposed Resorts World Hudson Valley site is located within close proximity to a number of attractions in the region that appeal to a variety of tourists. Several events celebrating the rich colonial history of the region are held annually. In February, there is celebration of George Washington's birthday at Washington's Headquarters State Historic Site in Newburgh. Activities include arts and crafts and military drills. In September, General Montgomery Day is celebrated in Montgomery. Festivities for this event include a parade, fireworks, live bands, amusement rides and street vendors. According to the Village of Montgomery, attendance is expected to reach 30,000 for 2014's edition of this festival. Below is a discussion of some other areas of interest and events that occur in the general region.

### Orange County Tourism

#### Stewart State Forest

Stewart State Forest is located directly south of the proposed development between Interstate 84 and Route 207 and encompasses approximately 6,700 acres of wetlands, fields, and woods. The forest includes over 22 miles of major trails. Popular summer activities include hiking, biking, camping, fishing, horseback riding, and dog training. Shoulder seasons include hunting and bird watching, which extends into the summer as well. The park also permits skiing and snowmobiling in the winter, making it a year-round destination.

#### Orange County Fair

The annual Orange County Fair is held in Middletown, approximately 15 miles from the proposed site, in mid to late July. The Orange County fairgrounds are located within close proximity of the intersection of Interstate 84 and Route 17. Much of the appeal of that event is the stock car races and demolition derby that are held at the Orange County Fair Speedway at the site. The 5/8<sup>th</sup> mile track has a seating capacity of approximately 7,000 and offers a variety of car and truck racing. There is also a motocross track at the Orange County Fair Speedway site. Racing on both the main track and the motocross track typically runs from April through October.

#### Hudson River Cruises

River cruises in the area are popular tourist events that typically originate in Newburgh. Multiple operators provide cruises along the Hudson from May through October. These cruises appeal to a variety of tourists as different activities are offered depending upon the season and type of cruise desired. These cruises feature general sightseeing with some incorporating dinner and/or dance parties. Seasonal highlights include lighthouse tours, fall foliage tours, and fireworks cruises.

### New York City Tourism

New York City is a global destination, attracting more than 50 million tourists annually. Approximately 20% of these tourists come from other countries, with 69% using New York as a point of entry. Half of all domestic tourists are day-trippers coming from the surrounding area<sup>1</sup> or along the Amtrak corridor (Washington DC to Boston). Seventy-seven percent of all domestic visitors come to New York for leisure purposes, including 38% that are visiting friends and family. Shopping (38%) and fine dining (28%) are the most popular activities.

The strongest source of foreign visitation is nearby Canada, with other major sources including several European countries as well as long-haul visitors from China and Australia. China has been the fastest growing source of visitation, growing at 30% annually since 2008 and moving well into the top ten sources of visitation. An

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<sup>1</sup> According to NYC & Company, a day tripper must come from beyond 50 miles

estimated 81% of international tourists visit New York for vacation or holiday and they are more enthusiastic tourists when compared to domestic visitors. Shopping is again the most popular activity, with 91% of them shopping, more than twice the percentage of domestic tourists. Sightseeing (87%), galleries and museums (55%), and fine dining (40%) are other top activities.

Visitors to New York City by Country/Region (in 000's)							
	2008	2009	2010	2011	2012	2013(p)	CAGR <sup>1</sup>
Domestic Tourists	37,600	37,000	39,100	40,300	41,800		2.1%
<i>Top 10 Overseas Markets</i>							
United Kingdom	1,328	1,088	1,055	1,055	1,033	1,041	-4.8%
Brazil	341	332	589	718	806	895	21.3%
France	561	519	596	662	667	664	3.4%
China (PRC) <sup>2</sup>	174	151	229	427	541	646	30.0%
Australia	336	419	479	532	595	619	13.0%
Germany	590	568	528	587	605	608	0.6%
Middle East <sup>3,4</sup>	370	355	406	436	478	521	7.1%
Italy	457	431	469	495	449	456	0.0%
Eastern Europe <sup>3</sup>	342	353	298	367	384	406	3.5%
Spain	412	357	388	402	380	383	-1.4%
Canada	964	880	977	1,033	1,063	1,100	2.7%
Mexico	288	234	384	376	387	384	5.9%
<b>Total International Visitation</b>	<b>9,450</b>	<b>8,835</b>	<b>9,744</b>	<b>10,583</b>	<b>10,918</b>	<b>11,382</b>	<b>3.8%</b>

Source: NYC & Company, US Department of Commerce/OTI, Tourism Economics

(p) Preliminary

<sup>1</sup>CAGR - Compounded Annual Growth Rate for the 5-year period. Calculated through 2012 for domestic tourists.

<sup>2</sup>People's Republic of China, excluding Hong Kong

<sup>3</sup>Due to sample size limitations for sizing the market, regional markets were analyzed together

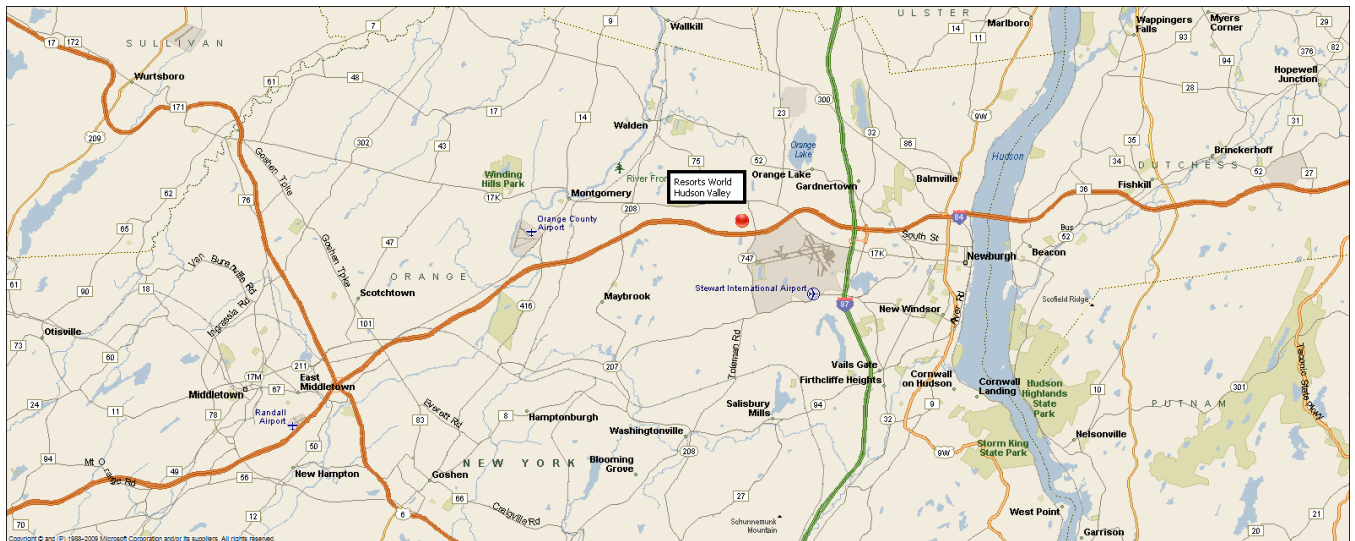
<sup>4</sup>Middle East includes Israel

# Transportation Network

Accessibility is a major determinant for casino visitation, particularly given the competition in the region. Resorts World Hudson Valley's location enjoys convenient access from northern New Jersey, New York City, and its northern suburbs. The site is adjacent to Interstate 84 and has excellent access from the nearby exchange with International Boulevard. RW Orange County LLC plans to seek approvals to fund exchange and roadway improvements to ensure local traffic is unaffected and patrons can easily and quickly reach the property at all times.

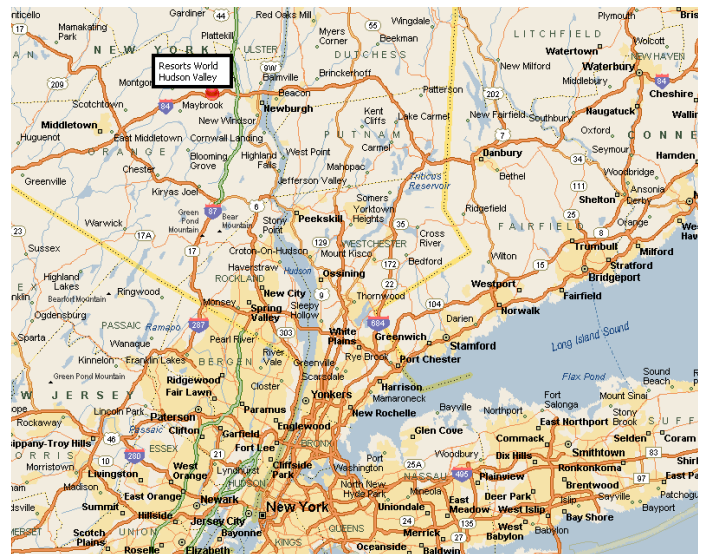
## Roadways

The property is located off of Interstate 84, just north of Stewart International Airport. Existing access includes an exchange between the Interstate and State Highway 747, also known as International Boulevard. International Boulevard borders the east side of the proposed site, providing excellent access. According to the New York Department of Transportation, this section of Interstate 84 had average daily traffic of 46,873 vehicles, 20.07% of which were trucks, in 2009.



RW Orange County LLC plans to offset the expected increases in traffic by seeking approvals to upgrade the highway exchange and roadways as necessary and will fund the improvements. This may include additional lanes for ingress and egress from the Interstate and to the property entrance.

Interstate 84 extends to the east through New York into Danbury, Waterbury, and Hartford Connecticut and to the west to Middletown and Scranton, Pennsylvania. Exit 5 serves the property and is approximately 2 miles from exit 7, an exchange with Interstate 87. Interstate 87 runs north to Albany and south across the Tappan Zee Bridge and into central parts of the New York MSA. Several roadways, including Interstate 287, the Garden State Parkway, and the Palisades Interstate Parkway, serve northern



New Jersey and the western part of the New York MSA.

The Hamilton Fish Newburgh Beacon Bridge, which is part of Interstate 84, will help bring traffic immediately from the east. This is an important connection as it crosses the Hudson River, a major waterway with a finite number of crossings. The bridge and Interstate 84 serve Newburgh and will provide convenient access to patrons that live east of the Hudson River.

Being at the crossroads of two major interstate highways with access across the Hudson River provides the site with excellent access. These interstates provide multiple connections into the highway network serving the New York MSA and collectively provide several options for motorists to reach the property. This will help circumvent traffic at peak travel times and/or during construction and other temporary disruptions.

## **Rail**

Train service is expected to be an option that a number of casino visitors utilize due to its availability, ease of use, and also as some customers may not own a car. The Beacon train station, located on the east side of the Hudson river, offers frequent service to and from Grand Central Station. Beacon can be reached from Montgomery by the Hamilton Fish Newburgh Beacon Bridge, which is part of Interstate 84. Water taxi service is also available to cross the Hudson from the Newburgh Park and Ride facility. An airport shuttle service from Stewart International connects with both the Metro-North passenger rail station in Beacon and the Newburgh Park & Ride facility.

Train service to Beacon runs along the Hudson line to Grand Central Station and requires about 90 minutes. Effective July 7<sup>th</sup>, 2014, there will be approximately 30 trains along the Hudson line that run to and from Grand Central to Beacon on weekdays. On the weekends and holidays, there are more than 20 trains that run from Grand Central to Beacon, with the same number making the return trip. RW Orange County LLC will run shuttles to and from the train station that coincide with their schedule for seamless connections and a convenient customer experience.

## **Airport**

Stewart International Airport is located on the opposite side of Interstate 84. The terminal is about a two mile drive from the proposed location through an area that is not susceptible to traffic or delays. The airport has been operated by the Port Authority of New York and New Jersey since November, 2007. The airport has two runways and there are seven gates at the terminal. Four commercial carriers service the airport (Allegiant, jetBlue Airways, Delta Connection and US Airways Express). Stewart International offers approximately 2,000 parking spaces within walking distance of the terminal. In 2012, total commercial passenger traffic was 157,588.

Orange County airport is located southwest of Montgomery, just north of I-84. This public use facility has two asphalt runways and averages approximately 325 operations per day.



## Regional Demographics

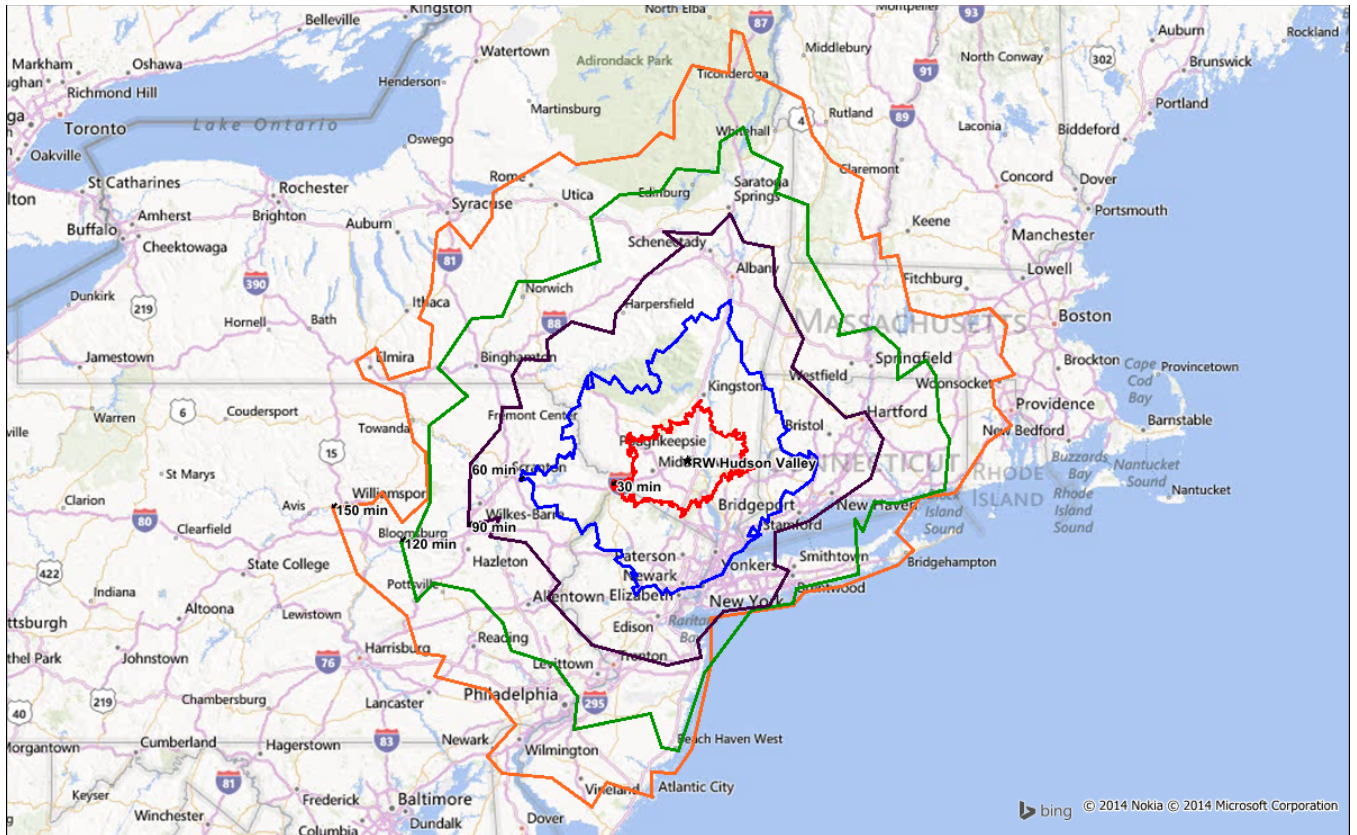
Research on the demographics of the population living within a 90-minute drive of the proposed Hudson Valley location was conducted. The population within a 30-minute drive of the proposed location included over 462,000 adults in 2013 and is expected to grow to nearly 484,000 adults in 2018. The AAHI in this region was nearly \$89,000, and is the lowest of all of the regions analyzed<sup>2</sup>. By 2018, the AAHI is expected to reach over \$101,000 in 2018.

The adult population total rises considerably in the 30-minute to 60-minute drive time band. Nearly 5.7 million adults live within this band, which includes parts of northeastern New Jersey that lie within the New York City MSA. By 2018, the adult population of this band is projected to total over 5.8 million. The residents of this area have an AAHI level of over \$99,000. The 60-90 minute drive-time band has the largest adult population at nearly 10.4 million in 2013 and is projected to reach nearly 10.8 million adults in 2018. This drive-time band includes much of New York City, which is expected to be a prominent market for the proposed facility. Incomes are slightly lower in this region than the 30-60 minute band, which also extends to include many rural parts of the Northeast, at an average of nearly \$93,000. The aggregate income totals within 90 minutes were estimated at over \$800 billion in 2013.

Hudson Valley Resort Demographics by Drivetime				
	0 min-30 min	30 min-60 min	60 min-90 min	0 min-90 min
2013 Total Population	652,359	7,773,919	13,998,213	22,424,491
2013 Population 21+	462,779	5,658,342	10,383,564	16,504,685
2018 Total Population	668,770	7,951,310	14,390,073	23,010,153
2018 Population 21+	483,817	5,845,102	10,788,256	17,117,174
2013 Average Annual Household Income	\$88,917	\$99,439	\$92,940	\$95,076
2018 Average Annual Household Income	\$101,013	\$112,696	\$105,221	\$107,681
2013 Aggregate Income (000)	\$20,075,614	\$291,772,399	\$489,575,044	\$801,423,056
2018 Aggregate Income (000)	\$23,664,937	\$345,401,499	\$576,738,095	\$945,804,531

Source: MapInfo

<sup>2</sup> These statistics do not include the impact of the proposed casino resort, which should drive increased incomes in the region and contribute to rectifying this imbalance



## Resorts World Hudson Valley Offering and Positioning

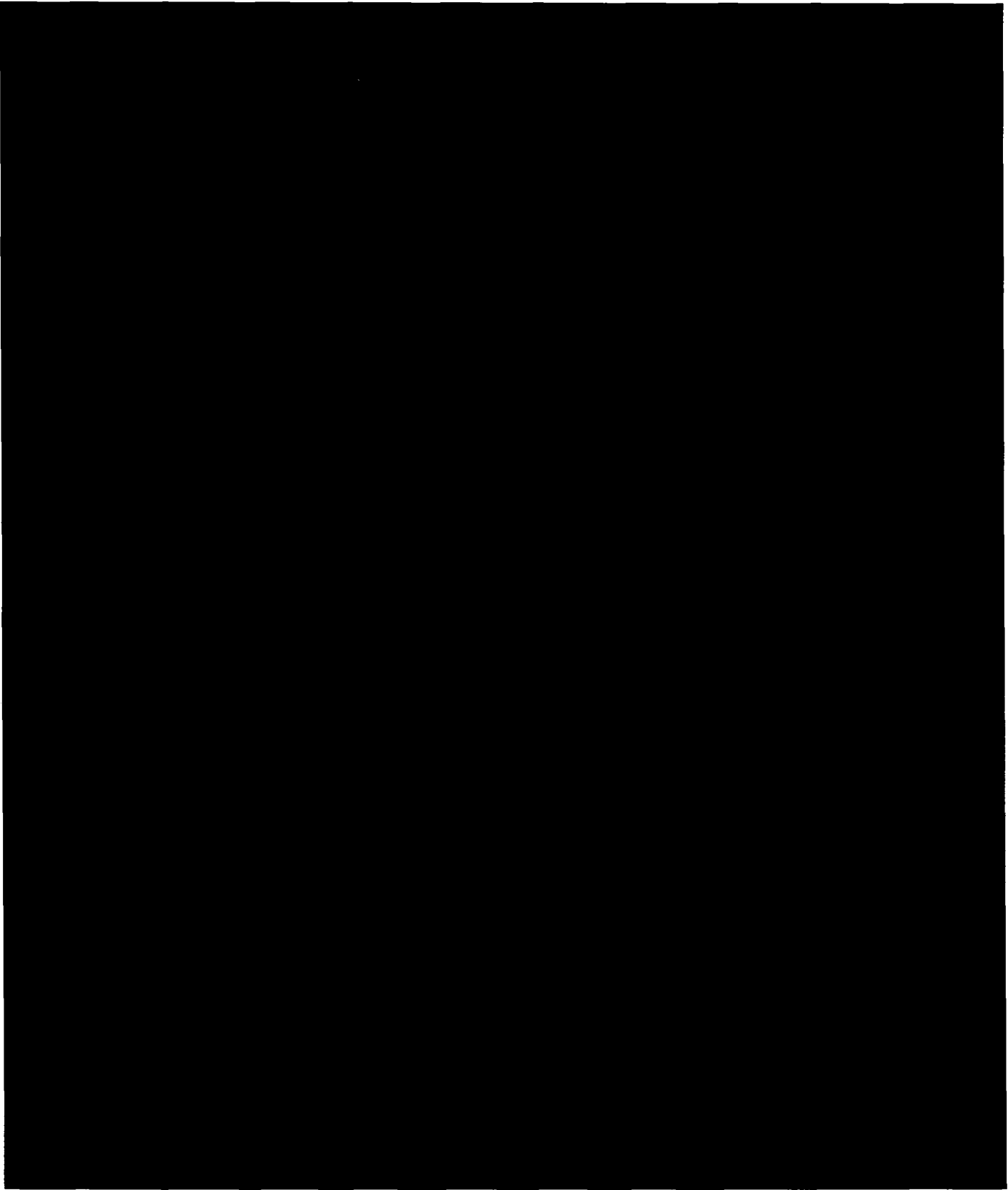
RW Orange County LLC plans to make a \$1.0 billion investment to construct Resorts World Hudson Valley. The location and investment combine to develop a compelling casino resort when compared to the competitive landscape in the region. Among casino gaming options that are located closer to the New York MSA, the proposed resort will be a purpose-built resort that features a finish, customer service, and overall experience that will exceed the existing and planned casino resorts that are comparable distances from New York.

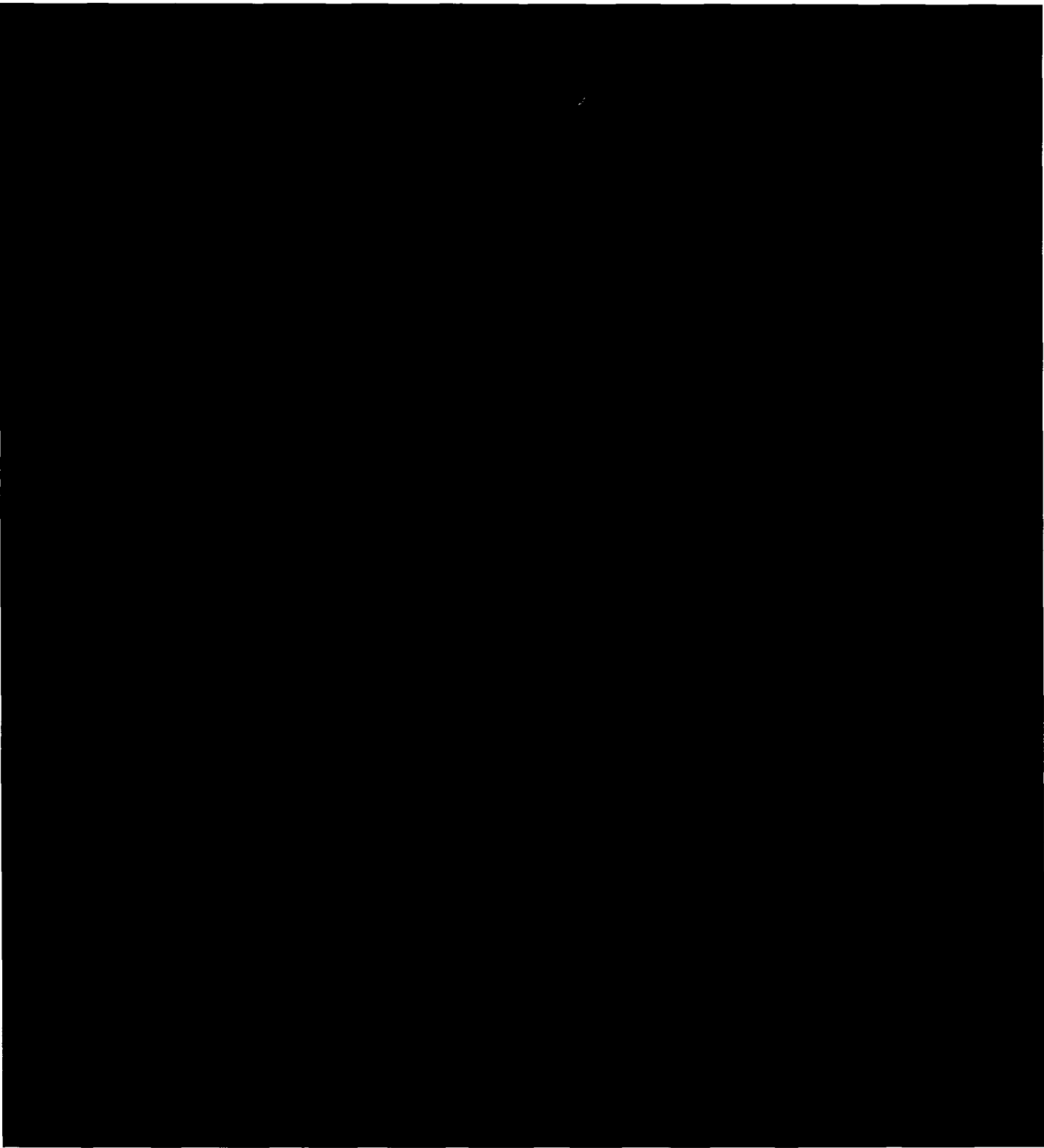
In addition, the property will share branding with the Resorts World Casino New York City. This will give potential customers a familiar brand and perspective although the properties may appeal to different customer bases. The New York City property caters largely to a convenience market for slot machine players, making the Hudson Valley property an attractive complement for some customers.

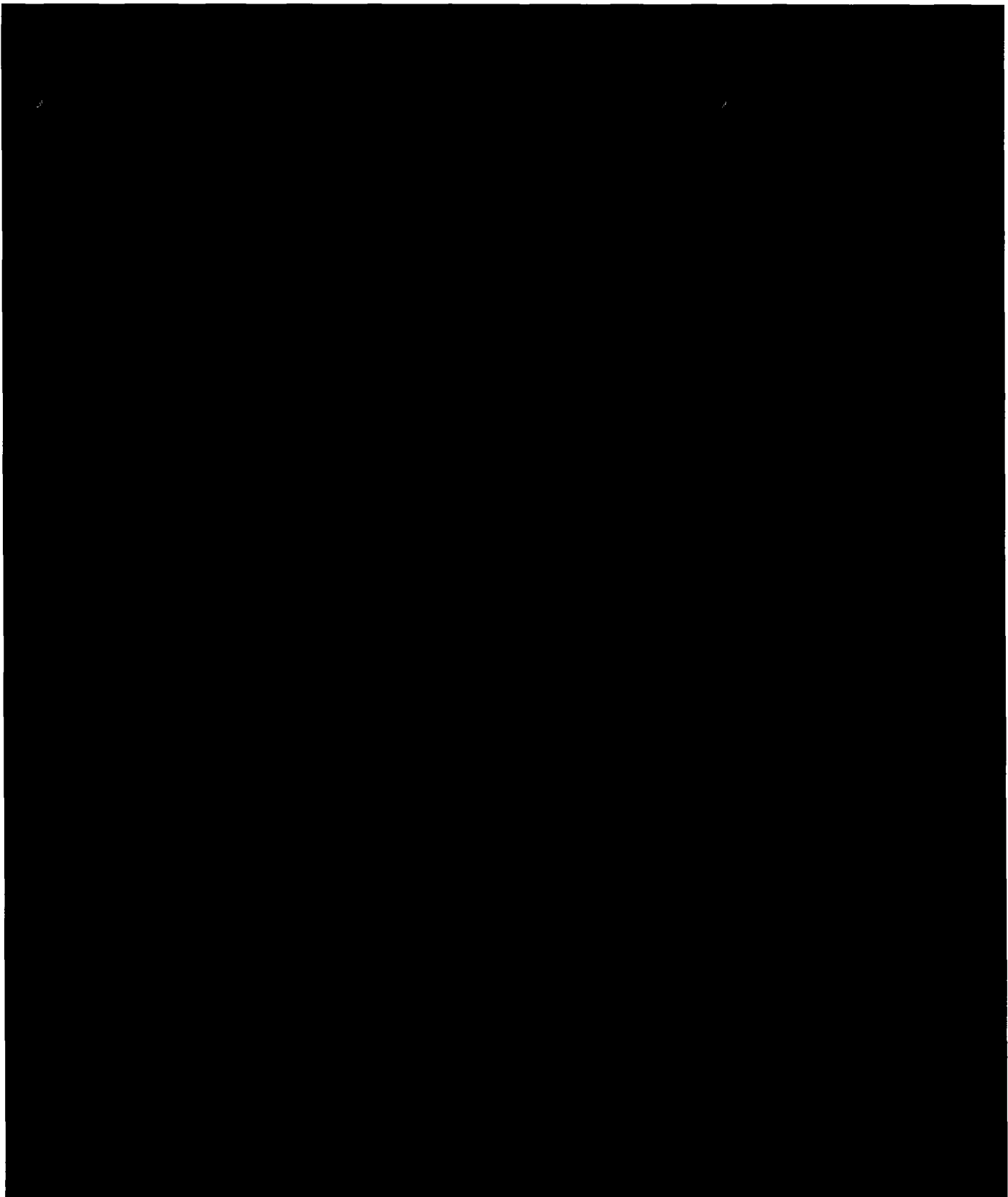
Access at the site is expected to be excellent, as the site is located near the intersection of Interstates 84 and 87. The property will be located immediately off the highway and improvements will ensure easy ingress and egress. In addition, shuttles from the Beacon train station, bus programs from the New York MSA, and a bus program developed in conjunction with Woodbury Common will all make the property more convenient for more potential visitors and enhance awareness and visitation to the area.

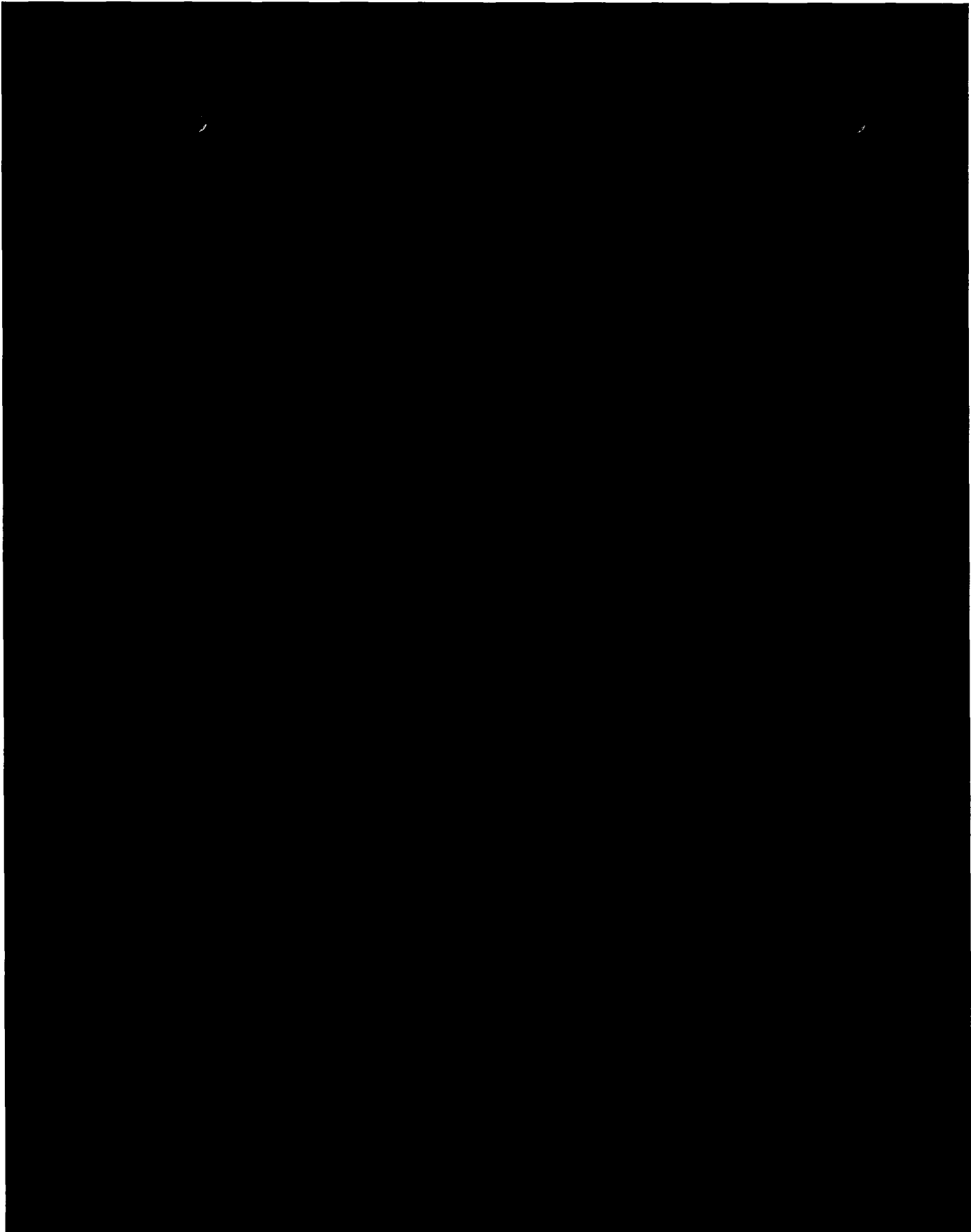
In Region 1, the property will presumably be subject to immediate competition from a second casino resort located in Sullivan County and the Monticello property. To the north, a casino resort in the Albany region will also offer some competition. However, relative to more distant competition and the existing options in the region, Resorts World Hudson Valley will have an advantage in attracting customers from the northern part of the New York City MSA. This will enable the property to attract customers based on its advantageous location and lower marketing costs.

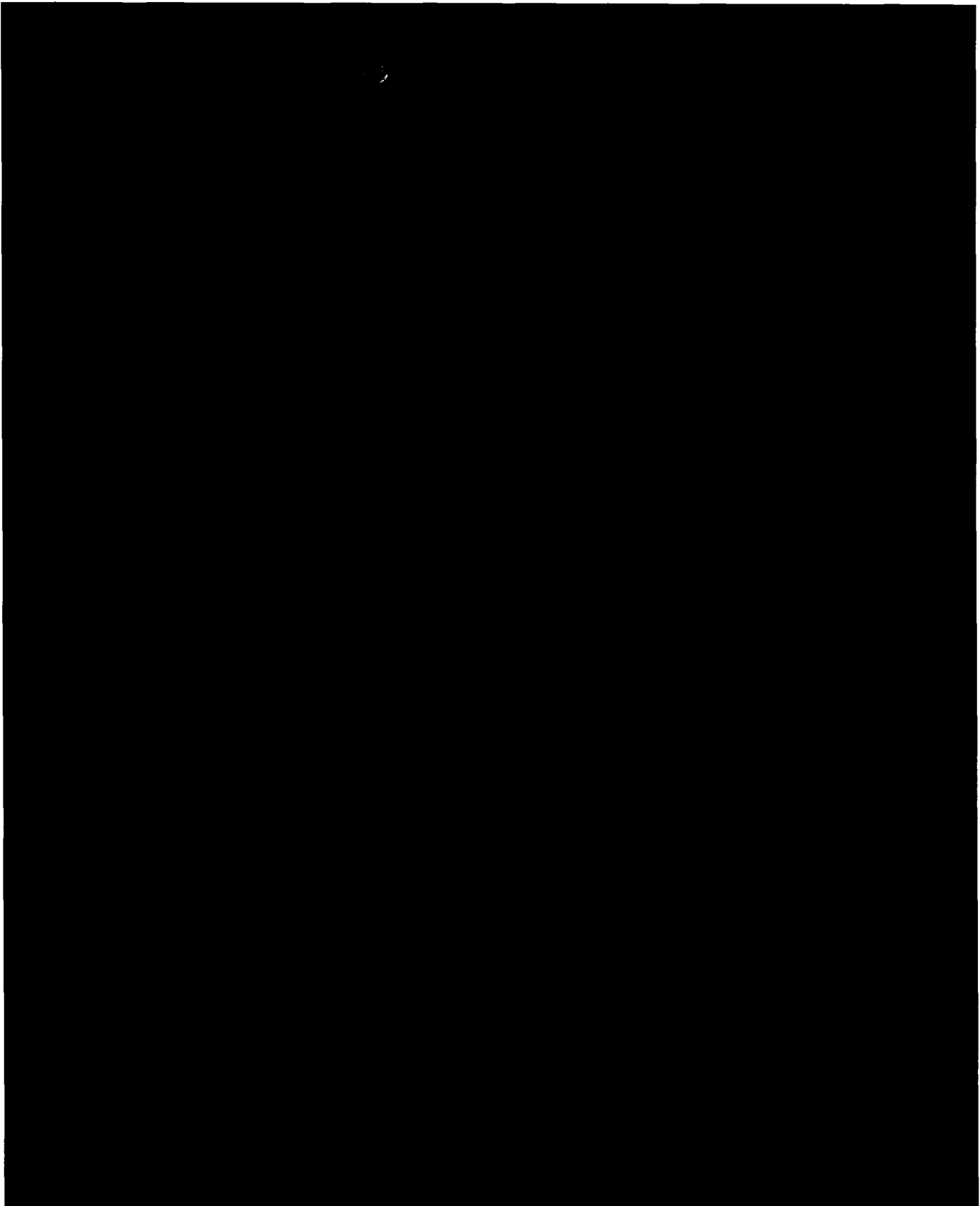
In summary, the analysis shows that the location, building plan, and marketing strategies are consistent with the market opportunity and competition. Resorts World Hudson Valley has clear advantages that should enable the property to achieve high market share in its immediate markets and compete effectively in the contested markets that lie between it and other properties as well as the highly targeted New York City MSA.



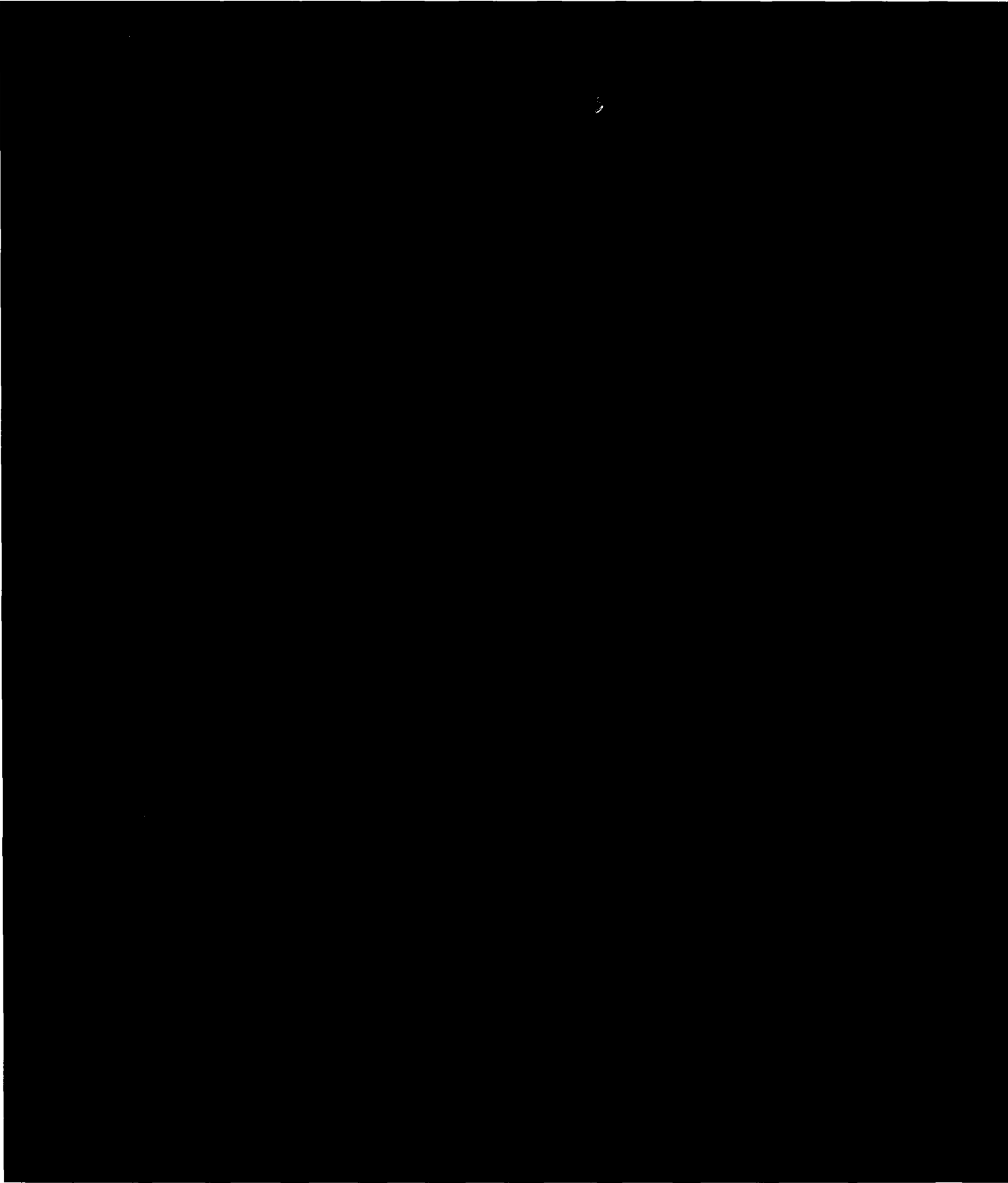


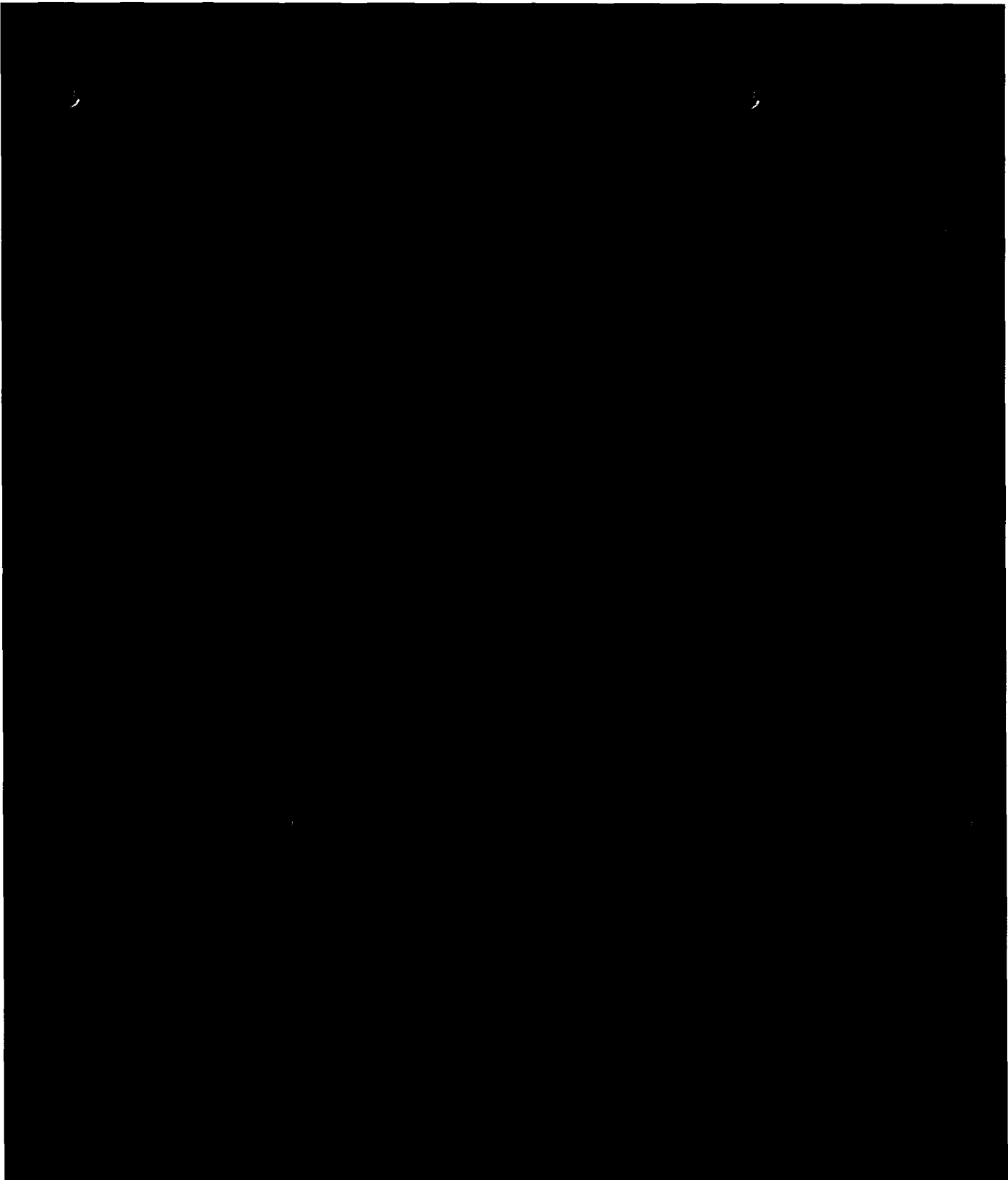












## Casino Resort Amenity Forecasts

SMA was asked to review the revenue that could be generated by specific amenities at the proposed Resorts World Hudson Valley. Casino gaming can be a unique amenity that drives visitation to a resort and become a primary source of revenue. Casino amenities originally focused on keeping guests at the facility longer, but in many instances were offered at below market prices. This strategy was linked to the profitability of the casino and the hopes of earning incremental play from guests. Hotels and food and beverage outlets address needs and were therefore among the earliest amenities.

Amenities have evolved in two primary ways. First, amenities have expanded to include a wider range of offerings. For hotels, this includes both higher quality accommodations and a wider range of options in terms of suites that are situated adjacent to other amenities, such as pools, golf courses, or gardens. In food and beverage, this includes varying price points and a selection of cuisines. However, amenities have also diversified beyond these needs to offer other options. These include meeting and convention facilities to attract groups, retail shopping, and live entertainment. In addition, recreational activities such as golf courses, spas, and water-based sports activities.

Next, amenities have shifted from being subsidized or break-even to being increasingly important sources of revenue and profit. On the Las Vegas Strip, non-gaming amenity revenue has grown to become more than 60% of gross revenue at the largest and most diversified resorts. Hotels, food and beverage outlets, and retail operations increasingly include brands that can complement and even broaden a casino resort's positioning and appeal. Whether these are branding or licensing deals, stakeholders increasingly demand that these amenities are economically viable. The importance of profitable amenities has grown in recent years, particularly at properties with the appropriate positioning and appeal.

Amenities at the Resorts World Hudson Valley will include 29 food and beverage establishments, a 20,000 sq ft spa, and a 94,000 sq ft events center. These all represent opportunities to profitably broaden the resort's appeal. SMA was asked to review the food and beverage outlets, the conference/concert space, the spa, and a sundry store and gift shop. Following details on the experience at other, similar resorts SMA will project the performance of these resort amenities.

## Resort Amenity Performance

The large resorts located along the Las Vegas Strip started diversifying their profitability into amenities before most other casino resorts in the United States and even the world. This arguably started approximately 25 years ago with the opening of the Mirage Resort, although as a trend the diversification of profitability gained more popularity in the last 10 to 15 years. In recent years, approximately 10% of surveyed visitors say the primary purpose of their trip to Las Vegas was to gamble. In contrast, 45% say they went for the broader purpose of vacation or leisure.

In fact, 29% of visitors to Las Vegas don't gamble<sup>3</sup>. Nationwide, 26% say they never or rarely gamble during their visit<sup>4</sup>. These statistics highlight the importance of non-gaming amenities. The most successful regional casino resorts mirror this trend by offering lodging, multiple food and beverage options, and a mix of other elements including shopping, live entertainment, spas, and other elements that are consistent with their positioning and customer base. The most effective operators complement their positioning and drive increased profitability, but also drive incremental gaming through careful planning. Operators at the forefront of this trend are also adjusting their rewards programs to include non-gaming expenditures.

## Case Studies

SMA evaluated casino resorts for comparison purposes to the proposed Resorts World Hudson Valley in terms of positioning, customer base, and amenities. The selected resorts include Sands Bethlehem ("Sands"), Borgata, and Mohegan Sun. Each of these properties effectively targets the New York MSA and therefore compete for the same customers that Resorts World Hudson Valley will target. Sands is closer, particularly from northern New Jersey, and likely has a stronger mid-week business when compared to Borgata and Mohegan Sun. Those two properties are 1.5 to 2 hours' drive from New York City. Accordingly, they feature a much greater number of hotel rooms and are more dependent on weekend business.

Resorts World Hudson Valley creates a balance between these offerings. In terms of distance, the location is comparable to Sands in terms of drive-time but will have less competition for customers coming from the northern parts of the New York MSA. However, the property will offer more than twice as many hotel rooms and a more dining options. In short, the amenities planned for the resort are more similar to those required to attract players to the more distant Borgata and Mohegan Sun offerings.

The following table provides a comparison between these three properties and the proposed Resorts World Hudson Valley. Each property features different positioning which is reflected in their amenities. The Borgata directly manages more of its operations, whereas Mohegan Sun leases amenities including several food and beverage outlets and its spa. Sands partnered with the landholder for its project, where it owns 86% of the gaming, hotel, and entertainment operations and approximately 35% of the retail operations. In addition, several restaurants are leased out or branded, making comparisons difficult. Nonetheless, each property lends insight into the operating environment and customer tastes and preferences and was relied on in this analysis noting the nuances of each operation and the operating conditions driving the metrics used for comparison purposes.

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<sup>3</sup> Las Vegas Convention and Visitors Authority

<sup>4</sup> American Gaming Association

Selected Resort Amenities				
	Sands Bethlehem	Mohegan Sun	Borgata	Resorts World HV
Casino and Hotel				
Rooms	300	1,200	2,767	600
Slots	3,000	5,530	3,200	3,500
Tables	150	285	180	250
As % of gaming positions	30%	31%	34%	43%
Food and Beverage Outlets				
Fine Dining	3	4	5	3
Casual Dining	9	21	14	14
Bars & Lounges	2	13		10
Clubs	0	3	2	2
Retail (square feet)	150,000	95,000	45,000	17,300
Meeting (square feet)	50,000	100,000	88,000	94,000
Other Revenue Elements				
Entertainment	Events Center (meeting space)	10,000-seat arena	3,700-seat event center 950-seat theater	6,500-seat event center
Recreation		golf		
Spa		1 spa, 20,000 sq ft	2 spas, 54,000 sq ft	1 spa, 20,000 sq ft

Source: Company Filings, Company web sites, Strategic Market Advisors

Note: Includes estimated sq ft of retail space for Borgata

The financial results for each of the selected resorts were evaluated in order to identify operating characteristics and performance metrics that could form the foundation of the analysis for Resorts World Hudson Valley. Those metrics are highlighted in the following table for Mohegan Sun and Borgata. Details for the Sands operations did not permit a comparison. The impact that leases have on food and beverage, specifically, is evident when comparing the performance of the two resorts. Mohegan Sun does drive substantial revenue it includes in the Other category, which includes its 10,000 seat arena, ownership of the Connecticut Suns WNBA franchise, extensive retail operations, leased spa, and a gas station.

2013 Performance (\$M)		
	Mohegan Sun	Borgata
Gaming	\$911.2	\$615.7
Hotel	\$40.9	\$115.1
Food and Beverage	\$60.0	\$140.3
Other	\$108.5	\$42.4
Gross Revenue	\$1,120.6	\$913.5
Promotional Allowances	\$78.5	\$217.8
Net Revenue	\$1,042.1	\$695.7

Source: Company Filings

More detailed comparisons are based on the specific amenity being considered and are detailed in the following sections.

## Estimated Food and Beverage Revenue

The trend towards increased revenue and profitability is perhaps most prevalent in food and beverage operations. The exceptional range of food and beverage opportunities available in today's casino resorts help to signal property's positioning. Furthermore, satisfying people's hunger lies at the very foundation of the hospitality industry.

The most successful casino resorts host multiple food and beverage options with a range of price points and options. Restaurateurs and celebrity chefs lease or license casino resort eateries now. These properties can be notable and limited dining experiences that can complement a special occasion or night out. The "eatertainment" trend highlights not just dining, but the importance of the overall experience. In addition, popular chains offer familiar dining options for guests that prefer that experience.

Lounges and night clubs increasing popularity makes them significant contributors to the performance of casino resorts in Las Vegas. In fact, Las Vegas hosts seven of the top ten grossing nightclubs in the United States.<sup>5</sup> Globally, and by several counts, Las Vegas is said to host two of the top five nightclubs. This performance is driving the Las Vegas beverage revenue detailed earlier in this section. Most new regional casino resorts in the planning stage include night clubs while other resorts are making space to fit them into their existing structures. This will benefit the planned night club at the proposed Resorts World Hudson Valley.

In terms of food and beverage operations, the Borgata owns the majority of its restaurants including the fine dining on the property. Management agreements for those properties bring both expertise and notable chefs and brands but mitigate revenue levels. Some other properties are leased. This mix between fully managed operations and operating agreements or leases that best coincides with RW Orange County LLC's plans. Resorts World Hudson Valley will, however, have a greater share of drive-in guests when compared to Borgata due to its location closer to its customer base. This is reflected in its room supply, which is about 20% of Borgata's. However, GGR forecasts for Resorts World Hudson Valley are similar to Borgata's performance. The food and beverage revenue, on a per occupied room basis, should therefore be higher. For this reason, the F&B revenue per occupied room was applied to the forecasted occupied room nights for Resorts World Hudson Valley and day trip guests are accounted for separately.

With increasing competition from casino openings in New York and Pennsylvania, recent visitation at Borgata likely skews more heavily towards hotel guests compared to previous years. In fact, it closes its 797-room Water Club tower from Monday to Friday between November and May. Mohegan Sun achieves higher occupancy levels at its smaller hotel but has likely experienced a similar dynamic. The average F&B revenue per occupied room for these two properties was used as a comparable. No growth was assumed in this metric between 2013 and 2017 in an effort to be conservative. This results in an estimated \$31 million in F&B revenue from hotel guests.

Casino day trip guests also tend to use food and beverage outlets, although average expenditures tend to be lower than hotel guests due to shorter stays, some customers do not use the outlets at all. The Portrait of the American Gambler survey indicated that 24% of day trip guests do not dine, and the median expenditure for those that do is \$30. In comparison, the average guest expenditure at Mohegan Sun's restaurants was \$16 between 2011 and 2013. In order to be conservative, SMA gauged expenditures on this number, discounting the average expenditure to \$10 due to the proximity of the customer base. This drove \$67 million in food and beverage revenue from day trippers and a total estimated food and beverage estimate of \$98 million.

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<sup>5</sup> Nightclub & Bar and Technomic Inc 2013

### Forecasted F&B Revenue

MS/Borgata 2013 Average per Occupied Room	\$153
RND	199,622
Hotel Guest F&B Revenue (\$M)	\$30.6
Day Trips	6,731,200
Revenue/Visit	\$10
Day Trip F&B Revenue (\$M)	\$67.3
Total F&B Revenue (\$M)	\$97.9

Source: Company Filings, Marquette Advisors, Strategic Market Advisors

## Estimated Spa Revenue

Spas are a popular amenity within casino resorts for both gaming and non-gaming guests. Some casinos have aggressively expanded their spas, and like other amenities, Las Vegas led the charge. While Wynn, Bellagio, and the Venetian all enjoy upscale positioning and clientele that are more likely to enjoy a day in the spa, many other properties have successfully integrated spas into their operations. Given that spas tend to still be focused in the largest properties, it is noteworthy that 3% of all visitors to Las Vegas report visiting a spa during their trip.

Spending on spa visits is discretionary, and as such was susceptible to the recent economic downturn. According to the International Spa Association ("ISPA"), US spa expenditures reached \$14 billion in 2012, up from \$13.4 billion in 2011. Performance in the industry has rebounded, with visitation, revenue per visit, total revenue, and employment all increasing over the last three years. In 2012 there were 160 million spa visits with an average expenditure per visit of \$87. This average increases to \$127 for hotels and resorts, which on average offer a broader range of services and charge higher prices. The average resort spa, according to ISPA, was nearly 13,000 sq ft and generated \$1.5 million in revenue from nearly 12,000 visits in 2012.

While spas obviously exist in and around New York City, the vast majority appear to be day spas that have limited space. This narrows the potential range of services any spa can offer, limiting the appeal of the overall experience and forcing consumers to search for spas that offer the services they seek. The spa at Resorts World Hudson Valley aims to capitalize on this dynamic with a dedicated marketing effort in the regional market. Guests will be enrolled in a rewards program and a customer base will be built. This strategy results in a spa that appears abnormally large when compared to the room count or other in-house metrics against industry benchmarks.

The spa at Mohegan Sun is leased, and as such our foundation for forecasted spa revenue has to rely on comparisons to the Borgata. The Borgata offers two spas, one in the initial facility and one on the 32 and 33 floors of the Water Club, which opened in June 2008. They offer a combined 54,000 sq ft. The Borgata spa achieved an estimated sales per sq ft of \$161 compared to \$119 for a hotel resort as reported by ISPA.

### Spa Expenditures (2013)

	Borgata
Spa per occupied room	\$10.21
Sales per sq ft	\$160.77

Source: Company Filings

The Resorts World Hudson Valley spa will be 20,000 sq ft, about 30% of Borgata's space. The spa will serve a hotel offering about 20% of the room supply, but will also a much larger level of local demand. The dedication

to the local market, which is not expected to use the hotel on most stays, will drive a substantial revenue stream. Therefore, the lower room count is expected to be offset by the larger local population, and the Resorts World Hudson Valley spa is expected to perform similarly to the Borgata spa on a normalized basis. SMA therefore applied the sales per square foot figure, assuming 2.0% annual growth, to forecast \$3.5 million in spa sales in the first full year of operations.

<b>Estimated Sterling Forest Resort Spa Sales</b>	
Sales per sq ft	\$174.03
square feet	20,000
Estimated spa sales (\$M)	\$3.5
Source: Strategic Market Advisors	

## ***Estimated Convention Center Revenue***

Convention facilities are a popular amenity with casino resort operators, as the midweek demand that corporate groups drive dovetails well with casino demand that focuses on weekends. These corporate guests use hotel rooms and food and beverage amenities, and for this reason meeting planners are frequently able to negotiate favorable rates for the use of the convention facilities. Revenue comes from the rental of the facilities, the rental of equipment, and banquet services with several smaller potential sources of revenue depending on the group and their demands.

Several facilities have developed convention and meeting space that offers flexibility to convert into an events center. This can include tiered seating extending from the sides of the facility and a stage at one end. The result is a small stadium suitable, depending on the design, for athletic events, concerts, and lectures. This can be useful for groups that wish to use an arena-type seating environment but also enables the property to host live entertainment. These events centers enable the operator to leverage the investment to accommodate different types of demand and utilize its space more effectively.

The Borgata and Sands both manage events centers. Sands' event space was conceptualized and built by Vision Entertainment Group and offers approximately 50,000 sq ft. including a 10,000 sq ft floor space with raised seating areas along the sides, a mezzanine level, and 7 suites. Seating appears to accommodate about 1,650 people for a live event. Tradeshows tend to focus on the floor space and raised sides, and a stage opposite the mezzanine and suites is used for concerts and shows. Seating is placed on the stage for sporting events, which are focused in the center of the floor.

The Borgata Events Center can host up to 3,700 guests for live entertainment. Floor plans include general admission, reserved seating, and a combination of the two. When used in combination, reserved seating towards the end of the room is put on risers that allows seated patrons to see over the general admission area. The Events Center also complements the ballroom and other meeting and convention facilities, with a capacity of 3,500 for a reception and 1,700 seated at banquet rounds.

Neither Sands nor Borgata reports specific details on its amenity revenues. SMA did analyze the operations of each based on their financial reports, filings with regulators, SMA's knowledge, experience, and contacts in those areas. Based on their financial reports events calendar, and seating configurations, the Sands event center is estimated to host 75 live events annually and 100 meeting-days. This is estimated to have driven \$10.4 million in revenue in 2013. Ticket sales at the Borgata for live events are expected to reach \$15.2 million based



on 75 shows annually. Borgata's convention and meeting business is primarily operated in other rooms including a similarly-sized ballroom, making a review of its specific revenue highly speculative and not applicable. The live events were estimated to drive \$14.6 million in revenue in 2013.

Resorts World Hudson Valley's facility is expected to perform similarly in several ways. First is that it will likely host an estimated 75 events annually. Estimated seating, based on the square footage of the events center and comparisons to Borgata and other properties, is 6,500 for a live event. Assuming a \$40 average ticket price this will drive \$11.7 million in sales. In addition, SMA estimated that the meeting and conference team will drive 100 meeting days annually. The main room should accommodate about 3,000 people in a banquet or classroom configuration and 6,500 for a reception or theater seating. SMA assumed average attendance of 2,200 and revenue per attendee of \$30, which includes banquet food and beverage services, rental income, and other services. The meeting and convention sales is expected to result in \$6.6 million in sales, leading to \$18.3 million in total sales between the two revenue streams.

<b>Events Center Revenue Forecast</b>	
<b>Live Events</b>	
Annual Events	75
Pricing	\$40
Utilization	60%
Seats	6,500
Revenue (\$M)	\$11.7
<b>Meetings</b>	
Meeting Days	100
Attendance	2,200
Revenue/Attendee/Day	\$30
Revenue (\$M)	\$6.6
<b>Total Events Center Revenue</b>	<b>\$18.3</b>
Source: Strategic Market Advisors	

## **Retail Revenue**

Management will operate a sundry store to offer guests gifts and popular items they may find they need during their stay. These stores are typically run as a convenience for all guests and offer opportunities to redeem points for merchandise featuring the property's logo but also offer snacks and toiletries for overnight hotel guests. Revenue in these stores is fairly consistent across operations and tends to reach 0.4% to 0.5% of GGR. The following table shows SMA's 0.45% assumption drives \$3.2 million in retail store revenue.

<b>Estimated Retail Revenue</b>	
Estimated GGR (\$M)	\$711.1
Assumption	0.45%
Forecasted Retail Revenue (\$M)	\$3.2
Source: Strategic Market Advisors	

## Amenity Conclusion

Resorts World Hudson Valley plans to develop a casino resort with a number of non-gaming amenities. These include a 600-room hotel, 29 food and beverage outlets, a 94,000 sq ft events center, a 20,000 sq ft spa, and a retail store. The facility will be among the nicest in the region and will compete for casino resort guests seeking an experience that includes casino gaming as well as complementary amenities such as those proposed by RW Orange County LLC. Casino resorts in the region that offer these amenities are able to better meet customers' needs, retain them longer, and earn more of their entertainment budget. The associated revenue streams are summarized in the following table.

<b>Amenity Revenue Summary (\$M)</b>	
<b>First Stable Year of Operations (Year 3)</b>	
Hotel	\$36.7
Food and Beverage	\$97.9
Events	\$11.7
Convention	\$6.6
Spa	\$3.5
Retail	\$3.2
Total	\$159.6

Source: Strategic Market Advisors

The following table demonstrates the five-year forecast for the amenities for the base case discussed above as well as a low and high scenario.

### Five-Year Forecasted Amenity Revenue Streams (\$M)

	2017	2018	2019	2020	2021
<b>Low</b>					
Hotel	\$28.0	\$30.8	\$33.0	\$34.5	\$35.9
Food and Beverage	\$79.9	\$84.7	\$88.1	\$90.8	\$93.5
Events	\$9.6	\$10.1	\$10.5	\$10.8	\$11.2
Convention	\$5.4	\$5.7	\$5.9	\$6.1	\$6.3
Spa	\$2.8	\$3.0	\$3.1	\$3.2	\$3.3
Retail	\$2.6	\$2.8	\$2.9	\$3.0	\$3.1
Total	\$128.3	\$137.2	\$143.6	\$148.4	\$153.3
<b>Baseline</b>					
Hotel	\$31.1	\$34.2	\$36.7	\$38.3	\$39.9
Food and Beverage	\$88.8	\$94.1	\$97.9	\$100.8	\$103.9
Events	\$10.6	\$11.3	\$11.7	\$12.1	\$12.4
Convention	\$6.0	\$6.3	\$6.6	\$6.8	\$7.0
Spa	\$3.2	\$3.3	\$3.5	\$3.6	\$3.7
Retail	\$2.9	\$3.1	\$3.2	\$3.3	\$3.4
Total	\$142.6	\$152.4	\$159.6	\$164.9	\$170.3
<b>High</b>					
Hotel	\$34.2	\$37.7	\$40.3	\$42.1	\$43.9
Food and Beverage	\$97.7	\$103.6	\$107.7	\$110.9	\$114.3
Events	\$11.7	\$12.4	\$12.9	\$13.3	\$13.7
Convention	\$6.6	\$7.0	\$7.3	\$7.5	\$7.7
Spa	\$3.5	\$3.7	\$3.8	\$3.9	\$4.1
Retail	\$3.2	\$3.4	\$3.5	\$3.6	\$3.7
Total	\$156.9	\$167.6	\$175.5	\$181.3	\$187.3

Source: Strategic Market Advisors

## Conclusion

RW Orange County LLC plans to introduce Resorts World Hudson Valley in Montgomery, New York. The location's proximity to New York puts it among the closest properties to that large and underserved market. Accordingly, RW Orange County LLC incorporated popular resort elements including a four-star hotel, 29 food and beverage outlets, live entertainment, convention and meeting facilities, and spa. Among the resorts that are the closest to New York City, Resorts World Hudson Valley plans to offer more hotel rooms, a greater array of dining options, and offer a larger live entertainment venue.

The proposed location at the northwest intersection of Interstate 84 and State Highway 747 is adjacent to a highway exit and approximately two miles from the intersection of Interstates 84 and 87. These two roadways provide excellent access along east/west (Interstate 84) and north/south (Interstate 87) axes. These main roadways cross the Hudson River and extend into the New York MSA, helping to reach a large and underserved customer base.

In addition to this advantage, the location north of the New York MSA provides two specific advantages. First, compared to being located to the west, a location north of New York City will have a more limited amount of competition. While a second location with Region 1 is possible, the two resorts would be located further north compared to the existing New Jersey and Pennsylvania properties. Those properties compete heavily for the western suburbs of the New York MSA, but the New York properties will not have to compete as heavily for customers from the northern New York MSA. In addition, the proposed resort location does not truncate traffic headed to Sullivan County, making them more competitive with one-another compared to locations near Harriman.

Second, being located just off Interstate 84 provides excellent access from the east side of the Hudson River including western parts of Connecticut. Management therefore can broaden its reach into the potential customer base relative to locations not proximate to a major river crossing. This ultimately serves the State well, as the property will compete less directly with a Sullivan County location and drive more revenue from residents of Connecticut, all other things being equal.

In summary, the analysis shows that the location, building plan, and marketing strategies are consistent with the market opportunity and competition. Resorts World Hudson Valley has clear advantages that should enable the property to achieve high market share in its immediate markets and compete effectively in the contested markets that lie between it and other properties as well as the highly targeted New York City MSA. Overall, the location near the New York MSA, the objective of being the top offering in the region, and the ability to dedicate the necessary resources will make Resorts World Hudson Valley among the top facilities in the area.

## Appendix A: About Strategic Market Advisors

As a boutique management consultancy, Strategic Market Advisors (“SMA”) assists clients in the casino gaming, hospitality, and leisure space to transform market dynamics and complex challenges into competitive advantages and growth opportunities. Our collaborative process starts by clearly defining a client’s questions and then outlining an effective and efficient engagement. SMA’s thorough research and thoughtful insight diligently addresses those complex questions by leveraging the diverse experience of its staff.

Broad and meaningful transformations are taking place in nearly every aspect of the tourism industry. Whether it’s growing demand from customers in emerging markets, deregulation, or the technological changes that target meeting that demand, increased opportunities is driving increased competition. SMA leverages its broad experience to develop strategies and tactics that support clients’ evolution in this dynamic market.

### Services

Our tailored engagements and collaborative approach ensure that the best available resources are leveraged to develop customized research, insightful analyses, and actionable strategies. Noting that each situation is unique, SMA brings a fresh perspective to complex strategic questions. Our integrity and dedication have been instrumental in reaching our goal of fostering long-lasting client relationships.

SMA staff has served facility operators and owners, the investment community including financial institutions and asset managers, and local, state, and federal governments throughout the globe. Engagements have been executed across Asia, North and South America, Europe, and Africa.

### Economic Analysis and Strategic Planning

- Market Assessments
- Amenity Concept Design and Forecasting
- Internet and Online Gaming Strategies
- Mergers and Acquisitions
- Pro-Forma Financial Statements
- Benchmarking
- Valuation and Return Analysis
- Economic Impact Analysis
- Business Plans

### Litigation, Legislative, Regulatory, and Policy

- Litigation Support
- Expert Witness Testimony
- Legislative Testimony
- Social Impact Analysis
- Tax Policy Guidance
- Public Objectives and Policy

### Marketing Services

- Marketing Plans

- Focus Groups
- Customer Surveys
- Quantitative Research
- Competitive Analysis and Positioning
- Consumer Audits/Secret Shopping
- Benchmarking
- Database Marketing

#### Asset Management

- Identification of investment opportunities
- Structuring asset transfers
- Structuring management agreements
- Evaluation of investment parameters and financial returns

## Disclaimer

Certain information included in this report contains forward-looking estimates, projections and/or statements. Strategic Market Advisors has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, Strategic Market Advisors accepts no liability in relation to the estimates provided herein.