

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

Exhibit VIII.B.9.a Detailed Description of the Target Market Segments of the Gaming Facility

Target Market Segments

In order to better understand the customers that will ultimately make up the Grand Hudson database and the marketing programs that they will find appealing, leadership examined the market in a number of ways: by demographics, by geography, and by gaming behavior and motivations. The latter explores the reasons why people gamble and segments those customers based on what motivates them to visit and gamble in a casino. It is this approach that will help define the Grand Hudson's fundamental marketing strategies. This approach is described below, followed by a description of target market segments based on geography and demographics.

Target Customer Segments Defined by Psychographic Motivation

Market segmentation has long been recognized as a fundamental tool of casino marketing. Casinos throughout North America segment their customers based on a variety of criteria. When designing database marketing programs the vast majority of casinos segment their databases based on theoretical win or actual win (monetary value), trip frequency and recency of visitation. Once these segments are defined, casino marketers then design campaigns that generate incremental visits. Casinos also define customers based on geography (the distance customers have to travel to get to a casino) as well as traditional demographic models.

Rarely do casinos ever approach player segmentation based on behavioral or psychographic characteristics. Grand Hudson leadership believes that understanding why people gamble and what motivates them to visit a casino is critical in order to design marketing programs that are cost effective, satisfy the wants and needs of the most profitable patron segments and meet the needs of the business. It is for this reason that Grand Hudson Marketing will begin the design of its marketing programs by first understanding why players visit casinos from a psychographic standpoint, understanding what motivates people to go to casinos and what they seek in a gaming entertainment experience.

The Seven Psychographic Segments

The notion of examining gaming customers based on their psychographic profile was first broached by casinos in Atlantic City in the mid-1980's. Over the years academics and casino marketing professionals including those at the Grand Hudson have come to understand what motivates people to visit casinos and to participate in gambling activities.

Early studies identified four basic psychographic segments among casino customers: Recognition Seekers, Escapists, Reward Seekers and Socializers.¹ With the proliferation of casinos throughout North America and increased competition, casinos became more aggressive in their promotional offerings and table game rules. This spawned a segment known as Advantage Players. More recently casino companies have come to recognize two additional segments that have emerged due to the expansion of gaming into Asian markets and the demographic growth of Asian communities in North America. These are referred to as Asian Mass and Asian Premium.

Grand Hudson offers the reader descriptions of these segments because it helps explain how Grand Hudson intends to design its marketing programs to appeal to its most profitable segments while limiting programs that attract the least profitable segments.

¹ Andrew M. Klebanow. "A Behavior Based Approach to Market Segmentation," Indian Gaming Magazine. Oct 2003: pp. 62-63.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

Recognition Seekers

Recognition Seekers represent a small share of total players yet they command a considerable amount of attention from a casino. These players have a high expectation of recognition from the property they patronize. They expect floor supervisors, restaurant maitre D's and dealers to quickly recognize them and acknowledge their presence. They expect hosts to promptly greet them when they appear on property. Player Development departments are designed, in large part, to provide the recognition and service that this segment demands. They are an expensive segment to attract yet they are extremely profitable. It is for this reason that casinos spend so much on luxury hotel suites, fine dining venues and lush environments. The reward to the casino property is an intensely loyal, profitable and frequent visitor.

Escapists

Escapists seek a getaway that does not resemble their everyday routine. Escapists visit a casino to get away from their everyday lives. They go to a casino to escape the pressures of their jobs, family and the world around them. By their nature Escapists prefer to remain anonymous. In other words, they enjoy coming into a casino and playing with minimal interaction with casino personnel. They share their loyalty among a small number of properties and require minimal maintenance in the form of personal attention and complimentary services. They are therefore a very profitable segment.

Reward Seekers

Reward Seekers are driven to visit a property by the casino's player rewards program, promotions or offers that compensate them for their play. They believe they have a vested interest in the promotions and bonuses that casinos have to offer. It is their ability to identify the best "gaming value" that validates their superiority over other players and the casino in which they play. Point multiplier days, generous free play offers, drawings and other promotions that enhance the value of their gaming experiences and give them an edge are primary motivations for visiting a particular casino.

Reward seekers are not loyal to any one property and they will patronize the casino that has this week's best offer. Their gaming play goes to the casino with the best deal. They have an inflated view of their gaming worth and believe casinos will do whatever it takes to keep them as customers. They are a marginally profitable segment and represent the casino's "grind" play. Most casinos tend to devote an inordinate amount of marketing dollars to attract this segment.

Socializers

Socializers visit a casino in order to escape the mundane world around them and to be around others. Even though gambling requires concentration and little distraction, it is the social environment of casinos that attracts these people to a particular property. One need only walk through a bingo hall prior to the start of a session to understand the social nature of the environment. Socializers are intensely loyal and build relationships with floor personnel and other gamblers. Once they identify with a particular property they become a very loyal, very profitable segment with high levels of visitation. As their relationship is solidified they require very few marketing dollars to maintain that loyalty. Day in and day out they are the casino's best player segment.

Advantage Players

With the proliferation of player reward programs, dead chip programs, liberal table game rules and free slot play, a small cadre of players makes a living gambling in casinos. They pay very close attention to the types of games casinos offer. They closely scrutinize table game rules, the pay tables on video poker games, the value of the free play rebate component of a casino's player rewards program, and comping policies. They also scrutinize casino promotions and drawings in order to identify those where they have the best chance of winning.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

This segment understands how reward programs work and how casino managers evaluate play. Advantage players generate large volumes of wagering handle and accumulate voluminous amounts of reward program points. While an analysis of their theoretical win may indicate a profitable customer, more often than not their actual win/loss indicates otherwise.

Advantage players often work in teams, particularly when a casino has a drawing for a very valuable grand prize. They will pool their gaming dollars and generate enough gaming handle in order to generate the lion's share of drawing tickets in a drawing drum. As such their chances of winning the promotional drawing are dramatically increased. When one member of the team wins, they share in the grand prize. Advantage players employ a variety of techniques to defend their position in a casino. They brag to hosts about the friends they bring who are not knowledgeable gamers. They readily turn to hosts for upgraded rooms and meals without debiting their comp dollar balances. This segment also poses the greatest threat to local gaming properties seeking to broaden their destination gambler segment. They prey on unsuspecting hosts eager to demonstrate their ability to bring in "big players."

Since their goal when visiting a casino is to make money they become resentful when a casino tightens up their promotional policies and they share their views with others. They will communicate their displeasure to others in online chat rooms and social networks. Casinos do not make money off of Advantage Players and their loyalty goes to the casino where they can make the most money.

Asian Mass

With the dramatic growth of first generation and second generation Asians in North America, gaming companies have come to recognize the importance of Asian-Americans, in particular those of Chinese descent as an important and growing segment of the gaming population. Their preferred game is Baccarat but they also play Sic Bo and Pai Gow.

Asian Mass players view gaming as an extension of work. They do not visit a casino because of a show or a free meal. They visit a casino to do one thing and one thing only: to gamble; and they are passionate about it. They do not care about relaxing in a hotel room or an elaborate dinner. If they get tired, they would just as soon doze off in a chair in the lobby. They require minimal maintenance and only need a bottle of water, tea and a quick meal at the noodle bar for sustenance. They will play until they run out of time or money or when they must go back to work. It is for this reason that travel time to a casino is critical. The less time spent commuting, the more time that remains for gambling.

Asian Premium

Asian Premium players are people who are very successful in business. They view gaming as an extension of their success. Like Asian Mass, their preferred game is Baccarat but their wagering levels are far higher as are their wants and needs. How they perform at the tables is an extension of how successful they are in life. They are motivated by a number of other factors including a sense of exclusivity and service. They are discreet and prefer a sense of semi-privacy away from the view of mass market players. They are also sensitive to feng shui elements and a sense of good luck and good fortune. Their wagering volume is very high. It is not unusual for an Asian Premium player to wager \$10,000 a hand.

These players require dead chips, shopping spree money and ultra-high end tournaments in order to capture a portion of their loyalty. In addition to dedicated hosts that speak their native tongue, Asian Premium players often are brought in through Junket representatives on rolling chip commission programs. Only a few casinos in the United States have the capability of servicing this kind of customer.

Why Understanding Player Psychographics is Important

Grand Hudson leadership believes that by understanding what motivates players to gamble, the company's managers can design programs that target the most profitable segments while discouraging the least profitable. Casinos that do not make a conscious effort to understand the motivations that drive these various segments to their property risk attracting the least profitable segments.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

Casinos that attempt to build traffic through liberal gaming rules risk attracting Advantage Players, a segment Grand Hudson believes will emerge should it not be vigilant in designing promotional programs.

Grand Hudson leadership has learned that the most profitable segments are not necessarily the ones that are attracted by the traditional marketing practices of many casinos. Socializers require little inducement to visit once relationships have been established. Escapists can be prodded to visit through marketing programs that assure their anonymity while Recognition Seekers demand respect and appreciation for their loyalty. Asian Mass can be motivated to visit by providing the games they seek; communicating in their native language, providing the food they like, advertising in their communities and consigning with bus companies that can deliver these players from their communities. Asian Premium players can be attracted by a combination of sound player development, an effective host program, junket representatives, the ability to manage rolling chip programs, and amenities that cater to their unique wants and needs.

Target Market Segments by Gaming Activity

In addition to psychographic descriptors, Grand Hudson defines its customers based on gaming activity.

Mass Market

Mass market gamers are primarily day-trip gamers visiting Grand Hudson from communities that comprise the greater New York metropolitan area, the suburban cities to the north, Northern New Jersey and Southern Connecticut as defined in the previous chapter. They are primarily day-trip gamers as well as gamers seeking an overnight gaming-resort experience. They are motivated to visit casinos for a variety of reasons including gaming entertainment, promotions, room offers and other perks. In general, their daily average spend is less than \$1,000. From a psychographic standpoint they include Escapists, Socializers and Value Seekers.

Premium Market

Premium gamers are also day-trip gamers visiting Grand Hudson from greater New York metropolitan area New York City, the suburban cities to the north, Northern New Jersey and Southern Connecticut. Their daily gaming budgets are far larger than typical mass market players, often in excess of \$10,000 per day. They are more likely to visit a property as part of an overnight or multi-night lodging stay, combining gaming entertainment with resort experiences. They are attracted to a property by its mix of amenities, high stakes wagering and tournaments. They are comprised of Recognition Seekers and Escapists but may also include Advantage Players.

Asian Mass Market

Asian mass gamers are first generation and second generation Asian Americans primarily from China but also from Thailand, Taiwan, Korea and the Philippines. They are motivated to visit a property by the kinds of table games offered and the simple amenities that cater to their needs. They also choose a property based on how convenient it is to get to. The less time they have to spend commuting to a casino, the more time they can devote to gambling at the casino. They often arrive by bus but also with private transportation, often in groups or multi-generational families.

Premium Asian

Premium Asian players are players of Asian descent or origin who primarily play Baccarat at very high wagering levels. They require hosts that speak in their native tongue and are incentivized to visit a casino because of the property's amenities and the casino's sense of exclusivity. They are motivated by a variety of perks including dead chip programs, shopping spree money, house-funded tournaments and discounts on loss.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

New York South

The New York South sector encompasses the southeast corner of New York from the border of Connecticut to the east, the border of New Jersey to the south and the Secondary West market to the west. This market contains the Grand Hudson Casino. In 2013 this market was home to a total of 1,366,725 residents. Approximately 71% of this market's population were adults, with 21+ population reported at 974,133 in the same year. The number of total residents is projected to grow at a CAGR of 0.5% with total and adult population estimated at 1,403,122 and 1,015,403 in 2018.

Income levels in this market are the second highest of the 21 analyzed areas, with average annual household income quantified at \$101,920 in 2013. AAHI growth is projected at 0.8% annually, reaching \$106,293 in 2018.

New York Southwest

The New York SW ("NYSW") market extends west of the NY South market and includes the city of Monticello. This market has one existing casino within it and two proposed sites for gaming licenses. This market contained a total population of 149,025 in 2013 and is the smallest area in terms of population for the 21 analyzed areas. This segment is expected to experience zero growth and drop to 148,096 in 2018. Adult population was 108,203 in 2013 and is projected to have a flat growth rate of -0.1% dropping slightly to 107,925 in 2018.

The NYSW market is below the average annual household income of the other markets, with an AAHI of \$65,545 in 2013. AAHI in this market is estimated to have a CAGR of 0.8%, reaching \$68,085 in 2018.

Central New York South

The Central NY South market is located entirely within the State of New York and runs along the border of Massachusetts. This market doesn't have any gaming facilities within it and there are no proposed sites located within this area either. This market is the third smallest in terms of population with total population quantified at 239,178 in 2013. Adults represent roughly 76% of this region's population, with 21+ population reported at 182,283 in the same year. Both total and adult population levels in this market are estimated to have no increase over the next five years with populations estimated at 233,514 and 180,109 respectively, in 2018.

The Central NY South segment is slightly below the market average in terms of AAHI and reported at \$69,211 in 2013. AAHI in this segment is projected to grow at an average annual rate of 0.5%, reaching \$70,812 in 2018.

New York / Massachusetts

The New York Massachusetts ("NYMA") market extends east of the Central NY South market and encompasses the western side of Massachusetts. This market has no gaming facilities within it and there are no proposed sites located in this area. The NYMA market was home to a total of 217,429 residents in 2013. This market is projected to have a no population growth over the next five years with total population projected at 211,239 in 2018. Adults account for approximately 77% of local population, with 21+ population reported at 166,307 in 2013. Adult population is estimated to have a growth rate of -0.3%, declining to 163,958 in 2018.

Income levels in the NYMA market are below the regional average, with AAHI at \$71,227 in 2013. AAHI is estimated to undergo a modest amount of growth over the next five years, projected at \$74,193 in 2018.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

Western Connecticut

The Western CT market extends east of the NY South market and is made up of the western portion of Connecticut. There are no gaming facilities within this market, and there is no quick and easy access to any other gaming facilities in other segments. The Western CT market is the fourth largest market in terms of population with 1,584,198 total residents in 2013, of which 1,154,631 were at least 21 years of age. This segment is projected to undergo a steady amount of population growth over the next five years, with total and adult population estimated at 1,612,967 and 1,189,345 respectively, in 2018.

The Western CT market's AAHI was \$99,195 in 2013. AAHI is projected to grow at an annual rate of 1.5%, estimated at \$107,019 in 2018.

Yonkers

The Yonkers market is south of the NY South market and includes the city of Yonkers and the surrounding suburbs. This market has one gaming facility within it, Empire City. This market was home to 2,287,519 total residents in 2013, with total population projected to experience moderate growth over the next five years, reaching 2,355,190 in 2018. Adults represent approximately 71% of the market's population, with 21+ population reported at 1,610,173 in 2013. Adult population is projected to grow by 0.8% within the next five years, estimated at 1,676,175 in 2018.

Income levels in the Yonkers market are the lower than the average of the 21 markets, with AAHI quantified at \$80,929 in 2013. AAHI is estimated to undergo relatively strong growth, projected to reach \$85,079 in 2018.

Manhattan

The Manhattan market includes the island of Manhattan and is the smallest of the 21 markets in terms of area. In 2013 this market was home to a total of 1,594,858 residents. Approximately 81% of this market's population are adults, with 21+ population reported at 1,292,737 in the same year. The number of total residents will grow slightly with total and adult population estimated at 1,673,550 and 1,340,667 in 2018.

Income levels in this market are the highest of the 21 analyzed areas, with AAHI quantified at \$125,241 in 2013. AAHI is estimated to grow over the next five years, projected at 1.0% annually, reaching \$131,753 in 2018.

Long Island

The Long Island market is comprised of the entire island of Long Island. This market has one gaming facility within it, Resorts World NYC in Queens. This market is the largest in terms of population and contained a total population of 6,280,210 in 2013. This segment is expected to experience a growth rate of 0.8% to reach an estimated population of 6,530,905 in 2018. Adult population was 4,642,638 in 2013 and is projected to have a steady growth rate of 0.9% reaching 4,854,558 in 2018.

The Long Island market is below the average annual household income of the other markets, with an AAHI of \$80,324 in 2013. AAHI in this market is estimated to have a growth rate of 0.6%, reaching \$82,908 in 2018.

New Jersey

The New Jersey market includes the northern portion of New Jersey from the border of New York on the east to the border of Pennsylvania on the West. This market doesn't have any gaming facilities within it. This market is the second largest in terms of population with total population quantified at 4,755,269 in 2013. Adults represent roughly 73% of this region's population, with 21+ population reported at 3,477,081 in the same year. Both total and adult population levels in this market are estimated to have a steady increase over the next five years with populations estimated at 4,866,942 and 3,573,617 respectively, in 2018.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

The New Jersey segment is above the market average in terms of AAHI and reported at \$95,697 in 2013. AAHI in this segment is projected to grow at an average annual rate of 1.3%, reaching \$102,012 in 2018.

Pennsylvania / New York

The Penn/NY market extends west of the Central NY South and NYSW market and encompasses the northwestern corner of Pennsylvania and a very small portion of New York including Tioga County and the city of Elmira. This market has three gaming facilities within it, Tioga Downs, Mohegan Sun at Pocono Downs and the Mount Airy Casino. The Penn/NY market was home to a total of 1,298,584 residents in 2013. This market is projected to have flat population growth over the next five years with total population projected at 1,290,768 in 2018. Adults account for approximately 75% of local population, with 21+ population reported at 970,791 in 2013. Adult population is estimated to have a growth rate of 0.2%, reaching 980,011,436 in 2018.

Income levels in the Penn/NY market are below the regional average, with AAHI at \$60,969 in 2013. AAHI is estimated to undergo a high amount of growth over the next five years, projected at \$63,155 in 2018.

Central New York

The Central NY market extends north of the NYSW market and has two gaming facilities within it, Turning Stone Resort and Vernon Downs. The Central NY market is home to 627,413 total residents in 2013, of which 463,852 were at least 21 years of age. This market is projected to undergo no population growth over the next five years, with total and adult population estimated at 617,590 and 463,455 respectively, in 2018.

AAHI was \$63,760 in 2013 and is projected to grow at an annual rate of 0.5%, estimated at \$65,292 in 2018.

Albany

The Albany market is east of the Central NY and Central NY South markets and runs along the borders of Massachusetts and Vermont. This market has no gaming facilities within it, but is proximate to the Saratoga Springs Raceway and is home to one of three possible sites for the Capital region gaming license. This market was home to 561,799 total residents in 2013, with total population projected to remain stagnant over the next five years, reaching 562,032 in 2018. Adults represent approximately 74% of the market's population, with 21+ population at 416,314 in 2013. Adult population is projected to grow by 0.2% within the next five years, estimated at 420,917 in 2018.

Income levels in the Albany market are lower than the average of the 21 markets, with AAHI quantified at \$72,511 in 2013. AAHI is estimated to undergo moderate growth, projected to reach \$74,168 in 2018.

Saratoga

The Saratoga market is east of the Central NY and Central NY South markets and runs along the border of Vermont. This market has one gaming facility within it, Saratoga Springs Raceway and is home to one of the projected sites for the new resort-casino license. This market was home to 286,413 total residents in 2013, with total population projected to experience slight growth over the next five years reaching 290,381 in 2018. Adults represent approximately 75% of the market's population, with 21+ population reported at 213,918 in 2013. Adult population is projected to grow by 0.5% within the next five years, estimated at 219,190 in 2018.

Income levels in the Saratoga market are the lower than the average of the 21 markets, with AAHI quantified at \$71,777 in 2013. AAHI is estimated to undergo relatively moderate growth, projected to reach \$74,839 in 2018.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

Tertiary North

The Tertiary North sector extends north of the Central NY and Saratoga markets. In 2013 this market was home to a total of 338,171 residents. Approximately 74% of this market's population are adults, with 21+ population reported at 250,556 in the same year. The number of total residents is projected have a modest increase by 2018 with total and adult population estimated at 342,216 and 255,165 in that year.

Income levels in this market are among the lowest of the 21 analyzed areas, with AAHI quantified at \$58,601 in 2013. AAHI is estimated to undergo slight growth over the next five years, projected at 0.5% annually, reaching \$59,986 in 2018.

Tertiary Northeast

The Tertiary Northeast sector extends north of the Saratoga and Tertiary East market segments and east of the Tertiary North market segment. In 2013 this market was home to a total of 274,875 residents. Approximately 75% of this market's population are adults, with 21+ population reported at 205,874 in the same year. The number of total residents is projected have a slight increase of 0.1% by 2018 with total and adult population estimated at 276,790 and 211,107 in that year.

Income levels in this market are below the average of the 21 analyzed areas, with AAHI quantified at \$71,747 in 2013. AAHI is estimated to undergo moderate growth over the next five years, projected at 0.9% annually, reaching \$74,948 in 2018.

Tertiary East

The Tertiary East sector extends northeast of the NYMA market segment and east of the Saratoga market segment. This market does not have any gaming facilities in it. In 2013 this market was home to a total of 278,345 residents. Approximately 77% of this market's population are adults, with 21+ population reported at 214,212 in the same year. The number of total residents is projected to remain relatively stagnant with total and adult population estimated at 275,646 and 214,665 in 2018.

Income levels in this market are among the lowest of the 21 analyzed areas, with AAHI quantified at \$64,992 in 2013. AAHI is estimated to undergo relatively moderate growth over the next five years, projected at 1.1% annually, reaching \$68,617 in 2018.

Syracuse

The Syracuse market is sandwiched between the Central NY, Tertiary North; North I-90 and South I-90 markets and includes the city of Syracuse and the surrounding suburbs. This market is the fifth smallest in terms of population and contained a total population of 297,228 in 2013. This segment is expected to experience flat growth and have an estimated population of 296,993 in 2018. Adult population was 215,318 in 2013 and is projected at 216,826 in 2018.

The Syracuse market is the lowest of the 21 analyzed markets with an AAHI of \$55,925 in 2013. AAHI in this market is estimated to have a growth rate of 0.5%, reaching \$57,362 in 2018.

North I-90

The North I-90 market includes the northern portion of New York along Lake Ontario. This market is the fourth smallest in terms of population with total population quantified at 267,707 in 2013. Adults represent roughly 73% of this region's population, with 21+ population reported at 194,997 in the same year. Both total and adult population levels in this market are estimated to have a steady increase over the next five years with populations estimated at 266,255 and 197,316 respectively, in 2018.

The North I-90 segment is below the market average in terms of AAHI and reported at \$64,171 in 2013. AAHI in this segment is projected to grow at an average annual rate of 0.5%, reaching \$65,652 in 2018.

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

South I-90

The South I-90 market extends south of the North I-90 market next to the Penn/NY and Central NY markets. This market has one gaming facility within it, Finger Lakes Gaming. The South I-90 market was home to a total of 405,180 residents in 2013. This market is projected to have a modest amount of population growth over the next five years with total population projected at 406,447 in 2018. Adults account for approximately 74% of local population, with 21+ population reported at 300,303 in 2013. Adult population is estimated to have a growth rate of 0.3%, reaching 305,210 in 2018.

Income levels in the South I-90 market are below the regional average, with AAHI at \$69,859 in 2013. AAHI is estimated to undergo a moderate amount of growth over the next five years, projected at \$71,458 in 2018.

New York West

The NY West segment extends west from the Rochester and South I-90 markets and has one gaming facility within it, Batavia Downs. The NY West market is home to 474,710 total residents in 2013 and is projected to decrease slightly in population over the next five years to 472,065 in 2018. Adult population was at 350,743 in 2013 and is projected to increase slightly to 352,862 by 2018.

The NY West market is below the average of the 21 analyzed markets in terms of affluence, with AAHI at \$59,961 in 2013. This market is projected to have a steady increase over the next five years to \$61,479 by 2018.

Rochester

The Rochester market extends west of the North I-90 market and north of the South I-90 market and contains the city of Rochester, NY and the surrounding suburbs. The Rochester market is home to 693,335 total residents in 2013, of which 507,626 were at least 21 years of age. This segment is projected to undergo a slight amount of population growth over the next five years, with total and adult population estimated at 698,130 and 520,018 respectively, in 2018.

The Rochester market is below the average of the 21 analyzed markets, with AAHI quantified at \$67,596 in 2013. AAHI is projected to grow at an high annual rate of 0.5%, estimated at \$69,196 in 2018.

The following tables summarize the size of each of the region's markets along with each market's compounded annual growth rate ("CAGR").

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

Total Population by Market Segment			
	2013	2018	CAGR ('13-'18)
NYSouth	1,366,725	1,403,122	0.5%
NYSW	149,025	148,698	0.0%
CentralNYSouth	239,178	233,514	-0.5%
NYMA	217,429	211,239	-0.8%
Western CT	1,584,198	1,612,867	0.4%
Yonkers	2,287,519	2,355,190	0.8%
Manhattan	1,594,858	1,673,550	1.0%
Long Island	6,280,210	6,530,905	0.8%
New Jersey	4,755,269	4,868,942	0.5%
Penn/NY	1,298,584	1,290,768	-0.1%
Central NY	827,413	817,590	-0.3%
Albany	581,799	582,032	0.0%
Saratoga	286,413	290,381	0.3%
Tertiary North	338,171	342,216	0.2%
Tertiary NE	274,875	276,790	0.1%
Tertiary East	278,345	275,646	-0.2%
Syracuse	297,228	296,993	0.0%
North I 90	267,707	266,255	-0.1%
South I 90	405,160	408,447	0.1%
NYWest	474,710	472,085	-0.1%
Rochester	693,335	698,130	0.1%
TOTAL	24,278,151	24,831,438	0.5%

Source: PCensus, GMA

Adult Population (21+) by Market Segment			
	2013	2018	CAGR ('13-'18)
NYSouth	974,133	1,015,403	0.8%
NYSW	108,203	107,925	-0.1%
CentralNYSouth	182,283	180,109	-0.2%
NYMA	166,307	163,958	-0.3%
Western CT	1,154,831	1,189,345	0.8%
Yonkers	1,610,173	1,676,175	0.8%
Manhattan	1,292,737	1,340,667	0.7%
Long Island	4,642,838	4,854,558	0.9%
New Jersey	3,477,081	3,573,617	0.5%
Penn/NY	970,791	980,011	0.2%
Central NY	463,852	463,455	0.0%
Albany	416,314	420,917	0.2%
Saratoga	213,918	219,190	0.5%
Tertiary North	250,556	255,165	0.4%
Tertiary NE	205,874	211,107	0.5%
Tertiary East	214,212	214,665	0.0%
Syracuse	215,318	216,826	0.1%
North I 90	194,997	197,316	0.2%
South I 90	300,303	305,210	0.3%
NYWest	350,743	352,862	0.1%
Rochester	507,626	520,018	0.5%
TOTAL	17,912,690	18,468,499	0.6%

Source: PCensus, GMA

AAHI by Market Segment			
	2013	2018	CAGR ('13-'18)
NYSouth	\$101,920	\$106,293	0.8%
NYSW	\$65,545	\$68,085	0.8%
CentralNYSouth	\$69,211	\$70,812	0.5%
NYMA	\$71,227	\$74,193	0.8%
Western CT	\$99,195	\$107,019	1.5%
Yonkers	\$80,929	\$85,079	1.0%
Manhattan	\$125,241	\$131,753	1.0%
Long Island	\$80,324	\$82,908	0.8%
New Jersey	\$95,697	\$102,012	1.3%
Penn/NY	\$60,969	\$63,155	0.7%
Central NY	\$63,780	\$65,292	0.5%
Albany	\$72,511	\$74,186	0.5%
Saratoga	\$71,777	\$74,839	0.8%
Tertiary North	\$58,601	\$59,986	0.5%
Tertiary NE	\$71,747	\$74,948	0.9%
Tertiary East	\$64,992	\$68,617	1.1%
Syracuse	\$55,925	\$57,362	0.5%
North I 90	\$64,171	\$65,652	0.5%
South I 90	\$69,859	\$71,458	0.5%
NYWest	\$59,961	\$61,479	0.5%
Rochester	\$67,586	\$69,196	0.5%
Average	\$84,967	\$89,079	1.0%

Source: GMA PCensus

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.9.a Target Market Segments

Gaming Revenue Estimates by Market Segment

The following table is a gaming revenue projection summary for the Grand Hudson Casino Resort by market segment in 2018, in which the project opens in late 2018. To account for the modest impact of hotels in the area, drive-by traffic, local residents whose legal residence is elsewhere and visitors from outside of the market, the tables includes an Outer Market figure equal to 2.5% of gross gaming revenue. With the Outer Market included, total Local and Outer Market gaming revenue is estimated at \$500.7 million in 2018, with approximately \$488.2 million coming from the local market segment.

Projected 2018 Gaming Revenue By Market					
	Propensity	% Revenue to Casinos in Model	% Income as Annual Win	Grand Hudson Casino	Market Revenue
NYSouth	33%	90%	1.50%	\$ 202,411,864	\$ 477,572,824
NYSW	36%	95%	1.80%	\$ 5,429,767	\$ 39,898,340
CentralNYSouth	32%	95%	1.50%	\$ 4,391,593	\$ 57,291,067
NYMA	32%	93%	1.50%	\$ 3,816,277	\$ 53,962,696
Western CT	33%	95%	1.48%	\$ 59,049,021	\$ 583,395,150
Yonkers	32%	75%	1.00%	\$ 15,378,080	\$ 338,372,122
Manhattan	35%	75%	0.70%	\$ 9,949,110	\$ 304,958,499
Long Island	34%	70%	0.70%	\$ 11,114,535	\$ 666,098,851
New Jersey	38%	90%	1.35%	\$ 159,265,262	\$ 1,651,823,248
Penn/NY	38%	90%	1.50%	\$ 5,106,271	\$ 316,892,139
Central NY	35%	95%	1.48%	\$ 1,567,185	\$ 155,633,256
Albany	33%	95%	1.50%	\$ 1,577,261	\$ 147,225,854
Saratoga	37%	95%	1.65%	\$ 1,723,142	\$ 93,477,987
Tertiary North	28%	100%	1.15%	\$ 682,352	\$ 49,055,870
Tertiary NE	26%	80%	1.10%	\$ 1,252,992	\$ 36,026,243
Tertiary East	33%	80%	1.53%	\$ 1,661,870	\$ 58,666,301
Syracuse	35%	98%	1.45%	\$ 569,057	\$ 62,189,587
North I 90	36%	95%	1.50%	\$ 642,182	\$ 65,923,398
South I 90	38%	95%	1.50%	\$ 904,857	\$ 110,649,745
NYWest	38%	93%	1.65%	\$ 856,984	\$ 125,338,616
Rochester	35%	90%	1.65%	\$ 818,654	\$ 187,316,180
SubTotal				\$ 488,166,116	\$ 5,581,767,973
Outer Market				\$ 12,517,080	
Gaming Market Advisors				\$ 500,883,196	
<i>Source: GMA</i>					

New Windsor Resort & Casino, LLC

Sub-Binder 1: C. Land, Construction and Design of Physical Plant

Exhibit VIII.C.14.b Description of Traffic Circulation Plans for the Project Site

Exhibit VIII.C.14.b Description of Traffic Circulation Plans for the Project Site Including Ingress and Egress of Casino Patrons, Employees and Suppliers Including Plans for Tour Bus, Limousine and Valet Drop-Off Areas, and Plans for Service Vehicle Parking

The traffic circulation plan including ingress and egress for all users is illustrated in Exhibit VIII.C.5.a Access to the Casino will be provided via new entrances from International Boulevard, Breunig Road, Sue Kelly Avenue and Aviation Avenue. Site entrances would be designated for patrons, employees, buses and recreational vehicles as well as other service vehicles. Wayfinding signage would be used on surrounding public streets and site circulation roads to provide ingress and egress directions to drop off points and parking.

The project will incorporate intersection improvements at proposed driveways to accommodate all possible vehicular turning movements to and from the project site. Intersection improvements would include construction of dedicated turning lanes, pavement rehabilitation and pavement striping. If warranted, a new traffic signal would be constructed at the main casino entrance on International Boulevard. Re-timing of existing traffic signals would also be evaluated.

Internal vehicular circulation will be provided via internal site driveways. The number of travel lanes as well as lane geometry has been designed to accommodate the number and type of vehicles that would access each parking lot. Dedicated ADA compliant walkways have been incorporated into the plan to provide unobstructed pedestrian access between the parking lots and casino facilities. In addition, ADA compliant walkways will be provided where necessary along public streets and site circulation roads to provide an accessible path from public streets to casino facilities. Manual of Uniform Traffic Control Devices (MUTCD) compliant crosswalks will be provided at locations where these pedestrian walkways cross public streets and site entrance driveways.

