Exhibit VIII.A.3. – Attachment A

Gaming Market Analysis, Rivers Casino and Resort at Mohawk Harbor:

Schenectady, New York

Prepared for:
Rush Street Gaming, LLC

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Introduction

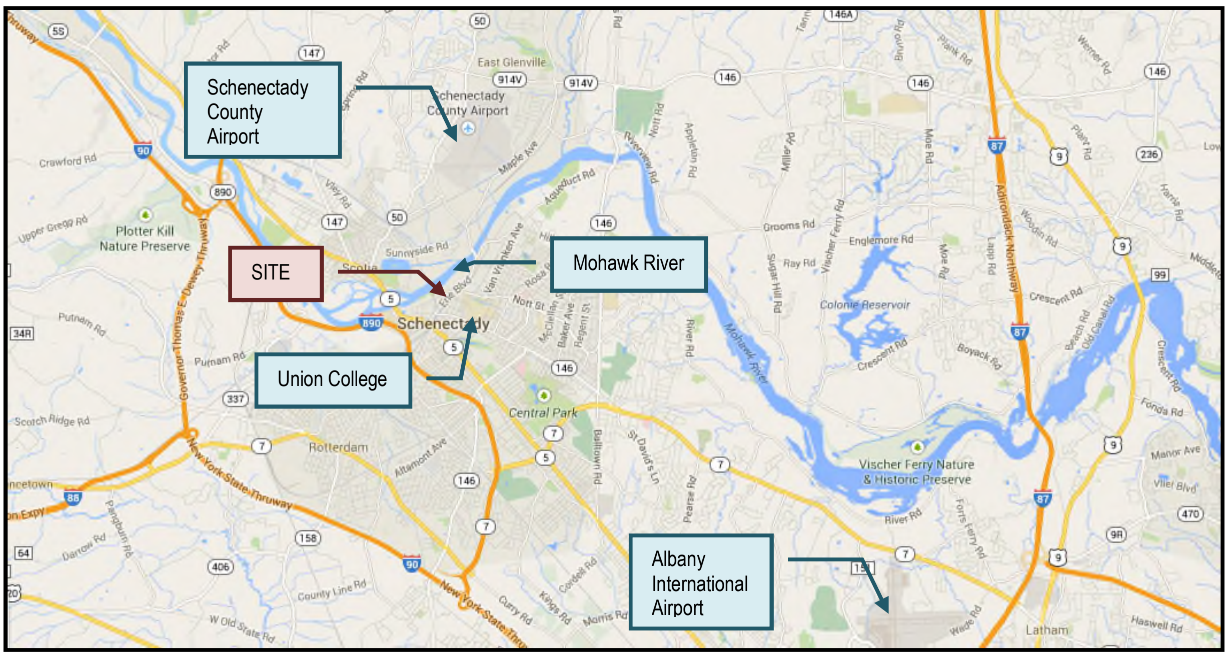
The Innovation Group was retained by Rush Street Gaming, LLC to complete a Gaming Market Analysis for the proposed Rivers Casino at Mohawk Harbor. Specifically, this analysis shall include top-line gaming revenue projections for the first five years of operations. It is our understanding that Rivers Casino will be part of the proposed Mohawk Harbor situated along the Mohawk River in the City of Schenectady, New York. Aside from a casino, the development is also anticipated to include a football-shaped harbor, upscale apartments, restaurants, retail stores, condos, a casino hotel with 150+ rooms, a non-casino hotel with 124 rooms, and commercial space. In addition to proposed plans for the development, the findings and conclusions in this report are based, in part, on the following major assumptions:

- The proposed property will be developed as a quality facility;
- The Rivers casino shall feature 1,150 Class III slots, 54 house banked table games and 12 poker tables;
- 2017 shall represent the first year of operations at the subject property;
- The level of competition in the local gaming market will remain static with no new developments anticipated to come online throughout the projection period unless otherwise noted in this report;
- An aggressive marketing program will be employed at the proposed casino targeting certain-appropriate gamers in the region;
- An experienced and professional management team will operate the gaming facility; and
- The economy will normalize by the opening date of the casino and any economic and visitation fluctuations will occur in line with assumptions herein.

Site Analysis

The proposed Mohawk Harbor site is located in the City of Schenectady which is situated in the Schenectady County and accounts for the 43% of the County's population. Schenectady is part of the Albany-Schenectady-Troy, NY Metropolitan Statistical Area which has a population of approximately 870,000.

The development is situated at the corner of Nott Street and Erie Blvd, along the Mohawk River. It is nearby Interstate 890 which is a 10-mile highway that runs northwest to southeast through the City of Schenectady. This highway connects to Interstate 90 which is a major thoroughfare that runs east-west through the entire State. The site is four miles from the Schenectady County airport and 10 miles west of the Albany International Airport.



ECONOMIC AND DEMOGRAPHIC ANALYSIS

An area's economic health and growth potential is indicative of its ability to support the local lodging and gaming markets. In this section, some of the specific economic and demographic characteristics of the casino market area that will affect future demand for expanded gaming in the area are analyzed. The purpose of such an analysis is to evaluate the area's ability to:

- Support existing and expanded gaming facilities in the area; and
- Attract new sources of lodging and leisure demand.

Some of the factors we analyzed, including population trends and average household income trends, are included in tables and text in this section of the report.

Population

Total Population

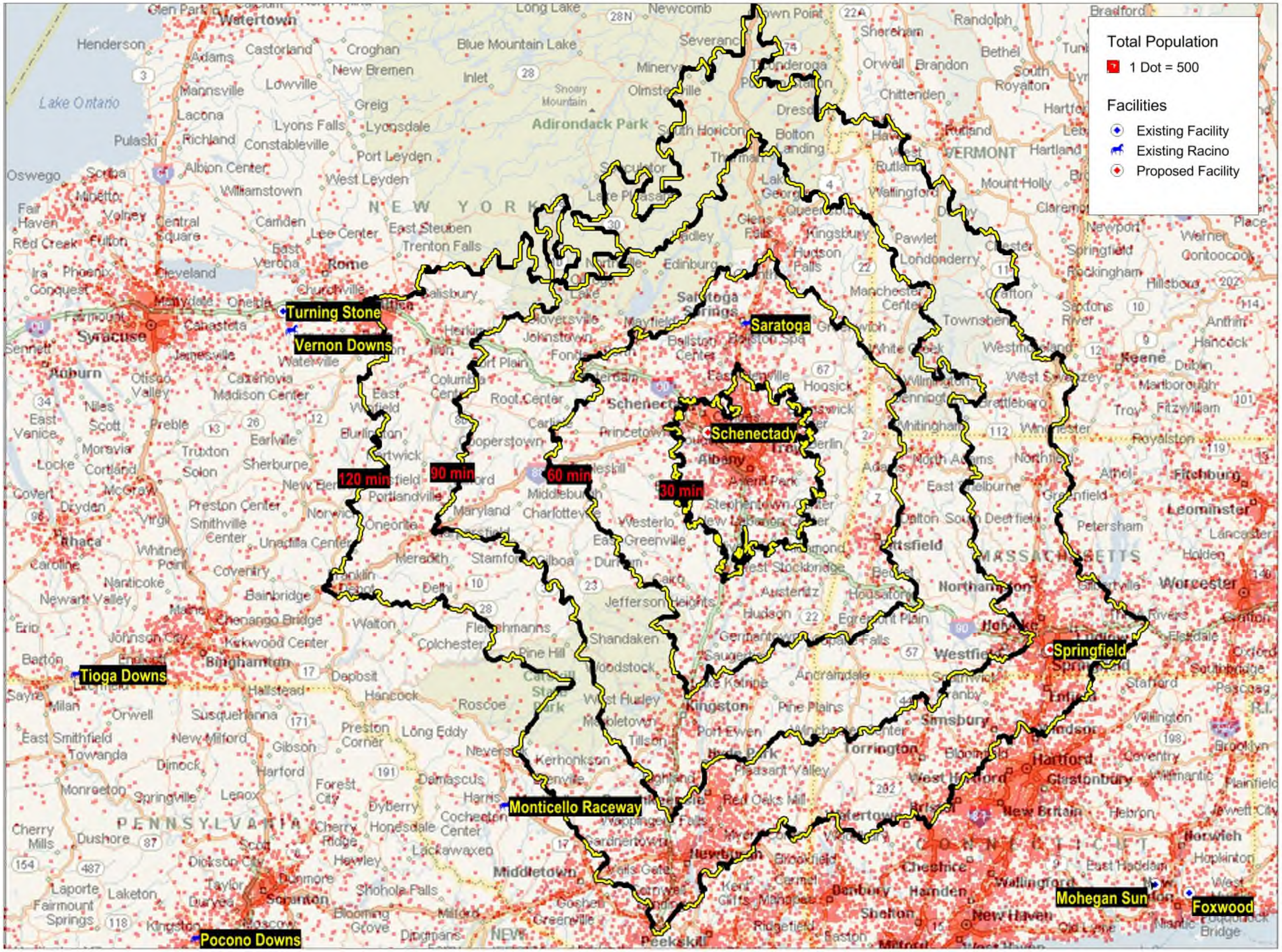
For the purpose of the economic/demographic analysis, the population within the City and County of Schenectady as well as New York State and the United States was assessed. The total City population remained virtually the same from 2010 and 2014 with approximately 66,000 people. The growth rate also remained relatively stagnant on the country level (0.1%) which is home to 155,000 residents. Growth was only slightly higher for the State overall which is estimated to have had an annual average growth rate (A.A.G) of 0.4% between 2010 and 2014 to reach 19.6 million. The highest increase in population came on a national level at 0.7%. These trends are anticipated to continue through to 2019 will all markets experiencing sluggish growth rates not to exceed 0.5%. The following table illustrates population trends per market segment:

Total Population

Ring	2010	2014	2019	A.A.G. 2010-2014	A.A.G. 2014-2019
City - Schenectady	66,135	66,257	66,737	0.0%	0.1%
County - Schenectady	154,727	155,366	156,828	0.1%	0.2%
State - New York	19,378,102	19,674,630	20,050,570	0.4%	0.2%
National –U.S.	308,745,538	317,199,353	328,309,464	0.7%	0.4%

Source: IXPRESS/Nielsen Claritas, The Innovation Group

Total Population Dot Density Map



Gamer Population

People aged 21 and over account for 70.6% of the population within the City of Schenectady. This is on below with the state average of 74% and the national average of estimated 72.3%. The County of Schenectady is more in the line with state and national figures at 73.7%. Similar to the overall population, the anticipated growth rate for the gamer population on the City and County level is lower than that of the general population. This results in 47,000 gamers with city limits and nearly 117,000 gamers within the County. These figures are shown in detail in the following table:

Gamer Population (Over 21 Yrs.)

Ring	2014	% of Total Population	2019	% of Total Population	A.A.G. 2014-2019
City - Schenectady	46,751	70.6%	47,145	70.6%	0.2%
County - Schenectady	114,575	73.7%	116,923	74.6%	0.4%
State - New York	14,562,160	74.0%	15,001,501	74.8%	0.6%
National – U.S.	229,235,623	72.3%	239,609,280	73.0%	0.9%

Source: IXPRESS/Nielsen Claritas, The Innovation Group

2014 Population by Race and Ethnicity

The racial composition of the population in the City of Schenectady is fairly distinct from that of the national population with 57.9% of the population identifying as White Alone as compared to a national average of 71.5%. This is largely as a result of those that classify themselves as Black or African American who account for nearly 22% of the market and are nearly double that of the nation. Conversely, those who identified as Asians, American Indian and Alaska Natives, and Hispanic or Latino in the City all ranked lower than that of the national average. County racial classifications show less diversity than the City or the Nation with nearly 78% of the total population identifying as White Alone. State statistics reflect a more blended racial-ethnicity mix with 64.5% of New York residents identifying as White, 16% as Black and 19% classifying themselves as Hispanic or Latino.

2014 Single Population by Single Race Classification or Ethnicity

Ring	Total Pop	White Alone	Black or African American Alone	American Indian and Alaska Native Alone	Asian Alone	Native Hawaiian & Other Pacific Islander Alone	Some Other Race Alone	Two or More Races	Hispanic or Latino
City - Schenectady	66,257	57.9%	21.7%	0.8%	4.4%	0.2%	7.8%	7.2%	12.4%
County - Schenectady	155,366	77.8%	10.2%	0.4%	3.8%	0.1%	3.8%	4.0%	6.7%
State - New York	19,674,630	64.5%	15.9%	0.6%	7.8%	0.1%	7.9%	3.3%	18.8%
National – U.S.	317,199,353	71.3%	12.7%	1.0%	5.0%	0.2%	6.6%	3.2%	17.6%

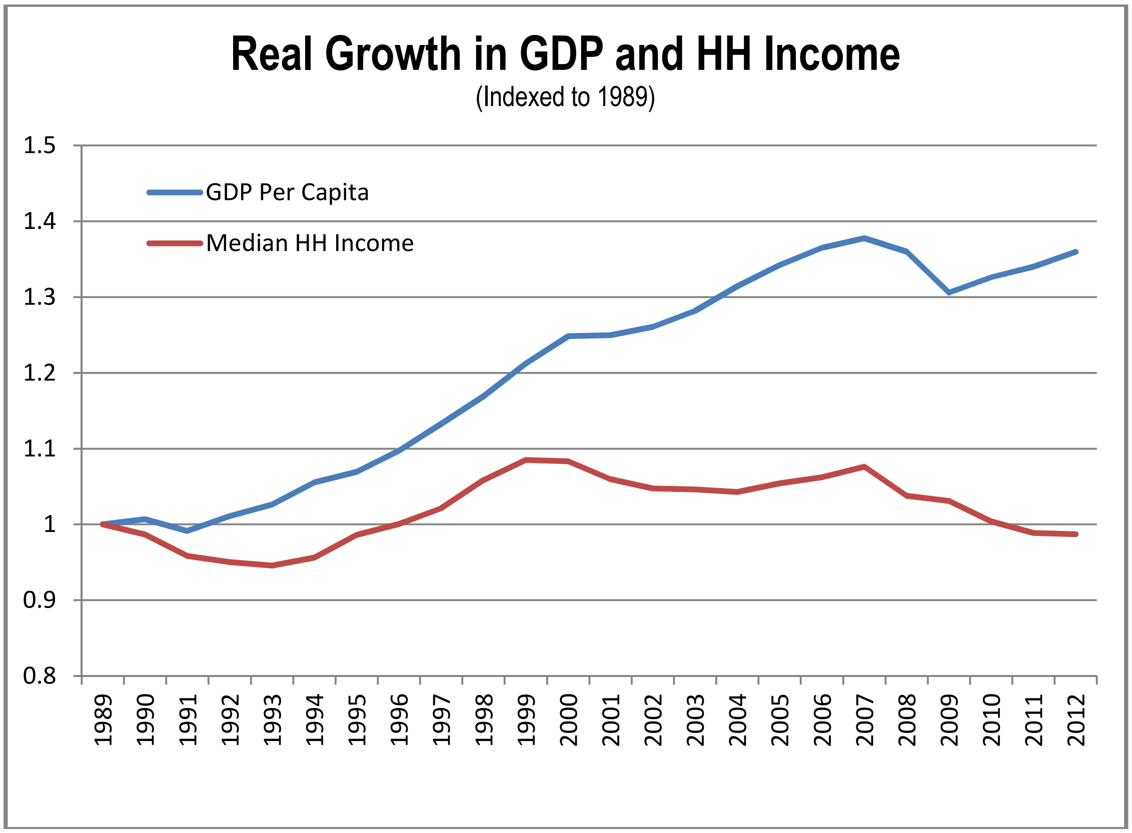
Source: IXPRESS/Nielsen Claritas, The Innovation Group

Income

Income is an important indicator of a region's economic well-being and the discretionary spending power of its residents. The following section analyzes national, regional, and local trends in income and discusses their potential impact on the proposed development in Schenectady.

National and Regional Trends

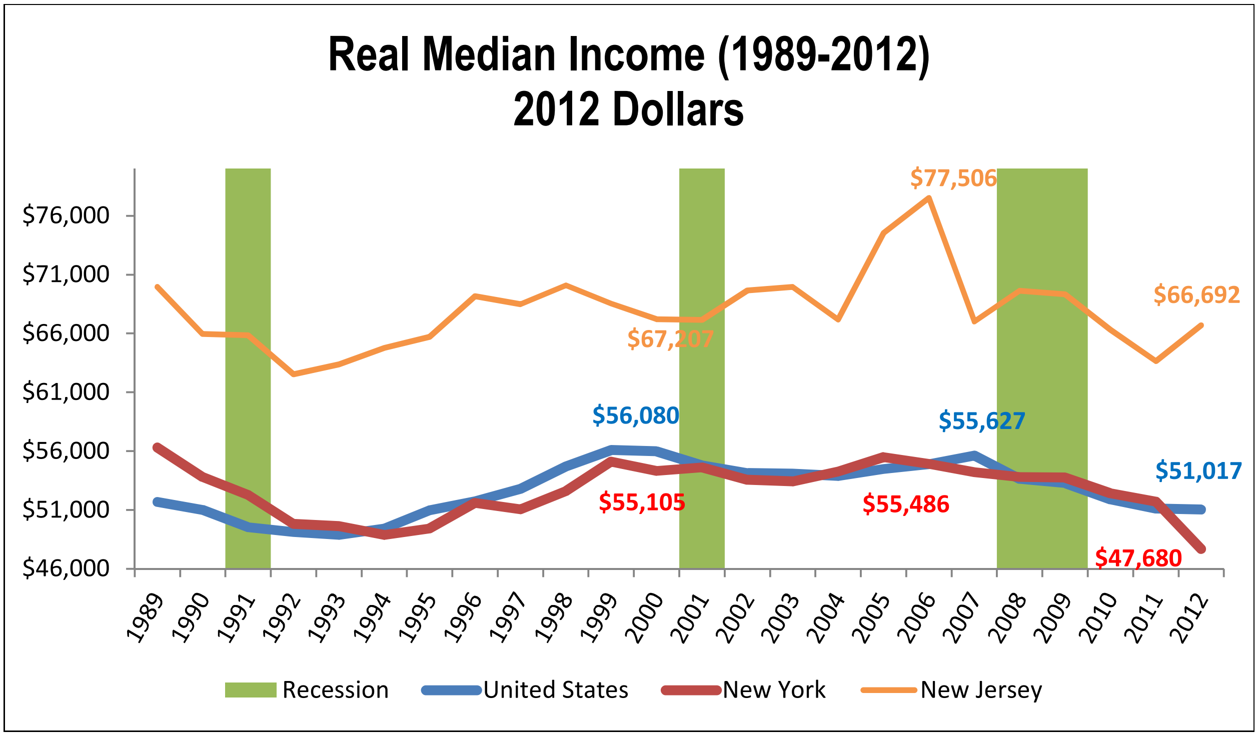
During the past decade household income lagged far behind gains in productivity. The widening gap in the following chart illustrates that American households effectively have not been earning enough to purchase the goods and services they have been producing. Although consumer expenditures on gaming and other leisure activities remained strong into 2007 (largely on the basis of rising home values), gaming revenues started a steady and pronounced decline once the housing bubble burst and the financial sector collapsed.



In fact, median household income has actually declined over the last decade (in constant 2012 dollars). Even before the recession hit in 2008, real median income was lower than it was ten years earlier, as incomes declined from 2000 through 2004.

Until recently, the median income in New York had been consistently on par with the national median income for nearly two decades. Additionally, while the pre-recession peak of 2007 was not as high as the national average, New York remained relatively stable, before declining along with the nation after 2009. Income nationally continued to fall slightly in 2011 (by 1.5%) but stabilized in 2012. New York has plummeted since 2011 and is now about 6.5% below the national average.

By contrast, New Jersey has consistently been above that of the national average. During the pre-recession peak in 2006, New Jersey had a national income of $77,506, which was about 29.2% higher than the national average at the time. Recently, New Jersey has seen some recovery, growing about 4.8% through 2012 to a median income of $66,692.



Source: US Census Bureau, Current Population Survey, 1967-2012, Annual Social and Economic Supplements

Local Ring Income

Average Household Income

The Average Annual Household Income ("AAHI") for the City of Schenectady was an estimated $49,685 in 2014. This income level was 27.4% below the County average of $68,478, 39.4% below the New York State Average of $81,923 and 30.3% below that of the U.S. at $71,320. Average Annual Household Income in the market area, however, is expected to grow at a slightly higher rate to that of New York and the U.S. during the next five years. The AAHI within the City is expected to grow at 2.1% per year to reach $55,000 by 2019 and the County is projected to grow at 2.2% to reach $76,000. The AAHI in the United States as a whole is expected to reach $76,000 while the average household in New York is anticipated to earn nearly $90,000 annually in 2019. These figures are illustrated in the following table:

Annual Average Household Income (AAHI)

Ring	2000	2014	2019	A.A.G. 2000-2014	A.A.G. 2014-2019
City - Schenectady	$38,270	$49,685	$55,002	1.9%	2.1%
County - Schenectady	$52,899	$68,478	$76,504	1.9%	2.2%
State - New York	*$61,489*	*$81,923*	*$89,959*	2.1%	1.9%
National – U.S.	*$56,644*	*$71,320*	*$75,940*	1.7%	1.3%

Source: IXPRESS/Nielsen Claritas, The Innovation Group

2014 Median Income by Race and Ethnicity

When reviewing median income data, it is useful to remember that the median does not ascribe as much weight to extreme upper-end outliers as does the average; median income is therefore slightly lower than average income. At the national level, the median household income across all race and ethnicity classifications is $51,579. At $39,174, the City of Schenectady has a median income that is also lower than both the national median, and the state median of $57,679. Within city limits, Native Hawaiian and Other Pacific Islander and Asian households have the highest median income at 61% and 29% higher than the overall average, respectively. The County level median income figure appears more in line with Asians and Native Hawaiian and Other Pacific Islanders have the highest income levels as well.

The following chart shows national trends in median income by race and ethnicity:

2014 Median Household Income by Single Race Classification or Ethnicity (Indexed)

Ring	Total	White Alone	Black or African American Alone	American Indian and Alaska Native Alone	Asian Alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race Alone	Two or More Races	Hispanic or Latino	Not Hispanic or Latino
City - Schenectady	$39,174	114.3%	70.1%	73.0%	129.4%	161.4%	66.6%	73.2%	57.0%	104.5%
County - Schenectady	$54,620	109.1%	52.7%	54.2%	123.4%	117.9%	50.7%	57.7%	46.1%	102.8%
State - New York	$57,619	111.6%	70.9%	64.5%	105.7%	78.4%	64.0%	81.0%	70.2%	106.0%
National	$51,579	107.8%	66.7%	73.5%	132.6%	103.9%	78.5%	90.1%	80.5%	103.9%

Source: IXPRESS/Nielsen Claritas, The Innovation Group

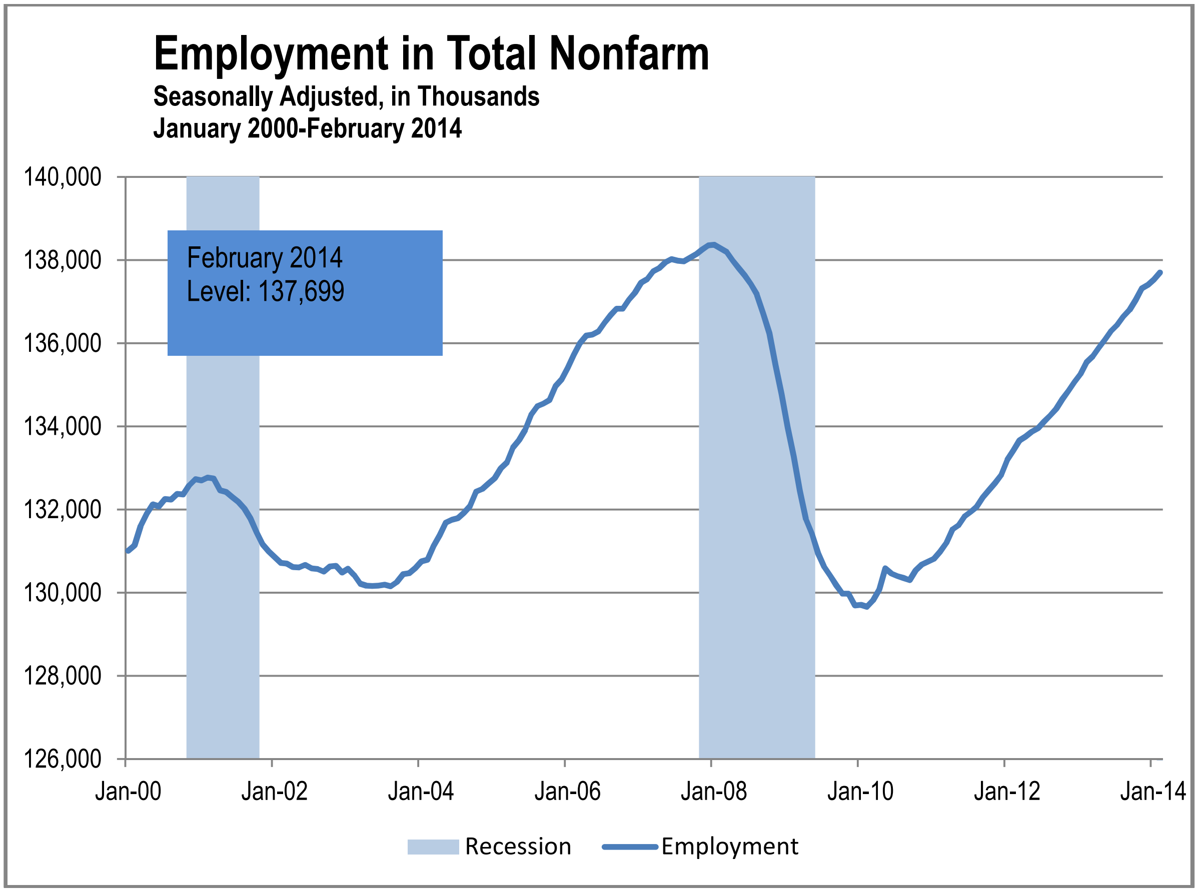
Employment

Employment is a significant if not the single-most significant factor in terms of gaming revenue declines during the recession; therefore it is useful to look at recent month-over-month trends to see if state employment has started to stabilize. The unemployment rate is useful in comparing the state with the national average. However, a declining unemployment rate can result from workers dropping out of the labor force altogether, so it does not necessarily equal economic recovery. Employment is the better measure of recovery.

National Trends

In a white paper assessment of the impact that the Great Recession has had on the gaming industry nationwide, the Innovation Group concluded that employment decline is the single greatest factor impacting gaming revenues. Therefore it is critical to evaluate the employment and income trends in the regional market to assess the prospects for gaming spending in the market area.

In terms of employment the Great Recession began at the national level in February 2008, with employment peaking in January 2008. Since then, the U.S. suffered 24 months of declining employment; during the five month period of November 2008-March 2009 the average monthly decline was 604,000. Employment bottomed out in February 2010 at a low of 129.3 million. Since then over 8 million jobs were added, an increase of 6.2%. The chart below summarizes:



Source: Bureau of Labor Statistics, CES series; most recent month data is preliminary

Regional Labor Force

The following presents seasonally adjusted employment data for the following feeder market area: Albany-Schenectady-Troy, NY. This regional employment picture is compared to State and National trends.

Impact of Recession: Regional vs. National Employment (000s)

	National	New York	Albany-Schenectady-Troy-MSA
Pre-recession	138,023	8,827.6	449.9
Trough	129,244	8,498.3	433.8
% decline	-6.36%	-3.73%	-3.58%
Current	137,761	8,981.90	448.6
% decline over pre-recession	-0.19%	1.75%	-0.29%
% growth since trough	6.59%	5.69%	3.41%

Source: Bureau of Labor Statistics, CES series, Seasonally Adjusted; The Innovation Group
*Current = February 2014

In general, the employment picture in the Albany-Schenectady-Troy-MSA compares favorably to the national picture. New York State hit its pre-recession peak in March 2008, about two months later than the national peak during January 2008. Since hitting its trough in October 2009, the State has seen a 5.7% growth. These figures are similar to the nation at large, which has seen employment grow 6.6 % since the national recession hit its trough in February 2010. However, New York State suffered less severe job losses than the nation as a whole; statewide, employment dropped 3.73% from its peak in October 2009, compared to a nationwide decrease in employment of 6.36% from the national pre-recession peak in January 2008 to the trough.

While job loss in the Albany-Schenectady-Troy-MSA was on par with that of the rest of New York State, they experienced a delayed trough in January 2011 with employment decreasing 3.6%. The MSA has since experienced a near full recovery from its trough with employment growth of 3.4%.

The table below depicts historical unemployment statistics for Schenectady County and New York State. The annual unemployment rate has continually increased from 2006 through to 2012, peaking at 7.8%, before declining in 2013 to 6.9%. Comparatively the labor force has fluctuated throughout the years as well. In 2009 it peaked at 76,559 before declining in both 2010 and 2011, where is hit its trough. Since that time it picked back up in 2012 and had a slight drop again in 2013 where it stands at 75,069. In spite of these fluctuations, employment has had more consistent trends, declining year of year from 2006 to 2011 before showing signs of recovery with an increase in 2012 and 2013.

Average Annual Unemployment Statistics

Area	Year	Civilian labor force	Employment	Unemployment	Unemployment rate (%)
State	2006	9,499,872	9,062,464	437,408	4.6
	2007	9,532,054	9,097,751	434,303	4.6
	2008	9,629,239	9,111,277	517,962	5.4
	2009	9,637,810	8,832,592	805,218	8.4
	2010	9,588,594	8,760,743	827,851	8.6
	2011	9,528,250	8,740,642	787,608	8.3
	2012	9,587,184	8,772,539	814,645	8.5
	2013	9,636,025	8,898,754	737,271	7.7
Schenectady County	2006	75,970	72,802	3,058	4.2
	2007	75,615	72,422	3,042	4.2
	2008	76,726	72,820	3,714	5.1
	2009	76,559	70,922	5,248	7.4
	2010	75,639	69,722	5,438	7.8
	2011	74,577	68,924	5,238	7.6
	2012	75,137	69,260	5,402	7.8
	2013	75,069	69,892	4,823	6.9

Source: Bureau of Labor Statistics, Non-seasonally adjusted; The Innovation Group

Major Employers

The following is list of largest employers in Schenectady County. Largest employers include those in the private sectors such as General Electric as well as government agencies, healthcare facilities and education facilities such as Ellis Medicine, Schenectady County and Union College. The majority of employment and commercial activities in the City itself reside in and around Downtown Schenectady near Union College.

Largest Employers - Schenectady County

Company	Employers	Industry
General Electric	6,000	Manufacturing
Ellis Medicine	3,400	Healthcare
Golub Corporation	2,950	Retail, Grocery Corp
Knolls Atomic Power Laboratory	2,600	Government
Schenectady School District	2,790	Education
Capital District Developmental Services	1,600	Government
NY Air National Guard (109th Airlift Wing)	1,400	Government
Schenectady County	1,305	Government
MVP Health Care	1,100	Healthcare
NYS Dept. of Transportation	890	Government
Union College	718	Education

Source: The chamber of Schenectady County; City of Schenectady Department of Development

Overall firms in Healthcare, Retail and Professional and Technical services employ the largest percentage of the Schenectady county workforce.

Schenectady Country - Top Ten Industries

Industry Title	Locations	Average Employment	Average Wages
Health Care and Social Assistance	420	11,784	$41,028
Retail Trade	506	7,574	$26,155
Professional and Technical Services	296	7,066	$96,978
Accommodation and Food Services	329	4,055	$15,715
Food Services and Drinking Places	315	3,915	$15,665
Ambulatory Health Care Services	229	2,469	$53,535
Construction	413	2,352	$47,425
Other Services	317	1,764	$26,543
Specialty Trade Contractors	272	1,723	$46,481
Administrative and Waste Services	212	1,715	$40,054

Source: New York State Department - Bureau of Labor

Tourism

The following section presents the tourism activities, infrastructure and segmentation of visitors. The section includes a breakdown of the point of origin for a majority of the visitors, the length of stay, and the economic impact of tourism in the region. Schenectady is part of the Capital-Saratoga region – or just the Capital region -- which consists of Albany, Saratoga, Schenectady, Rensselaer, Fulton, and Washington.

Activities and Local Attractions

Schenectady County is centrally located between Boston, Niagara Falls, New York City, and Montreal. The county is home to many historical landmarks, outdoor activities, cultural attractions, entertainment venues, and numerous dining opportunities. Special events happen throughout the year around the County, offering a variety of fun activities for both residents and visitors alike including parades, music festivals, and community fairs. The area is also home to Union College which has a student body of approximately 2,200.

Trends in Tourism

This section presents an analysis of several characteristics of the region's visitors in order to further enhance our understanding of historic and current trends in the area's tourism industry and our estimates for potential future growth.

The Region's Visitors

In this section we analyze primary drivers of visitation in the Capital-Saratoga region, or Capital region, which includes Schenectady. Much of this data is taken from a Hall and Partner's 2007 New York State Regional Profile provided by the NY State Tourism Association, which is the most recent applicable data available.

Generally speaking, those who visit the region tend to be from the other parts of New York State. Visitors to the region visitors also skew younger and male, and are likely to be married or living with a partner.

Purpose of Visit

In surveying individuals who had traveled to New York State between 2002-2007 and had most recently visited the Capital Region, Hall & Partners found that visitors are more interested in entertainment options than visiting friends or family. Of those surveyed, 45% visited the Capital region for family or social obligations while 54% made the trip for another reason.

The chart below depicts primary drivers of visitation in the Capital-Saratoga region. While 56% of visitors cited experiencing local culture and historical sites as their primary motivation for travelling to the region, a sizable 42% of tourists ranked entertainment, including visiting casinos and gambling, as their primary motivation.

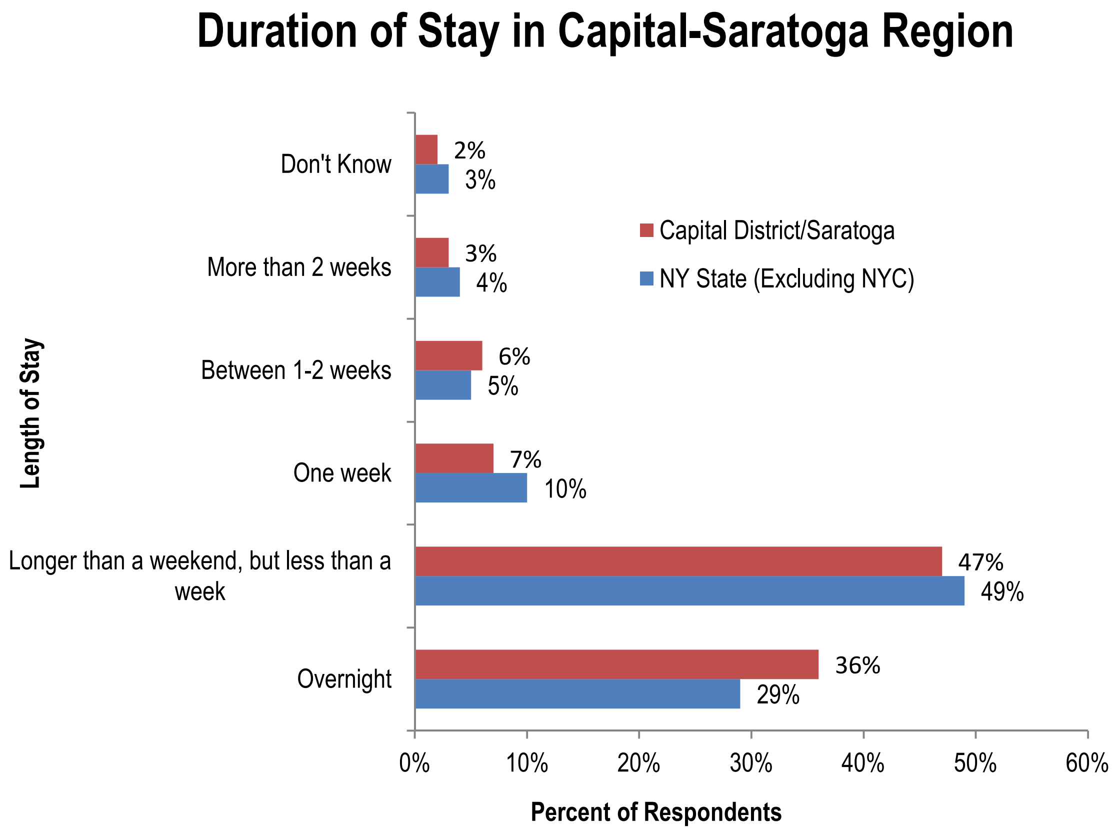
Primary Drivers of Visitation in the Region

Visitation Driver	%
Historic sites/Local culture (e.g., Landmarks/icons, historic sites, National/State parks)	56
Entertainment (eg., Good shopping, Casinos & gambling, Exciting nightlife)	42
Sports (e.g., Soft adventure, outdoor adventure)	26
Food and wine (e.g., Wine tasting, Culinary lessons and fine dining)	33
Arts (e.g., Fair & festivals, art museums & galleries)	28

Source: New York State Regional Profile, Hall and Partners, December 11, 2007

Duration of Trip

With regard to length of stay, tourists are most likely to stay for a few nights or "more than a weekend but less than a week" in the Capital-Saratoga region. This is close to the average trip duration for tourists across New York State excluding New York City. The chart below depicts how length of stay in the Capital-Saratoga region compares to average length of stay throughout New York State.



Source: New York State Regional Profile, Hall and Partners, December 11, 2007

Region of Origin

New York State and New York City Metro DMA residents comprise the majority of Capital-Saratoga visitors, accounting for 26% and 24% of those who visit the region respectively. New England residents are the next most likely to visit the region, accounting for 22% of regional tourism, followed by visitors from the southern border states of Ohio, Pennsylvania, and New Jersey, who account for 13% of total visitors.

Region of Origin for Capital/Saratoga Visitors

Region	% of Visitors
New York City Metro DMA	24
New York State	26
Southern Border States	13
New England	22
Mid Atlantic	9
Remaining US	6

Source: New York State Regional Profile, Hall and Partners, December 11, 2007

Tourism Spending

The following sections analyze recent tourism spending within the Capital region and Schenectady County specifically. The majority of the data is from a 2011 tourism impact report prepared by Tourism Economics for the State of New York.

Spending by Region

The table below indicates that visitors spent about $1.6 billion in the capital region in 2011 an annual increase of 4.4 percent from 2009. The region ranks 7th out of 11 regions with regard to tourism spending, although it is up against the likes of New York City and Niagara Falls.

Visitor Spending by Region 2009-2011 (000s)

Visitor Spend '000s	2009	2010	2011	AAG 2009-2011
Chautauqua-Allegheny	$455,018	$463,181	$492,598	4.0%
Greater Niagara	$1,904,163	$1,955,008	$2,122,491	5.6%
Finger Lakes	$2,454,950	$2,561,784	$2,714,389	5.2%
Thousand Islands	$407,899	$431,002	$455,931	5.7%
Adirondacks	$1,060,646	$1,136,482	$1,185,516	5.7%
Central New York	$1,588,459	$1,705,158	$1,829,583	7.3%
Capital-Saratoga (“Capital”)	**$1,495,679**	**$1,525,253**	**$1,628,710**	**4.4%**
Catskills	$946,228	$997,153	$1,029,949	4.3%
Hudson Valley	$2,674,712	$2,864,271	$3,066,304	7.1%
Long Island	$4,471,678	$4,600,685	$4,835,602	4.0%
New York City	$28,317,615	$31,535,008	$34,549,067	10.5%

Source: Tourism Economics, NYC Tourism Impact: Capital-Saratoga Focus 2011

Spending by County

Within the Capital-Saratoga region, tourists spend the most money in Albany County, which accounted for 51.5% of visitor spending in 2011. Schenectady County reported the third highest tourism spending in 2011, and comprised 12.4% of total spending in the region. Visitor spending in Albany and Schenectady County grew 8.7% and 5.2% respectively from 2011 to 2012. While Albany’s growth rate is slightly higher, Schenectady’s growth rate is slightly below that of the region’s average growth rate of 6.8% for the same period

Capital-Saratoga Visitor Spending by County (000s)

Visitor Spend '000s	Spending 2010	% of Total 2010	Spending 2011	% of Total 2011	Change 2011/2010
Albany	$785,924	51.5%	$854,412	52.5%	8.7%
Fulton	$47,575	3.1%	$48,825	3.0%	2.6%
Rensselaer	$92,928	6.1%	$100,237	6.2%	7.9%
Saratoga	$376,237	24.7%	$392,852	24.1%	4.4%
Schenectady	**$189,793**	**12.4%**	**$199,643**	**12.3%**	**5.2%**
Washington	*$32,797*	2.2%	*$32,740*	2.0%	-0.2%
Total	$1,525,254	100.0%	$1,628,709	100.0%	6.8%

Source: Tourism Economics, NYC Tourism Impact: Capital - Saratoga Focus, 2012

Spending in Schenectady County

The chart below depicts that from 2009 to 2011 visitors to Schenectady County spent between $9.8 and $10.6 million on recreation. The majority of visitor spending went towards food and beverage lodging, which accounted for $107 million in visitor spending in 2011. Spending at retail and service stations experienced the highest year over year growth from 2009 to 2011 among the spending categories in the chart below.

Schenectady County (000s)

Visitor Spend '000s	Spending 2009*	Spending 2010	Spending 2011	% Change
Lodging	$10,117	$10,394	$11,110	3.2%
Recreation	$9,799	$10,250	$10,579	2.6%
Food & Beverage	$99,147	$103,974	$106,773	2.5%
Retail & Service Stations	$43,319	$43,691	$48,387	3.8%
Transportation	$18,466	$18,988	$20,263	3.1%
Second Homes	$2,364	$2,494	$2,531	2.3%
Total	**$178,577**	**$189,791**	**$199,643**	**3.8%**

Source: Tourism Economics, NYC Tourism Impact: Capital-Saratogas Focus, 2011, 2012
*Total Spend known, distribution estimated

Hotel Accommodations

According to Smith Travel Research, Schenectady County has approximately 15 hotels and 550 hotel rooms. The hotels mainly consist of economy class facilities that average approximately 36 rooms per property. The majority of lodging accommodations in the area seem to cater to business/activities from Union College and run along State Street. The two largest facilities in the market are the Super 8 and the Hampton Inn with 93 and 99 rooms respectively.

In December 2013, the 183-room Holiday Inn Schenectady was temporarily closed down for renovation. The property is currently undergoing a $7 million revamp and rebranding and is set to reopen in the summer of 2014 as a 122-room Doubletree hotel. A 124-room non-casino hotel is also planned as part of the Mohawk Harbor development.

Schenectady County Hotels

Name of Establishment	City & State	Zip Code	Class	Rooms
Super 8	Schenectady, NY	12303	Economy Class	99
Americas Best Value Inn	Schenectady, NY	12307	Economy Class	48
Twins Motor Inn	Schenectady, NY	12307	Economy Class	18
Imperial Motor Inn	Schenectady, NY	12307	Economy Class	47
Days Inn	Schenectady, NY	12308	Economy Class	68
Quality Inn	Schenectady, NY	12303	Midscale Class	50
Stardust Motor Inn	Schenectady, NY	12303	Midscale Class	52
Mallozzi`s Belvedere Hotel	Schenectady, NY	12303	Upper Midscale Class	31
The Parker Inn	Schenectady, NY	12305	Upper Midscale Class	22
Hampton Inn Schenectady	Schenectady, NY	12305	Upper Midscale Class	93
Glen Sanders Mansion	Scotia, NY	12302	Upscale Class	22

Source: Smith Travel Research

Weather

Schenectady is located in the humid continental climate zone and has cold, snowy winters and hot, wet summers. The city receives approximately 38 inches of rain per year, with a significant amount of snowfall in the winters, averaging over 61 inches of snow. January marks the coldest month, with average temperatures dropping as low as 14°F. Schenectady warms up in the summer, with July reaching an average high of 82°F.

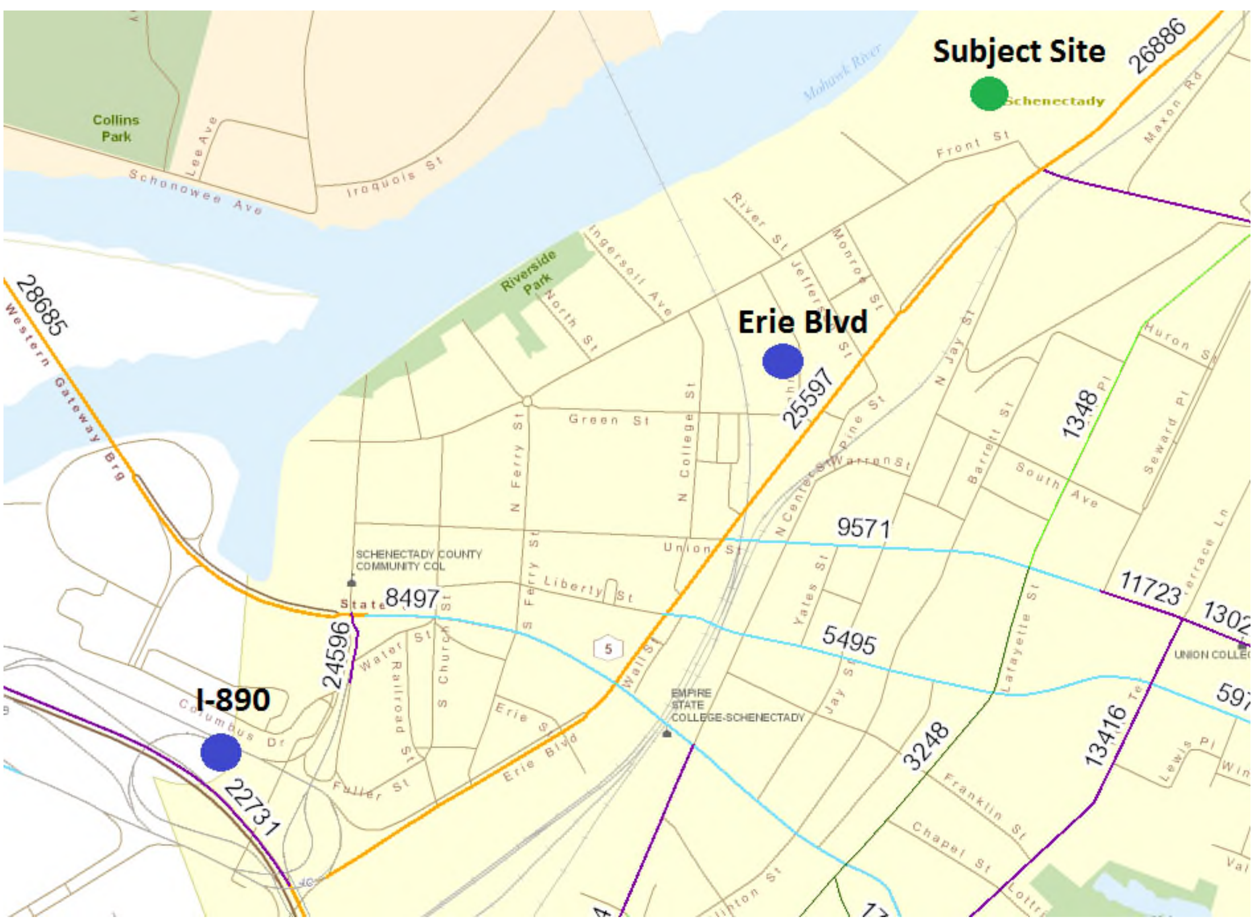
Traffic

As previously noted, the proposed site is located on old industrial land along the Mohawk River in Schenectady, NY. The development is nearby Interstate 890 which is a 10-mile highway that runs northwest to southeast near the City of Schenectady. This highway connects to Interstate 90 which is a major thoroughfare that runs east-west through the entire State and connects Schenectady to the capital city of Albany. I-890 has an exit onto Erie Blvd, which can be taken directly to the site located approximately two miles away. While traffic on Erie Blvd has remained relatively steady, traffic along I-890 has seen modest growth between 2010 and 2011 growing at about 1.4%. As seen in the table below, 2011 showed an AADT (Average Annual Driving Traffic) for I-890 of over 22,700 and an AADT of 25,600 for Erie Blvd. While Erie Blvd shows a higher AADT, it is estimated that the vast majority of this traffic is local and, therefore, has a very low through rate when we analyzed the traffic intercept that may be attracted to stop by the casino.

AADT Near Schenectady Site

Street	2010	2011	Growth
I-890	22,424	22,731	1.4%
Erie Blvd	25,560	25,597	0.1%

New York Department of Transportation



Air Service

The Schenectady County Airport (SCH) is a small airport serving the city of Schenectady and is located nearby the proposed site. The major airport in this region is the Albany International Airport (ALB) which is located approximately 20 minutes southeast of the site.

Schenectady County Airport

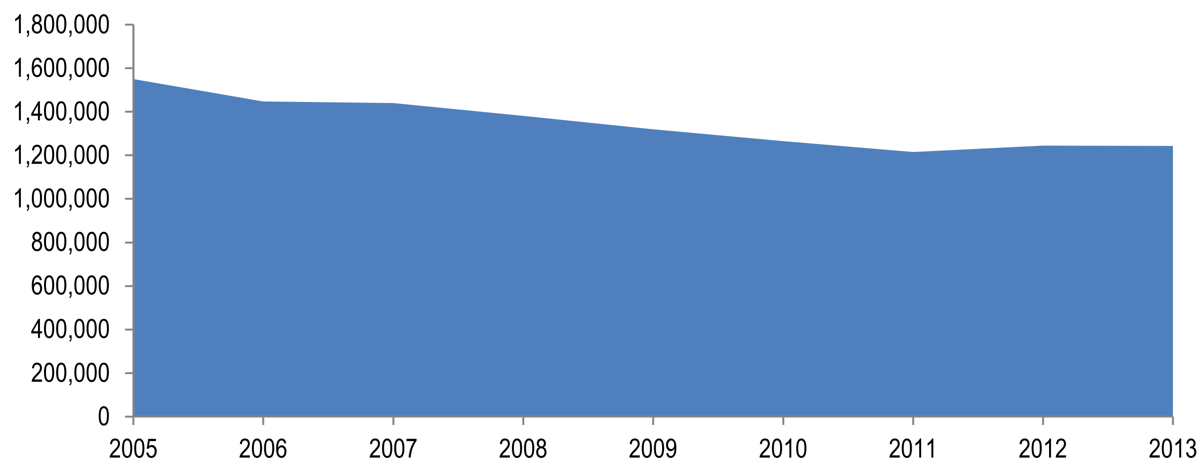
This county owned airport was founded in 1927 and is home to Richmor Aviation, the 109th Airlift Wing of the Air National Guard. The airport is small, and averages 183 flight operations daily, primarily for local residents, businesses, and others visiting the capital district. The largest runway is approximately 7,000 feet which primarily serves single engine aircraft.

Albany International Airport

Albany International is the closest major commercial passenger airport to the proposed development. Albany International was the first, and remains the oldest, municipal airport in the US. There are currently over $15 million in construction projects and improvements being undertaken at Albany International. The largest project is a $4.2 million expansion of the Airport's large maintenance hangar which will provide necessary enclosed maintenance space for additional aircraft.

Passenger counts at the airport have been steadily decreasing over the past 10 years. Currently, the airport is serviced by 12 major airlines including Air Canada, Delta Airlines, and Southwest.

Albany International Airport Passenger Traffic (2013)



Albany International Airport Passenger Counts

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	AAG
Passenger Activity	1,551	1,448	1,440	1,380	1,319	1,264	1,215	1,245	1,242	2.7%
Change		-6.6%	-0.5%	-4.2%	-4.5%	-4.1%	-3.9%	2.5%	-0.2%	

Source: Albany International Airport

Competitive Environment

Existing competition for the proposed Rivers casino at Mohawk Harbor will come mainly from the VLT racino in Saratoga to the north and the Turning Stone Casino Resort and Vernon Downs racino to the west. More distant competitors include Atlantic City to the south and Connecticut to the east (Foxwoods and Mohegan Sun).

In addition to the existing facilities, for the purposes of this analysis, two facilities in the Catskill/Hudson Valley region and a casino in Springfield, Massachusetts have also been included as proposed competitors for the proposed casino in Schenectady.

Gaming revenue described in this section is net of free play for the states of New York and Connecticut.

The following table presents all of the existing competitive casinos in the broad Schenectady region:

Existing Competitive Casinos

Location	Name	Machines	Tables	Positions
Monticello, NY	Mighty M Gaming	1,110	0	1,110
Nichols, NY	Tioga Downs	802	0	802
Yonkers, NY	Empire City at Yonkers Raceway	5,250	0	5,250
Jamaica, NY	Resorts World Casino at Aqueduct	5,005	0	5,005
Ledyard, CT	Foxwoods Casino	5,833	350	7,933
Farmington, NY	Finger Lakes Gaming & Racetrack	1,199	0	1,199
Montville, CT	Mohegan Sun Resort	5,535	350	7,635
Saratoga Springs, NY	Saratoga Gaming and Raceway	1,700	0	1,700
Vernon, NY	Turning Stone Casino	2,310	114	2,994
Vernon, NY	Vernon Downs & Miracle Isle Gaming Resort	767	0	767
Atlantic City, NJ	Atlantic City Casinos	26,168	1,630	35,948
Total		**55,679**	**2,444**	**70,343**

Source: The Innovation Group, Various Gaming Boards and Commissions, CasinoCity.com

Existing

New York

Saratoga Springs

Saratoga Gaming and Raceway is a ½-mile standardbred harness racing dirt track located in Saratoga Springs, New York, just across Nelson Avenue from Saratoga Race Course which hosts thoroughbred racing each August. Saratoga Raceway aka The Saratoga Equine Sports Center – otherwise known as the Saratoga Gaming and Raceway – was opened in 1941 as a facility for American harness racing and was the third racetrack in the State of New York to feature pari-mutuel wagering. The casino opened in January 2004 featuring approximately 1,300 video lottery terminals. The casino now features 1,780 video lottery terminals.

Saratoga Springs Historical Gaming Revenues

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2005	$103,569,578		1,324		$214	
2006	$119,318,771	15.20%	1,326	0.20%	$246	15.00%
2007	$129,784,671	8.80%	1,593	20.10%	$223	-9.40%
2008	$134,373,560	3.50%	1,770	11.10%	$208	-6.80%
2009	$136,038,290	1.20%	1,770	0.00%	$211	1.20%
2010	$139,721,687	2.70%	1,775	0.30%	$216	2.40%
2011	$150,420,830	7.70%	1,782	0.30%	$231	7.30%
2012	$159,751,975	6.20%	1,780	-0.10%	$246	6.30%
2013	$159,594,798	-0.10%	1,780	0.00%	$246	-0.14%

Source: New York Lottery

Monticello Raceway

The Monticello Gaming and Raceway originally opened in June 1958 featuring the "Mighty M" half mile track featuring standard bred horse races. The casino portion opened in June 2004 featuring 1,700 video lottery terminals, but it has scaled back to 1,110. Empire Resorts has proposed to relocate the operation to the Concord Hotel and Resort in Monticello.

Monticello Raceway Historical Gaming Revenues

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2005	$68,058,989		1,693		$110	
2006	$76,510,346	12.40%	1,580	-6.70%	$133	20.50%
2007	$64,290,240	-16.00%	1,587	0.40%	$111	-16.30%
2008	$58,109,181	-9.60%	1,587	0.00%	$100	-9.60%
2009	$53,751,367	-7.50%	1,401	-11.70%	$105	4.80%
2010	$57,394,484	6.80%	1,089	-22.30%	$144	37.30%
2011	$60,918,062	6.10%	1,110	1.90%	$150	4.20%
2012	$63,873,596	4.90%	1,110	0.00%	$158	4.90%
2013	$62,821,386	-1.65%	1,110	-0.01%	$155	-1.86%

Source: New York Lottery

Tioga Downs

Tioga Downs is located in Nichols, New York and originally opened in 1976. The county fair themed racetrack closed after its third season of operations and reopened in June 2006 featuring approximately 750 video lottery terminals. The property now features 802 video lottery terminals.

Tioga Downs Historical Gaming Revenues

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2006	$20,869,261		750		$152	
2007	$41,433,974	NA	750	0.00%	$151	-0.50%
2008	$47,240,210	14.00%	751	0.20%	$172	13.80%
2009	$49,352,263	4.50%	771	2.60%	$175	1.90%
2010	$53,036,886	7.50%	782	1.50%	$186	5.80%
2011	$56,989,100	7.50%	802	2.40%	$195	4.90%
2012	$61,701,011	8.30%	802	0.10%	$211	8.20%
2013	$59,591,749	-3.42%	802	-0.03%	$204	-3.49%

Source: New York Lottery

Turning Stone Resort and Casino

Turning Stone Casino is located in Verona, New York on Interstate 90 east of Syracuse. Opening in 1993, it is owned and operated by the Oneida Indian Nation. The facility offers a golf course and indoor golf dome, RV Park, arcade, confectionary shop, and 13 dining options that range from high end steak houses to quick 24-hour dining venues Turning Stone offers over 2,300 class III slots and approximately 114 table games. Since Turning Stone is operated by an Indian Tribe they do not have to report gaming revenues publically.

Vernon Downs Casino and Hotel

Vernon Downs is located in Vernon, New York close to the Turning Stone Resort and Casino. The property opened in 1953 as a racetrack features harness racing, and after suffering through financial difficulties was purchased out of bankruptcy in 2006. The facility features an adjoining hotel and eight dining options. The casino has 767 video lottery terminals.

Vernon Downs Historical Gaming Revenues

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2006	$7,193,457		777		$130	
2007	$32,054,785	NA	767	-1.30%	$115	-12.20%
2008	$37,259,520	16.20%	761	-0.80%	$134	17.10%
2009	$37,149,183	-0.30%	761	0.00%	$134	-0.30%
2010	$41,279,444	11.10%	761	0.00%	$149	11.10%
2011	$42,337,320	2.60%	764	0.30%	$152	2.20%
2012	$43,684,082	3.20%	767	0.50%	$156	2.70%
2013	$43,707,318	0.05%	767	0.00%	$156	0.00%

Source: New York Lottery

Empire City at Yonkers Raceway

Yonkers Raceway, founded in 1899 in Yonkers as the Empire City Race Track, is a one-half-mile standardbred harness racing dirt track. The casino opened in October 2006 after a $225 million renovation and featured only 1,870 video lottery terminals. The casino now features approximately 5,300 video lottery terminals.

Yonkers Raceway Historical Gaming Revenues

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2006	$49,933,132		2,264		$263	
2007	$394,326,303	689.70%	5,206	129.90%	$208	-21.00%
2008	$486,459,681	23.40%	5,339	2.60%	$250	20.30%
2009	$540,495,929	11.10%	5,320	-0.40%	$278	11.50%
2010	$582,229,271	7.70%	5,309	-0.20%	$300	7.90%
2011	$577,074,840	-0.90%	5,355	0.90%	$295	-1.70%
2012	$544,698,569	-5.60%	4,987	-6.90%	$299	1.30%
2013	$559,946,387	2.80%	5,327	6.83%	$288	-3.69%

*Source: New York Lottery; *2006 has 84 days*

Resorts World Casino at Aqueduct Racetrack

The Aqueduct Racetrack is a horse racing facility in Jamaica, New York with three tracks that feature thoroughbred racing. The Resorts World casino opened in October of 2011, and features over 5,000 gaming machines, including electronic table games that are extremely popular with the Asian population in Queens and Brooklyn.

Aqueduct Historical Gaming Revenues

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2011	$89,293,498		2,919		$471	
2012	$672,570,324	653.21%	4,954	69.70%	$372	-21.00%
2013	$785,128,863	16.74%	5,004	1.01%	$430	15.55%

*Source: New York Lottery; *2011 has 65 Days*

Connecticut

Slot Revenue

The Mohegan Sun Casino and Entertainment complex opened in October 1996. The Mohegan Sun is located on a 185-acre site on the Tribe's reservation overlooking the Thames River with direct access from Interstate 395 and Connecticut Route 2A. Mohegan Sun is approximately 125 miles from New York City and approximately 100 miles from Boston, Massachusetts. In fiscal 2002, the property completed a major expansion of Mohegan Sun known as Project Sunburst, which included increased gaming, restaurant and retail space, an entertainment arena, an approximately 1,200-room luxury Sky Hotel Tower and approximately 100,000 square feet of convention space. In fiscal 2007 and 2008, the Sunrise Square and Casino of the Wind components of Project Horizon expansions were completed. The property now boasts 3.1 million square feet of gaming, food and beverage, and entertainment space.

Mohegan Sun's gaming revenues have been declining due to a combination of the effects from the national economic recession and the development of competitive facilities in Pennsylvania and the New York VLTs. The property currently offers 5,535 machines and 350 table games.

Mohegan Sun Casino Resort, Montville, CT Slot Performance Statistics

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2005	$868,774,303		6,223		382	
2006	$917,665,730	5.63%	6,197	-0.43%	406	6.08%
2007	$901,151,565	-1.80%	6,061	-2.19%	407	0.40%
2008	$842,873,026	-6.47%	6,300	3.94%	367	-10.01%
2009	$763,879,790	-9.37%	6,752	7.18%	310	-15.45%
2010	$736,157,773	-3.63%	6,405	-5.14%	315	1.59%
2011	$712,346,164	-3.23%	6,318	-1.36%	309	-1.90%
2012	$652,780,377	-8.36%	5,880	-6.93%	304	-1.53%
2013	$614,364,394	-5.9%	5,533	-5.9%	$304	0.3%

Source: Connecticut Gaming Board; The Innovation Group

The Foxwoods Casino is located near the town of Ledyard, Connecticut along the Thames River in New London County. Foxwoods was founded in 1986 as a bingo hall and was later converted to a casino in 1993. The property features over 4.7 million square feet of gaming, food and beverage and entertainment space and is one of the largest casino resorts in the world. Foxwoods latest expansion, the MGM Grand at Foxwoods was a $700 million addition in 2008. Slot revenues continued to decline to $728 million in the year 2008 from a total of $783 million in the year 2007 despite the expansion; however, the expansion at the facility coincided with the national economic recession. Gaming revenues continue to decrease at the resort given the opening of competitive facilities and their amenities in Pennsylvania and the VLTS racinos in New York and the soft economy. Foxwoods currently offers about 5,900 machines, and over 350 table games.

Foxwoods Casino, Ledyard, CT Slot Performance Statistics

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2005	$815,302,589		7,351		$304	
2006	$816,810,594	0.18%	7,035	-4.00%	$318	4.68%
2007	$783,357,701	-4.10%	7,240	3.00%	$296	-6.81%
2008	$728,024,927	-7.06%	7,734	7.00%	$258	-13.00%
2009	$684,424,106	-5.99%	7,641	-1.00%	$245	-4.84%
2010	$649,020,622	-5.17%	6,964	-9.00%	$255	4.04%
2011	$633,815,234	-2.34%	6,440	-8.00%	$270	5.60%
2012	$576,794,502	-9.00%	6,276	-3.00%	$252	-6.62%
2013	$530,572,312	-8.01%	5,921	-5.66%	$246	-2.58%

Source: Connecticut Gaming Board; The Innovation Group

Table Revenue

Table revenue is not subject to revenue sharing and therefore is not reported through the Connecticut Gaming Board. However, the Mohegan Tribal Gaming Authority (MTGA) releases table game revenues in its reporting to the Securities and Exchange Commission. Altogether, gaming revenues at Mohegan Sun are approximately $919 billion, with table revenue accounting for about 33% of win. Foxwoods' table revenue data is also recently available, and net gaming revenues are approximately $860 million, with table revenue accounting for about 30% of win.

The following tables show fiscal years so slot revenue does not match the previous calendar-year tables above.

Mohegan Sun Total Gaming Revenues ($MMs)

	FY2013	FY2012	FY2011	FY2010
Slot rev	$619	$675	$707	$746
Table rev	$300	$302	$316	$308
Total gaming rev	$919	$977	$1,023	$1,054
# of slots	5,550	6,000	6,300	6,400
# of tables	285	311	325	368
Table rev ratio	32.64%	30.90%	30.90%	29.20%

Fiscal years ending Sept. 30

Foxwoods Total Gaming Revenues ($MMs)

	FY2012	FY2011
Slot rev	$600	$676
Table rev	$262	$262
Total gaming rev	$862	$939
# of slots	5,850	6,300
# of tables	347	353
Table rev ratio	30.40%	27.90%

Fiscal years ending Sept. 30

Atlantic City

Atlantic City is by far the largest of the regional market centers with nearly 36,000 gaming positions. The win per position is lower in Atlantic City than in Connecticut by virtue of the much larger supply of gaming positions and the multiple casinos operating in the market. Atlantic City will, to an extent, compete for a portion of the southern market areas of Schenectady.

Atlantic City Electronic Devices Gaming Statistics

	Gaming Revenue	Change	Positions	Change	Daily WPP	Change
2005	$5,018,275,623		50,610		$272	
2006	$5,217,713,683	4.00%	48,290	-4.60%	$296	9.00%
2007	$4,920,786,965	-5.70%	45,871	-5.00%	$294	-0.70%
2008	$4,545,235,597	-7.60%	44,692	-2.60%	$278	-5.50%
2009	$3,943,171,237	-13.20%	41,443	-7.30%	$261	-6.20%
2010	$3,572,882,472	-9.40%	38,757	-6.50%	$253	-3.10%
2011	$3,298,860,680	-7.70%	36,839	-4.90%	$245	-2.90%
2012	$3,051,874,667	-7.50%	37,021	0.50%	$226	-7.90%
2013	$2,871,463,686	-5.91%	35,945	-2.91%	$219	-3.16%

Source: New Jersey Casino Control Commission

New Jersey iGaming

New Jersey has very recently introduced in-state internet gaming, operated only by licensed Atlantic City casinos. There is not enough data yet available to assess the New Jersey impact, and no precedent elsewhere in the United States to make comparisons and estimates. The Innovation Group has conducted surveys on the impact of iGaming on bricks-and-mortar casinos. Some results show that there is the potential that spending on iGaming will cannibalize spending in casinos. However, other results of the surveys show that a large proportion of internet gamers are not casino gamers, and that bricks-and-mortar casinos can benefit by using iGaming as a marketing tool to attract new customers. It is possible that Atlantic City casinos could become more attractive and competitive for New Jersey residents as a result of iGAming; however, the Schenectady gaming market area does not include New Jersey.

Below is a chart depicting the first four (4) months of iGaming revenue to Atlantic City casinos.

Atlantic City iGaming Revenue

Month	Days	Peer-to-Peer	Other Games	Total
Nov-13	10	$326,740	$508,415	$835,155
Dec-13	31	$2,884,917	$3,900,176	$6,785,093
Jan-14	31	$3,442,271	$5,177,721	$8,619,992
Feb-14	28	$3,109,203	$5,852,745	$8,961,948

Source: New Jersey Casino Control Commission; The Innovation Group

Proposed

Massachusetts

Massachusetts gaming legislation approves three resort casinos and one slot parlor. The bill establishes three different regions for casinos, including one that encompasses the four Western Massachusetts counties – Hampshire, Hampden, Franklin and Berkshire – known as region B. Suffolk, Middlesex, Essex, Norfolk and Worcester counties are in region A, and Bristol, Plymouth, Barnstable, Nantucket and Dukes counties are in region C. For the three resorts, the bill also calls for a minimum investment of $500 million, not including land costs, license fee, or off-site infrastructure mitigation. MGM Resorts International is the last company remaining for the sole Massachusetts gaming license to be awarded in the western region of the state. MGM plans to develop a large integrated resort property covering approximately 14.5 acres of land in Springfield. The property will include a 250 room hotel tower and 125,000 square feet of gaming space. Additionally, it is expected to provide typical amenities found in such resort properties such as restaurants, spas, retail shops, and meeting space. While an official opening date has not been announced, the property is expected to be granted a license sometime in 2014. We assume that the MGM resort will open during the projection period used in the analysis.

New York

New York has legalized up to four commercial Class III casinos in upstate New York, followed by three additional casinos in the New York City area after a period of seven years. In addition, the legislation allows for two 1,000-machine facilities in Nassau and Suffolk counties (one facility per county). For the purpose of this analysis, two Class III casino locations were assumed in the Catskill/Hudson Valley Region; however, these facilities are not expected to have a major overlap with Schenectady except in far southern market areas.

Methodology

In developing this analysis a gravity model was employed. Gravity models are commonly used in location studies for commercial developments, public facilities and residential developments. First formulated in 1929 and later refined in the 1940s, the gravity model is an analytical tool that defines the behavior of a population based on travel distance and the availability of goods or services at various locations. The general form of the equation is that attraction is directly related to a measure of availability such as square feet and inversely related to the square of the travel distance. Thus the gravity model quantifies the effect of distance on the behavior of a potential patron, and considers the impact of competing venues.

The basic formulation is that the interaction between two or more gaming venues is based on Newton's Law of Universal Gravitation: two bodies in the universe attract each other in proportion to the product of their masses and inversely as the square distance between them. Thus, expected interaction between gaming venue i and market area j is shown as:

where Pi = the gaming positions in gaming venue i, Pj = the population in market area j, dij = the distance between them, and k = an attraction factor relating to the quality and amenities to be found at each gaming venue in comparison to the competing set of venues. When this formulation is applied to each gaming venue gaming trips generated from any given zip code are then distributed among all the competing venues.

The gravity model included the identification of 12 discrete market areas based on drive times and other geographic features and the competitive environment. Using our GIS software and CLARITAS database[1], the adult population (21 and over), latitude and longitude, and average household income is collected for each zip code.

Each of these market areas is assigned a unique set of propensity and frequency factors. Gamer visits are then generated from zip codes within each of the areas based on these factors. The gamer visits thus generated are then distributed among the competitors based upon the size of

[1]The GIS software used was MapInfo. This software allows for custom data generally in a tabular format with a geographic identification code (census tract, zip code, latitude and longitude, or similar identifier) to be mapped or displayed and integrated with other geographic census based information such as location of specific population or roadways. MapInfo is one of the most widely used programs in the geographic information systems industry. Nielsen Claritas is a vendor of demographic information located in the United States. Nielsen Claritas provides census demographic and psychographic data on a variety of geographic levels of detail ranging from census block groups and counties to postal zip codes. Their information is updated every six months and includes a current year estimate and provides a five year forecast for the future. The Innovation Group has utilized this data for inputs to its models for the last six years and has purchased full access to their demographic database for the entire United States.

each facility, its attractiveness and the relative distance from the zip code in question. The gravity model then calculates the probabilistic distribution of gamer visits from each market area to each of the gaming locations in the market.

Each travel distance/time is evaluated to determine the likely alternative gaming choices for residents of the region. The model is constructed to include only those alternative venues that are considered to be within a reasonable travel time. These include competing casinos that have the potential to attract patrons, or siphon off visits from the market. Travel distances and time have been developed through use of our GIS system.

The following section provides a description and definition of the various components of the model.

Gamer Visits

This measure is used to specify the number of patron trips to a gaming market, where an individual can make any number of separate visits in the course of a year. In order to estimate the gamer visits, market penetration rates, made up of the separate measures of propensity and frequency, are applied to the adult population in each zip code. A gamer visit can include more than one visit to a casino.

Propensity

Propensity measures the percentage of adults who will participate in casino gaming within the zip code. This varies based upon a number of factors, which includes the number of gaming venues, their type (i.e. land based versus cruising riverboat versus dockside riverboat), games permitted, availability of other entertainment and leisure options, and most importantly distance from a gaming venue. Propensity in the inner market areas from 0-50 miles can vary between the high thirty per cent range in a single cruising riverboat market to the fifty percent range, or more, for multiple land based casinos with a well developed array of amenities.

Frequency

This measures the average number of visits that an adult will make annually to casinos in the subject market. Frequency is a function of annual gaming budget as indicated by income variations, the number of venues in the market, the type of gaming facility and most importantly distance from a gaming venue.

MPI (Market Potential Index)

Propensity also varies as a function of each market's average market potential index (MPI) score. MPI scores are generated by Simmons Survey, a respected consumer research firm that conducts a nationwide survey of consumer behavior, including propensity to gamble at a casino. This score is an indication of the degree of likelihood that a person will participate in gaming based upon their lifestyle type. The MPI score inflates or discounts the participation rate of each zip code. For example, if a market area has an overall participation rate of 4.0 (propensity of 40% times frequency of 10), an MPI score of 120 for a particular zip code would effectively inflate the participation rate of that zip code to 4.8 (4.0 times 120%). The overall MPI score for the market area is a weighted average of all the zip codes within the area.

Win per Visit

Win per visit varies not only by gaming jurisdiction, but also in some cases by individual facilities. Normatively, win per visit is a function of distance and income. Gamers traveling greater distances tend to spend more per visit, typically making fewer gamer visits on average.

Attraction Factors

Attraction factors measure the relative attraction of one gaming venue in relation to others in the market. Attraction factors are applied to the size of the gaming venue as measured by the number of positions it has in the market. Positions are defined as the number of gaming machines plus the number of seats at gaming tables. A normative attraction factor would be one. When this is applied to the number of positions in a gaming venue there is no change in the size of the gaming venue as calculated by the model and hence its attraction to potential patrons. A value of less than one adjusts the size of the gaming venue downwards and conversely a value greater than one indicates that the gaming venue has characteristics that make it more attractive. Attraction factors can be based on a number of components including branding, the level and effectiveness of marketing efforts, and the level of quality and amenities of a facility. Attraction factors are also adjusted to model the presence of natural and man-made boundaries which impact ease of access and convenience of travel in the market area.

The sensitivity of the model to changes in these factors is not in the nature of a direct multiplication. For example, a doubling of the attraction factor will not lead to a doubling of the gamer visits attracted to the site. It will however cause a doubling of the attractive power of the gaming venue, which is then translated via non-linear equations into an increase in the number of gamer visits attracted to the gaming venue. This is based upon the location, size and number of competing gaming venues and their relationship to the market area to which the equation is applied. The variation of these factors is based upon The Innovation Group's experience in developing and applying these models, and consideration of the existing visitation and revenues. The latter represents the calibration of the model and has been accomplished by adjusting attraction factors to force the model to recreate the existing revenues and patron counts. In this case attraction factors have been adjusted for each casino for each market area. This is based upon known visitation patterns.

Market Carve-out

The Capital Region market has been carved into 12 distinct market areas, from which it could be expected that different participation rates may be expected depending on the level and location of competition that is present in the market currently and in the future. The following map and table show the market areas and their respective adult population (21 and over) and average household income.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

DISCLAIMER

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group 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, The Innovation Group accepts no liability in relation to the estimates provided herein.