

SUPPLEMENTAL TAX PAYMENT

EXHIBIT VIII. B.10

In view of the competitive environment in the region, the tax imposed by PML Section 1351, thirty-nine (39) percent of Gross Gaming Revenue from slot machines is reasonable as a minimum tax imposed, however due to the close proximity of Sterling Forest Resort to Sterling Forest Park we agree to pay a binding supplemental tax payment equal to six (6) percent of net slot machine revenue. This supplemental tax payment is in addition to the tax imposed by PML Section 1351.

Sterling Forest Resort would suggest that the supplemental tax payment of six (6) percent of net slot machine revenue be dedicated to New York Parks, Recreation & Historic Preservation due to the proximity of our Resort to the Sterling Forest Park and to improve tourism in parks throughout the State.

The ten (10) percent of Gross Gaming Revenue of all other sources, include tables games, is higher but still relatively competitive to:

Las Vegas

(NRS 463.370) based on gross gaming revenue - payable on or before the 15th day of each month covering the preceding calendar month at the following rates.

- 3.5% of the first \$50,000 during the month, plus
- 4.5% of the next \$84,000 plus
- 6.75% of revenue exceeding \$134,000.

Atlantic City:

- 8% tax on gross gaming revenue, plus a community investment alternative obligation of 1.25% of gross gaming revenue (or an investment alternative 2.5% on gross gaming revenue)

It is the intention of Sterling Forest Resort to compete regionally and internationally for premium and VIP players where marketing related expenses such as complimentary transportation, hotel stays and other amenities can total up to fifty (50) percent of revenues. This is particularly true for the super-premium international VIP patrons, which we intend to attract to our luxurious resort. Therefore we are unable to provide a supplement tax payment based on Gross Gaming Revenue from all other sources.