

Template for Item VIII.A.4. - Financial projections for first 10 years

High Case

NAME OF APPLICANT: Traditions at the Glen Resort and Casino (Johnson City, NY)

I. **Submit 10-year projections, starting from date of opening:**
Projected Opening Date (mm/dd/yyyy): 1/1/2016

- PLEASE FILL IN LIGHT GREY SHADED CELLS.
- PLEASE FILL OUT DEPARTMENTAL INCOME STATEMENTS FIRST AS THEY WILL FEED INTO SUMMARY INCOME STATEMENT.
- FOR LINE ITEMS MARKED "OTHER," PLEASE USE THE COMMENT SPACE TO THE RIGHT TO DESCRIBE IN DETAIL WHAT IS CONTAINED IN THAT LINE ITEM.
- ALL COSTS OR DEDUCTIONS SHOULD BE ENTERED AS NEGATIVE NUMBERS. SUCH ROWS BEGIN WITH THE WORD "LESS."
- IN ADDITION TO COMPLETING THIS WORKSHEET, THE APPLICANT SHALL PROVIDE (IN THE ASSUMPTIONS SECTION) A DETAILED DESCRIPTION OF ALL ASSUMPTIONS RELEVANT TO THE PROJECTED FINANCIAL INFORMATION PROVIDED HEREIN.
- PLEASE DO NOT ADD OR DELETE ROWS OR COLUMNS.

- SECTIONS TO BE FILLED OUT:**
- I. Instructions
 - II. Departmental Income Statements
 - III. Summary Debt Schedule
 - IV. Statement of Income
 - V. Balance Sheet
 - VI. Statement of Cash Flow
 - VII. Assumptions

II.

DEPARTMENTAL INCOME STATEMENTS - HIGH-CASE BASIS

(IN MILLIONS)

Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

CASINO DEPARTMENT

CASINO REVENUE

House Banked Table Games
Slot/Electronic gaming machines
Other / Non-House Banked Games (Poker, etc)
Complementary Sales

TOTAL CASINO GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

CASINO EXPENSES

Management Fee
Gaming taxes and licenses
Preferred guest expenses
Payroll - Officers
Payroll - Other Employees
Payroll - Related (Taxes, Benefits, etc.)
Land Lease

TOTAL CASINO EXPENSES

TOTAL CASINO INCOME

HOTEL DEPARTMENT

HOTEL REVENUE

Room Sales
Complementary Rooms

TOTAL HOTEL GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

HOTEL EXPENSES

Payroll - Officers
Payroll - Other Employees
Payroll - Related (Taxes, Benefits, etc.)
Other (Specify)

TOTAL HOTEL EXPENSES

TOTAL HOTEL INCOME

FOOD DEPARTMENT

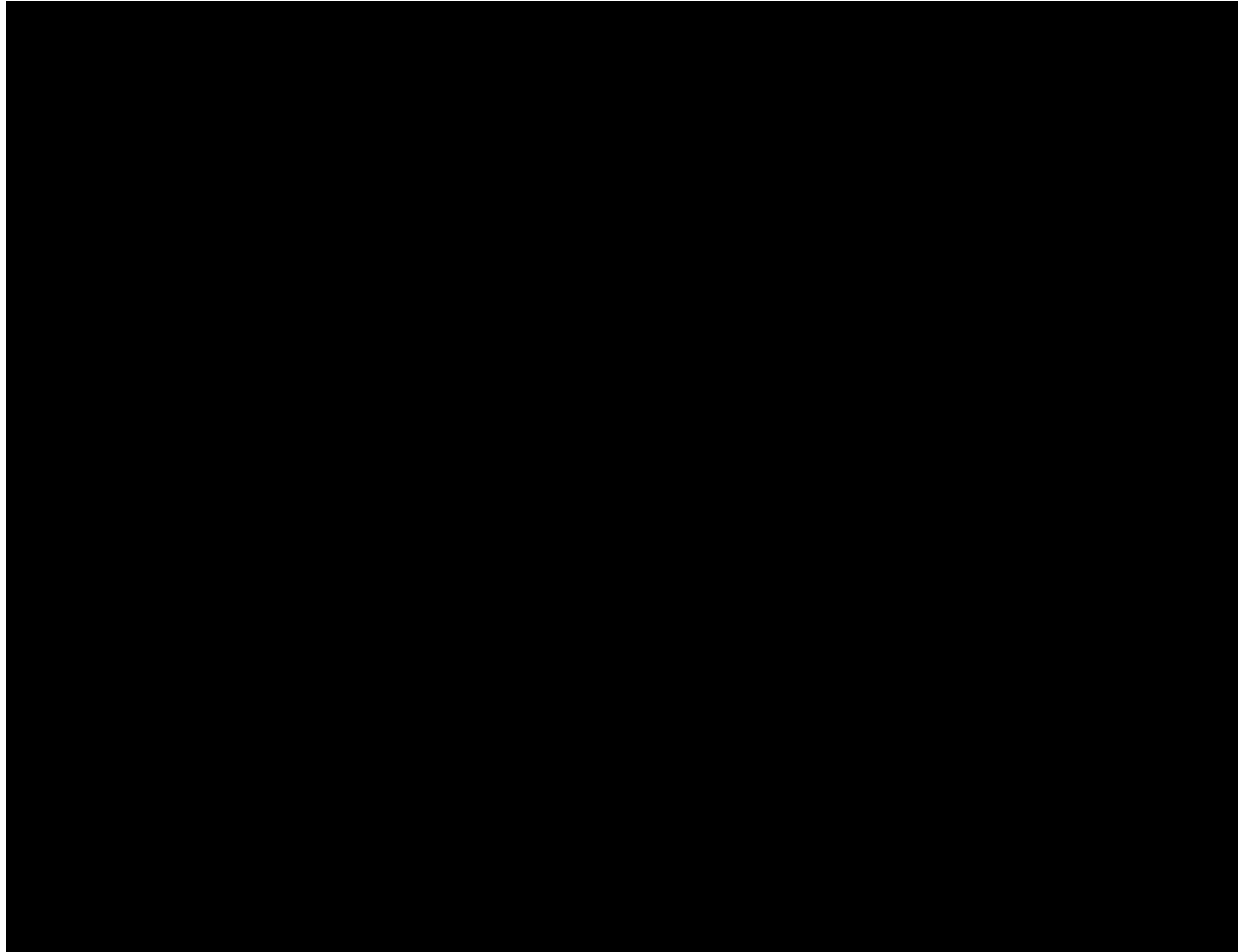
FOOD REVENUE

Total Sales
Complementary Sales

TOTAL FOOD GROSS REVENUE

Less: Cost of sales

GROSS MARGIN



FOOD EXPENSES

Payroll - Officers

Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL FOOD EXPENSES

TOTAL FOOD INCOME

BEVERAGE DEPARTMENT

BEVERAGE REVENUE

Total Sales

Complementary Sales

TOTAL BEVERAGE GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

BEVERAGE EXPENSES

Payroll - Officers

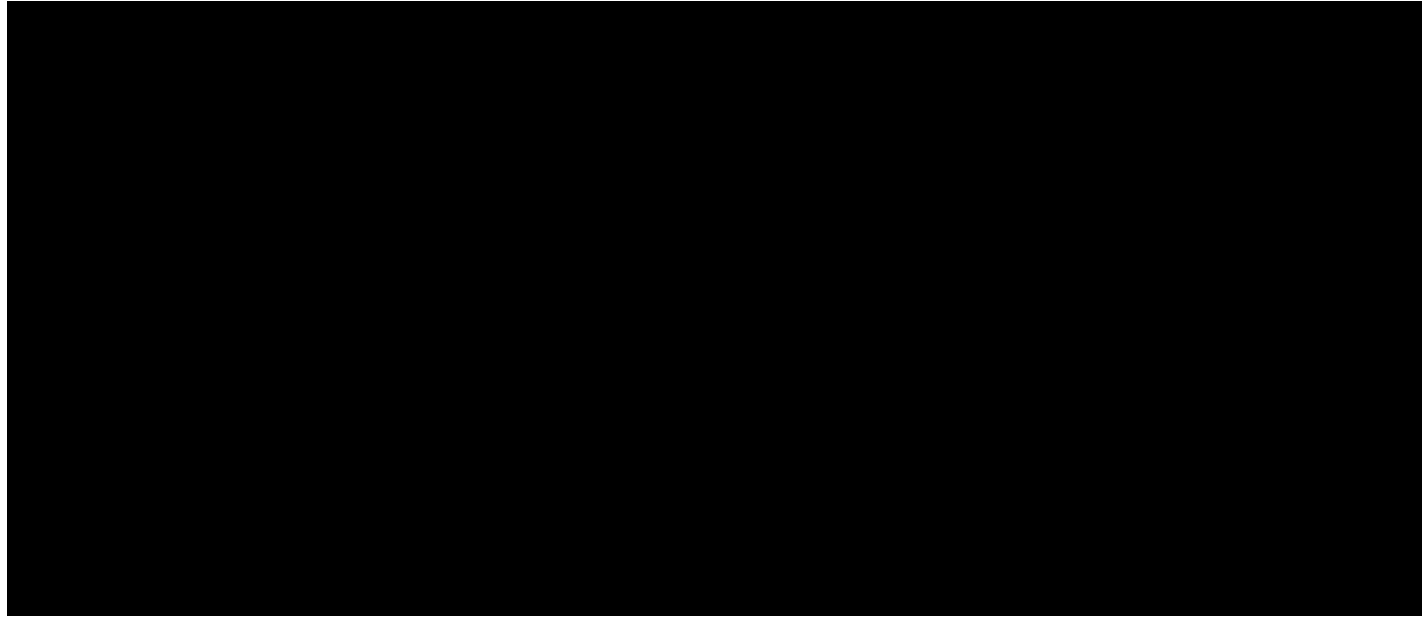
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL BEVERAGE EXPENSES

TOTAL BEVERAGE INCOME



DEPARTMENTAL INCOME STATEMENTS - HIGH-CASE BASIS (CONT.)

(in millions) **Year 1 (2016)** **Year 2 (2017)** **Year 3 (2018)** **Year 4 (2019)** **Year 5 (2020)** **Year 6 (2021)** **Year 7 (2022)** **Year 8 (2023)** **Year 9 (2024)** **Year 10 (2025)** **Comments**

CONVENTION DEPARTMENT

REVENUE
 Total Sales
 Complementary Sales
TOTAL CONVENTION GROSS REVENUE

Less: Cost of sales
GROSS MARGIN

CONVENTION EXPENSES
 Payroll - Officers
 Payroll - Other Employees
 Payroll - Related (Taxes, Benefits, etc.)
 Other (Specify)
TOTAL CONVENTION EXPENSES

TOTAL CONVENTION INCOME

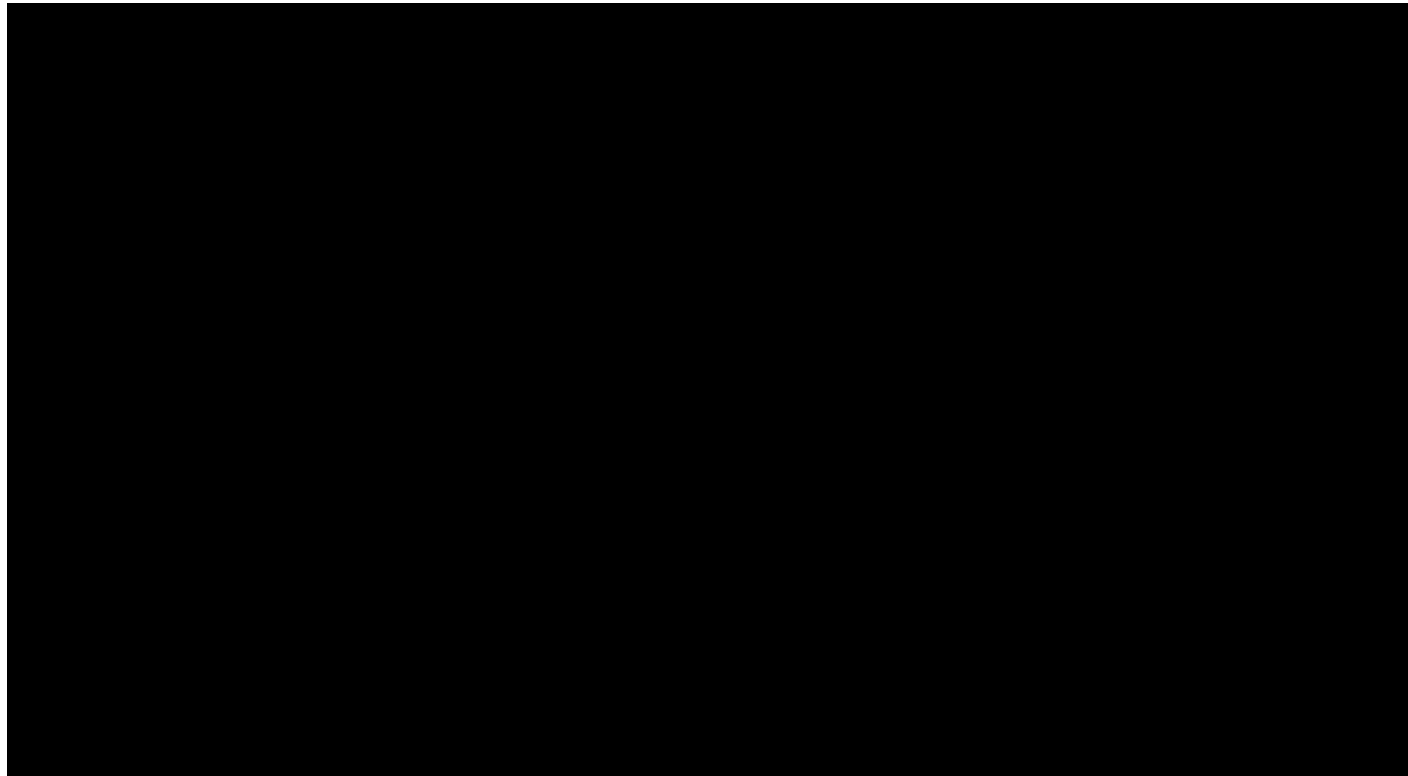
ENTERTAINMENT DEPARTMENT

ENTERTAINMENT REVENUE
 Total Sales
 Complementary Sales
TOTAL ENTERTAINMENT GROSS REVENUE

Less: Cost of sales
GROSS MARGIN

ENTERTAINMENT EXPENSES
 Payroll - Officers
 Payroll - Other Employees
 Payroll - Related (Taxes, Benefits, etc.)
 Other (Specify)
TOTAL ENTERTAINMENT EXPENSES

TOTAL ENTERTAINMENT INCOME



RETAIL DEPARTMENT

RETAIL REVENUE

Total Sales

Complementary Sales

TOTAL RETAIL GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

RETAIL EXPENSES

Payroll - Officers

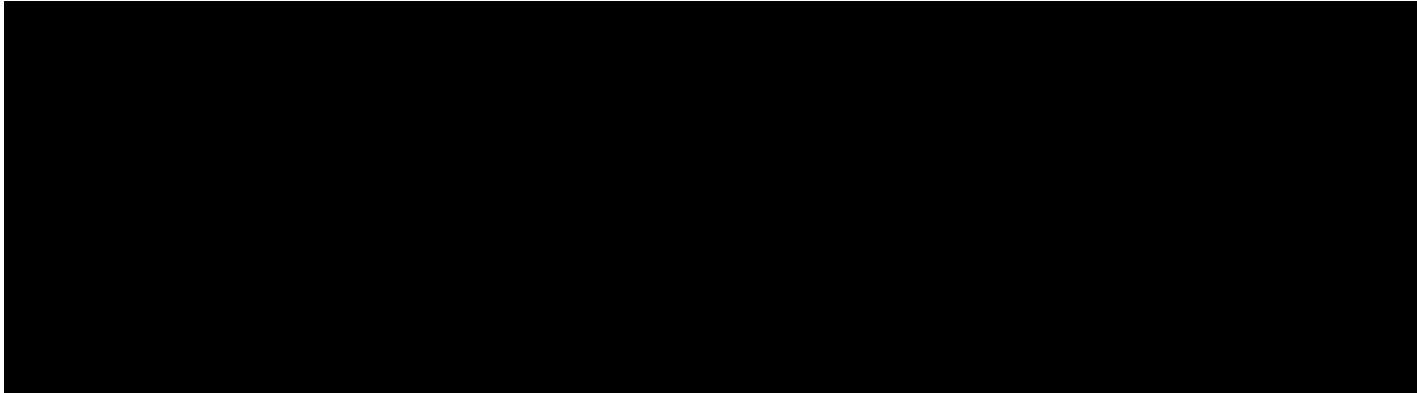
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL RETAIL EXPENSES

TOTAL RETAIL INCOME



OTHER DEPARTMENTAL INCOME (please specify)

**(E.G. CHECK CASHING, ATM FEES & LEASED
OUTLETS, ETC.)**

OTHER REVENUE

Total Sales

Complementary Sales

TOTAL OTHER GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

OTHER EXPENSES

Payroll - Officers

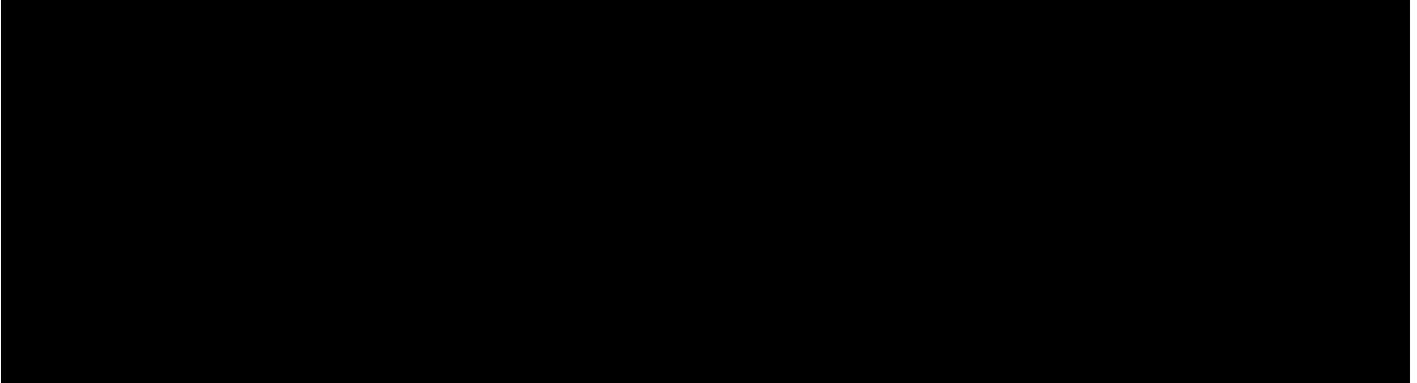
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Charitable Foundation contributions

TOTAL OTHER EXPENSES

TOTAL OTHER DEPARTMENTAL INCOME



III.

SUMMARY DEBT SCHEDULE - HIGH-CASE BASIS

(IN MILLIONS)

Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

DEBT 1:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

DEBT 2:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

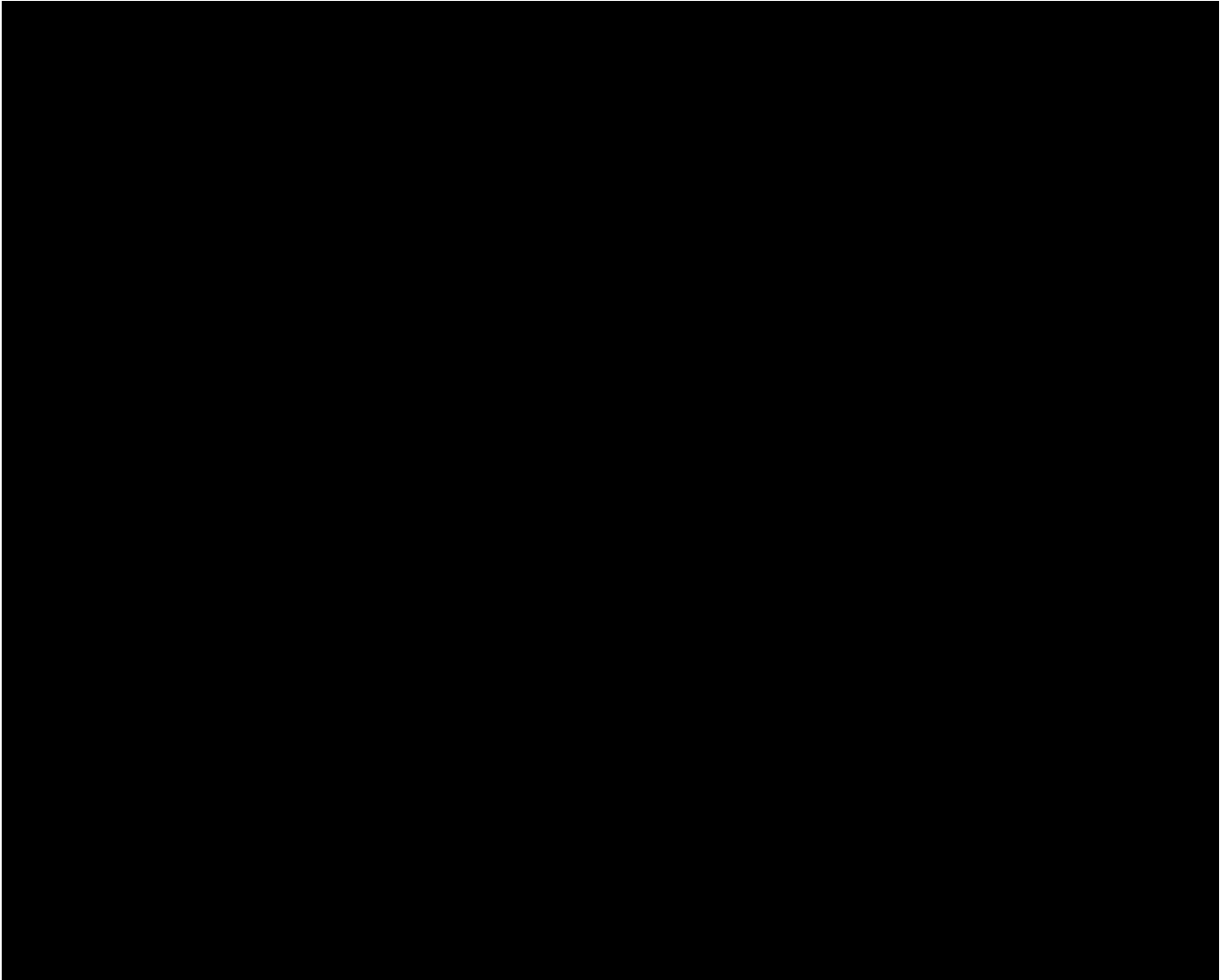
DEBT 3:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

DEBT 4:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

DEBT 5:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

TOTAL DEBT PRINCIPAL BALANCE
TOTAL DEBT AMORTIZATION
TOTAL CASH INTEREST
TOTAL PIK INTEREST

SUMMARY RATIOS
Total Debt / EBITDA
EBITDA / Cash Interest
EBITDA / Total Interest
(EBITDA - Capex) / Cash Interest
(EBITDA - Capex) / Total Interest



IV.

STATEMENT OF INCOME - HIGH-CASE BASIS

(IN MILLIONS)

Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

SUMMARY INCOME STATEMENT

REVENUE (from Departmental Section)

- Casino
- Hotel
- Food
- Beverage
- Convention
- Entertainment
- Retail
- Other (Specify)

Gross Revenues

Less: Complimentaries (from Departmental Section)

Net Revenues

- Cost of Sales (from Departmental Section)
- Departmental Expenses (from Departmental Section)
- Bad Debt Expense
- General and Administrative Expenditures:
 - Advertising and Promotion
 - Payroll - Officers (THIS IS G&A PAYROLL)
 - Payroll - Related (Taxes, Benefits, etc.)
 - Rent or Lease
 - Taxes (Non-Gaming)
 - Utilities
 - Other (Specify)
- Total General and Administrative Expenditures:

EBITDA

- Less: Depreciation and Amortization
- Less: Interest Expense

Net Income Before Federal Income Tax

Less: Taxes

Net Income After Federal Income Tax

FREE CASH FLOW BRIDGE

EBITDA (from above)

- Less: Capital Expenditures
- Less: Increase in Net Working Capital
- Less: Cash Taxes
- Less: Cash Interest Paid
- Less: Other Changes in Free Cash Flow (Specify)

Free Cash Flow

V.

BALANCE SHEET - HIGH-CASE BASIS

(IN MILLIONS) Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

ASSETS
Current Assets
Cash and cash equivalents
Restricted cash
Accounts receivable
Inventory
Prepaid expenses
Other current assets (specify):

Total Current Assets

Fixed Assets
Land
Buildings and improvements
Furniture, fixtures and equipment
(Less accumulated depreciation)
Total Fixed Assets

Other Assets
Intangible assets
Goodwill
Other assets (specify):
(Less accumulated depreciation)
Total Other Assets

Total Assets

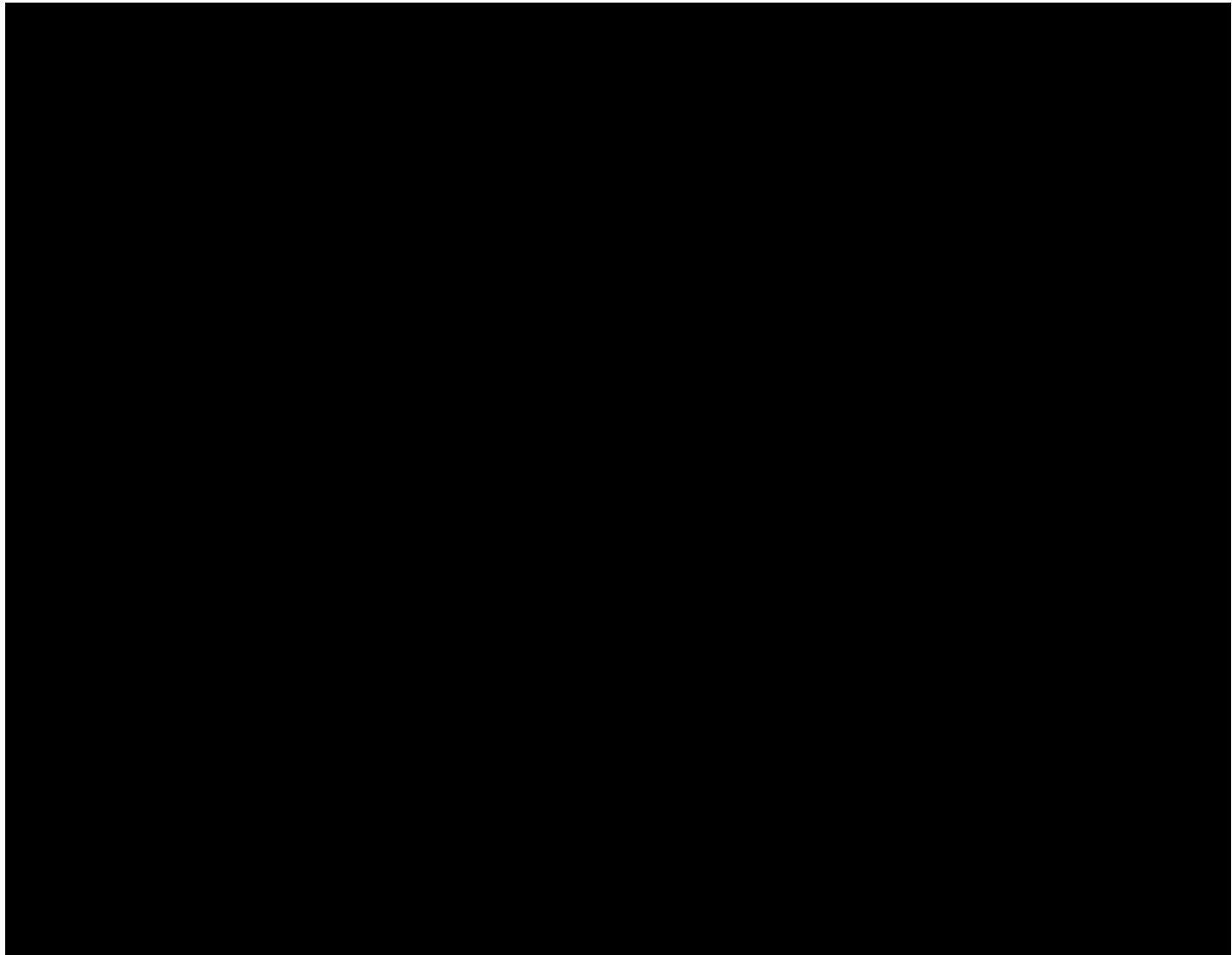
LIABILITIES AND OWNERS' EQUITY
Current Liabilities
Accounts payable
Accrued compensation and benefits
Short-term debt
Taxes payable
Current portion of long-term debt
Other accrued liabilities (specify):

Total Current Liabilities

Long-Term Liabilities
Long-term debt
Deferred income taxes
Other liabilities (specify):

Total Long-Term Liabilities

Total Liabilities



Owners' Equity

Owners' investment
Retained earnings
Additional paid in capital
Other (specify):
Pre-opening expenses

Total Owner's Equity

Total Liabilities and Owners' Equity

Ratio of Debt-to-Equity (Total Liabilities/Total Owners' Equity)

WORKING CAPITAL SCHEDULE

Cage cash
Operating cash
Restricted cash

Current Assets

Accounts receivable
Inventory
Prepaid expenses
Other current assets (specify):

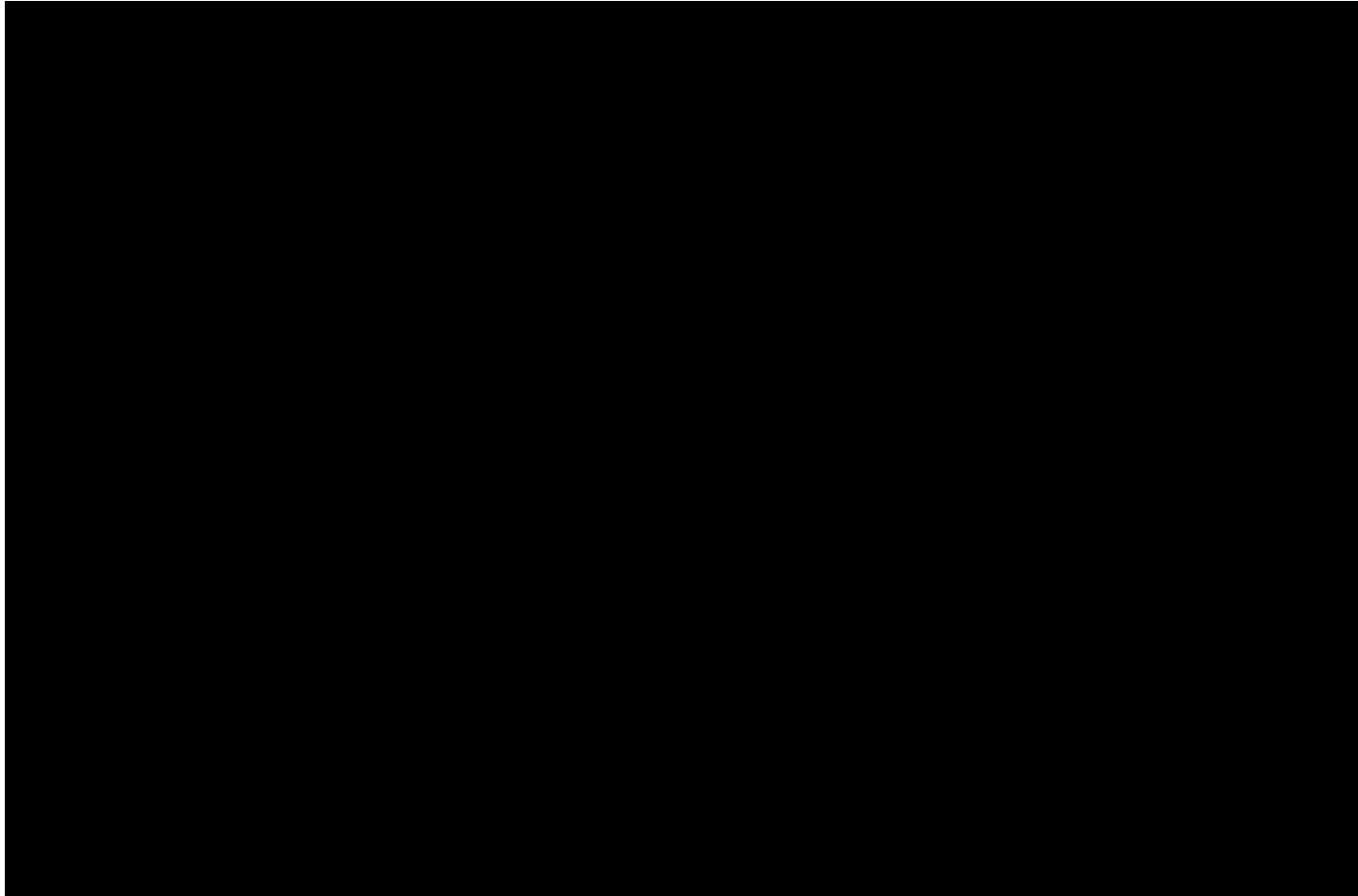
Total Current Assets

Current Liabilities

Accounts payable
Accrued compensation and benefits
Taxes payable
Other accrued liabilities (specify):

Total Current Liabilities

Increase / (Decrease) in Net Working Capital



VI.

STATEMENT OF CASH FLOW - HIGH-CASE BASIS

(IN MILLIONS)

Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

CASH FLOW FROM OPERATIONS:

Net income
Adjustments to reconcile net income to net cash provided by operating activities:
Depreciation and amortization
Deferred income tax
Other (specify):
Changes in prepaid expenses

Net cash provided by operating activities

CASH FLOWS FROM INVESTING ACTIVITIES:

Capital expenditures
Disposition of property and equipment
Other (specify):
Members Investment
New York State retainer Fee
New York State Gaming license

Net cash provided by (used in) investing activities

CASH FLOW FROM FINANCING ACTIVITIES:

(Specify):
Long Term borrowing
construction period operating costs
Principal portion of debt service

Net cash provided by (used in) financing activities

VII.

ASSUMPTIONS

See assumptions subsequent to all the financial projections

Template for Item VIII.A.4. - Financial projections for first 10 years

Average Case

NAME OF APPLICANT: Traditions at the Glen Resort and Casino (Johnson City, NY

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FOOD EXPENSES

Payroll - Officers

Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL FOOD EXPENSES

TOTAL FOOD INCOME

BEVERAGE DEPARTMENT

BEVERAGE REVENUE

Total Sales

Complementary Sales

TOTAL BEVERAGE GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

BEVERAGE EXPENSES

Payroll - Officers

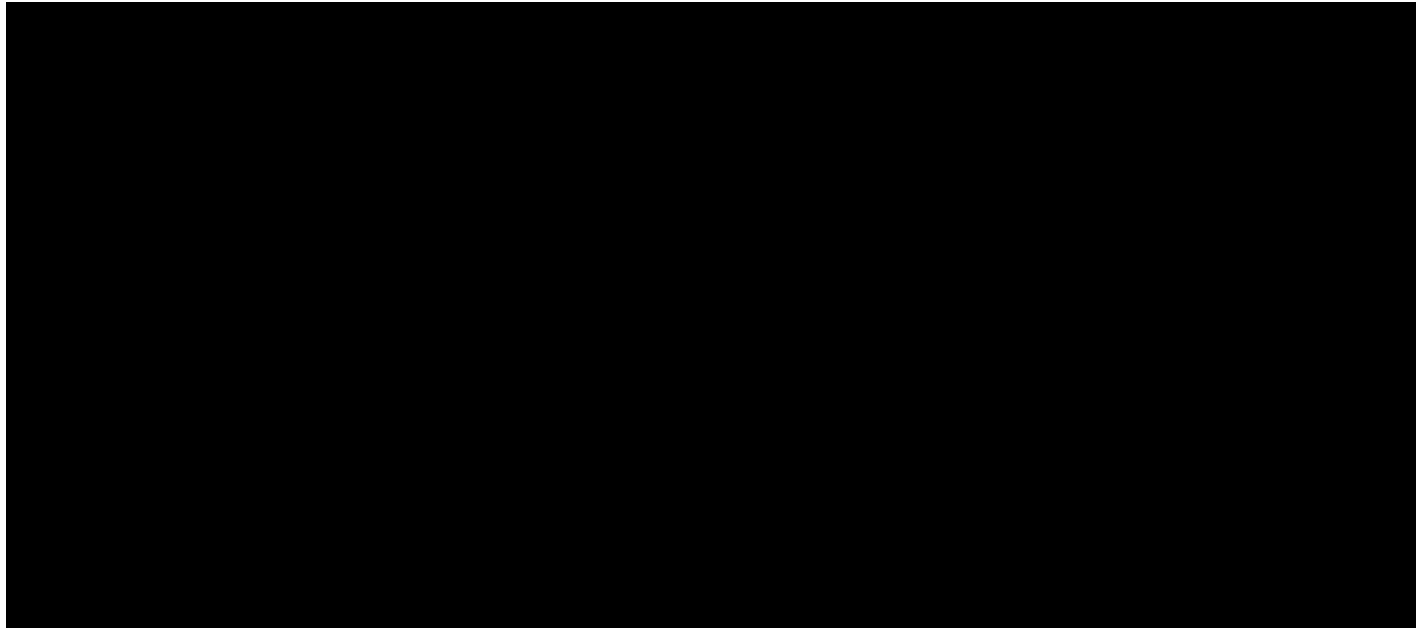
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL BEVERAGE EXPENSES

TOTAL BEVERAGE INCOME



RETAIL DEPARTMENT

RETAIL REVENUE

Total Sales

Complementary Sales

TOTAL RETAIL GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

RETAIL EXPENSES

Payroll - Officers

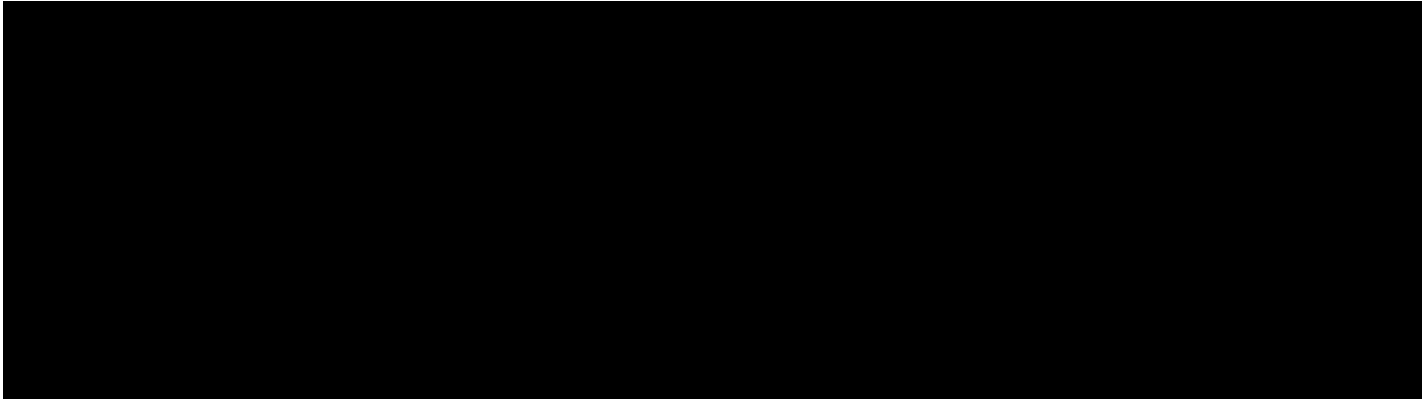
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL RETAIL EXPENSES

TOTAL RETAIL INCOME



OTHER DEPARTMENTAL INCOME (please specify)

(E.G. CHECK CASHING, ATM FEES & LEASED

OUTLETS, ETC.)

OTHER REVENUE

Total Sales

Complementary Sales

TOTAL OTHER GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

OTHER EXPENSES

Payroll - Officers

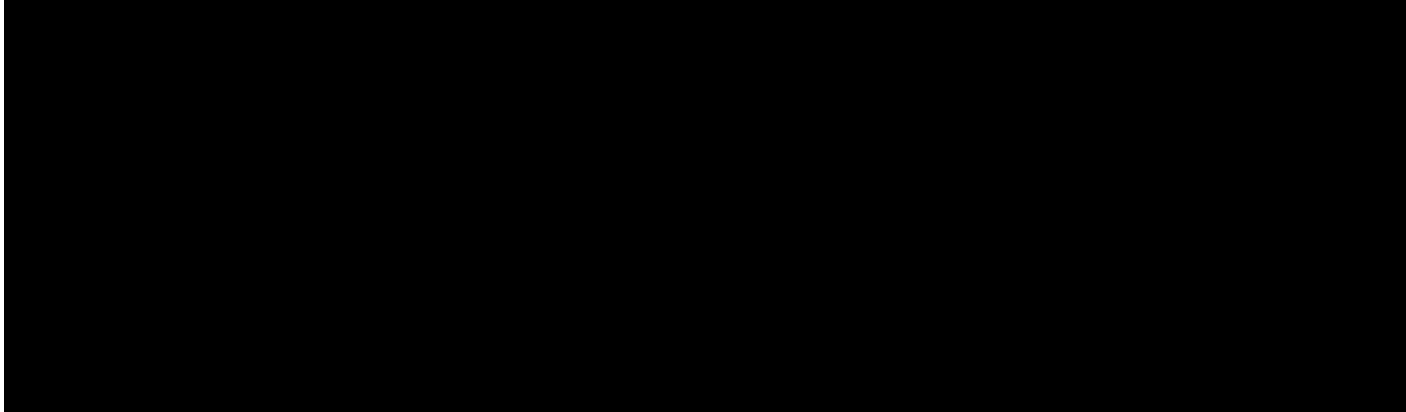
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Charitable Foundation contributions

TOTAL OTHER EXPENSES

TOTAL OTHER DEPARTMENTAL INCOME



III.

SUMMARY DEBT SCHEDULE - BASE-CASE BASIS

Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

DEBT 1:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

DEBT 2:
Principal Balance (\$)
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Annual PIK Rate (%)
Annual Amortization (\$)
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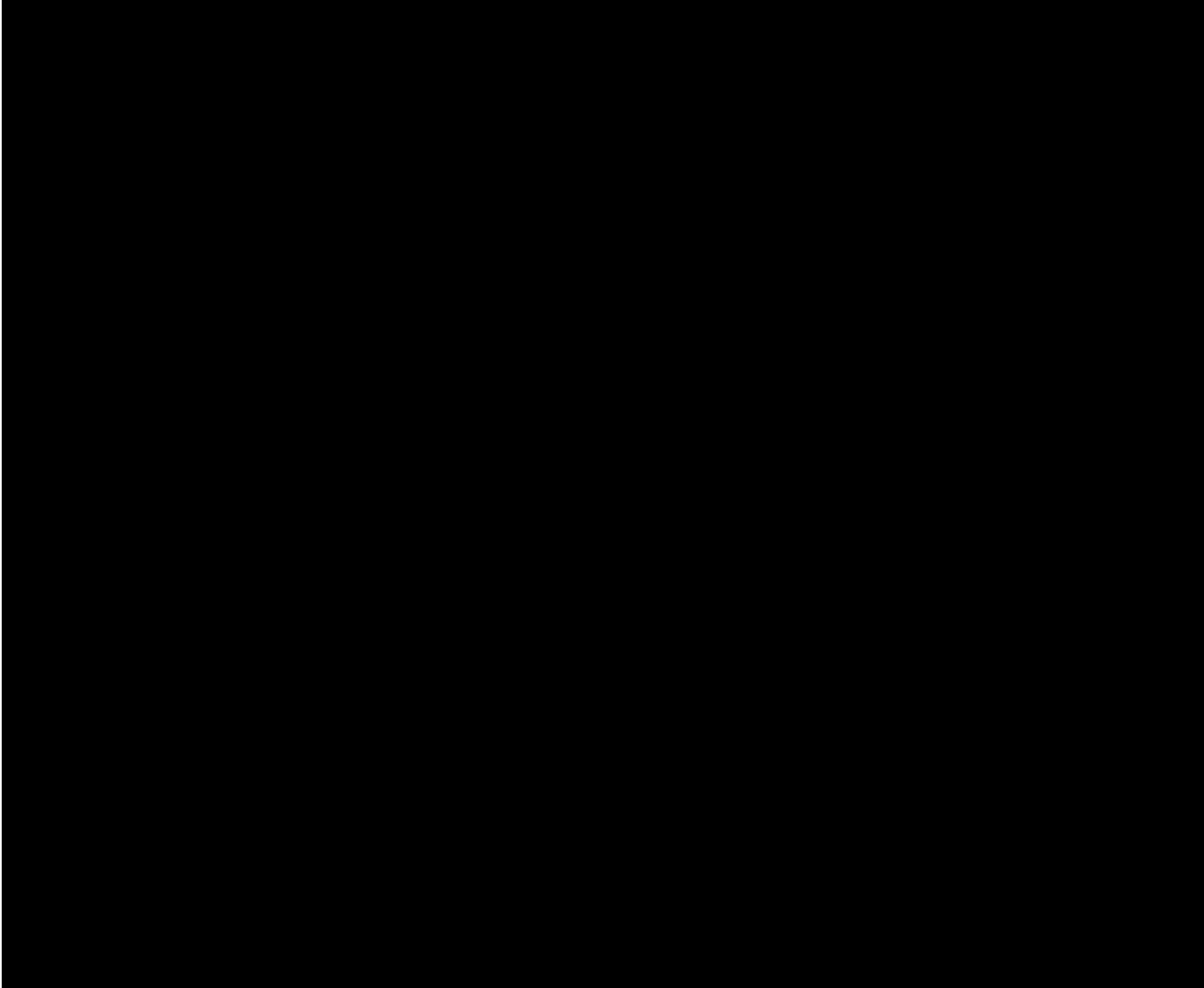
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Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
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TOTAL DEBT PRINCIPAL BALANCE
TOTAL DEBT AMORTIZATION
TOTAL CASH INTEREST
TOTAL PIK INTEREST

SUMMARY RATIOS
Total Debt / EBITDA
EBITDA / Cash Interest
EBITDA / Total Interest
(EBITDA - Capex) / Cash Interest
(EBITDA - Capex) / Total Interest



Owners' Equity

Owners' investment
Retained earnings
Additional paid in capital
Other (specify):
Pre-opening expenses

Total Owner's Equity

Total Liabilities and Owners' Equity

Ratio of Debt-to-Equity (Total Liabilities/Total Owners' Equity)

WORKING CAPITAL SCHEDULE

Cage cash
Operating cash
Restricted cash

Current Assets

Accounts receivable
Inventory
Prepaid expenses
Other current assets (specify):

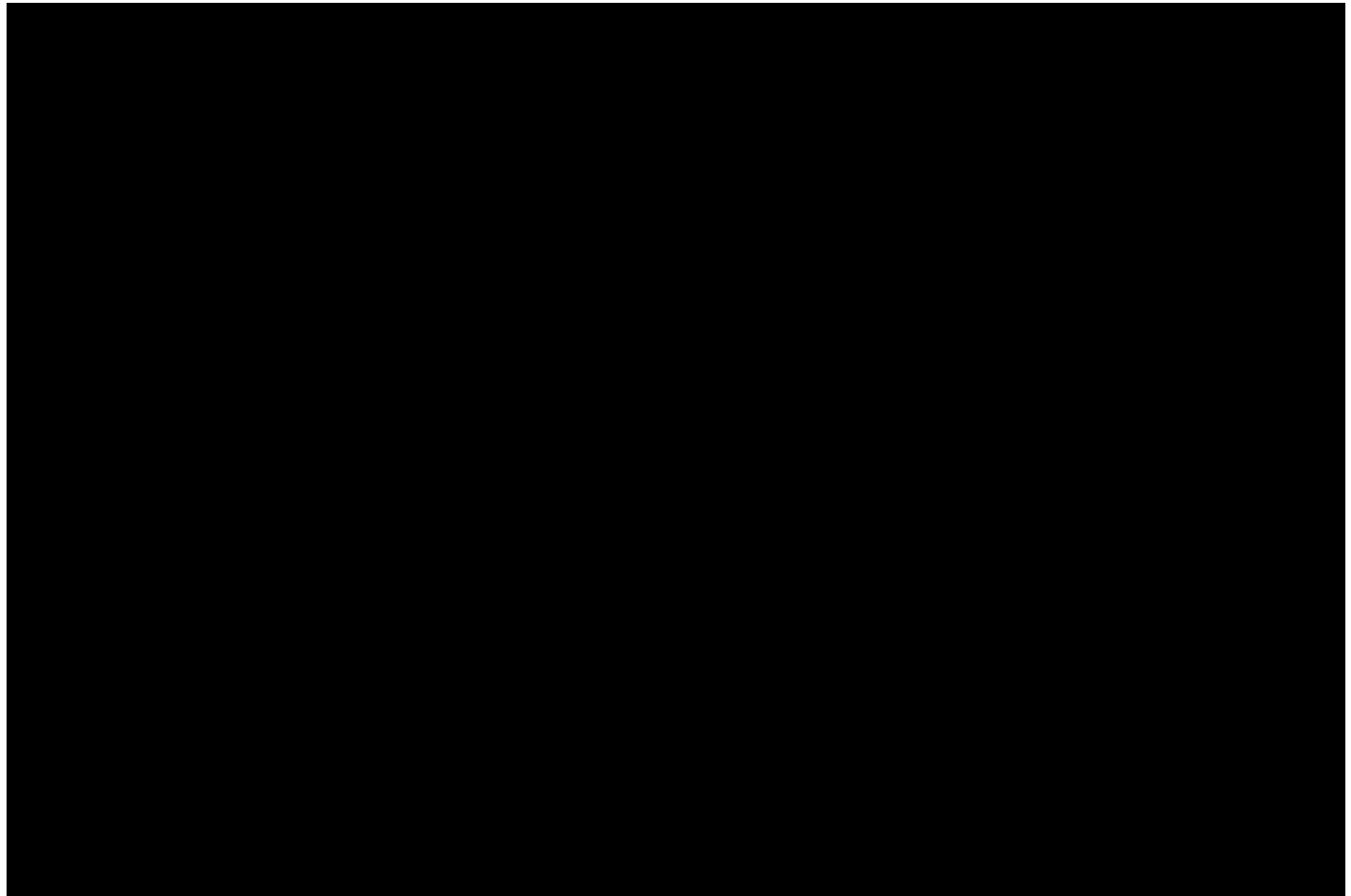
Total Current Assets

Current Liabilities

Accounts payable
Accrued compensation and benefits
Taxes payable
Other accrued liabilities (specify):

Total Current Liabilities

Increase / (Decrease) in Net Working Capital



VII.

ASSUMPTIONS

See assumptions subsequent to all the financial projections

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Low Case

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FOOD EXPENSES

Payroll - Officers

Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL FOOD EXPENSES

TOTAL FOOD INCOME

BEVERAGE DEPARTMENT

BEVERAGE REVENUE

Total Sales

Complementary Sales

TOTAL BEVERAGE GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

BEVERAGE EXPENSES

Payroll - Officers

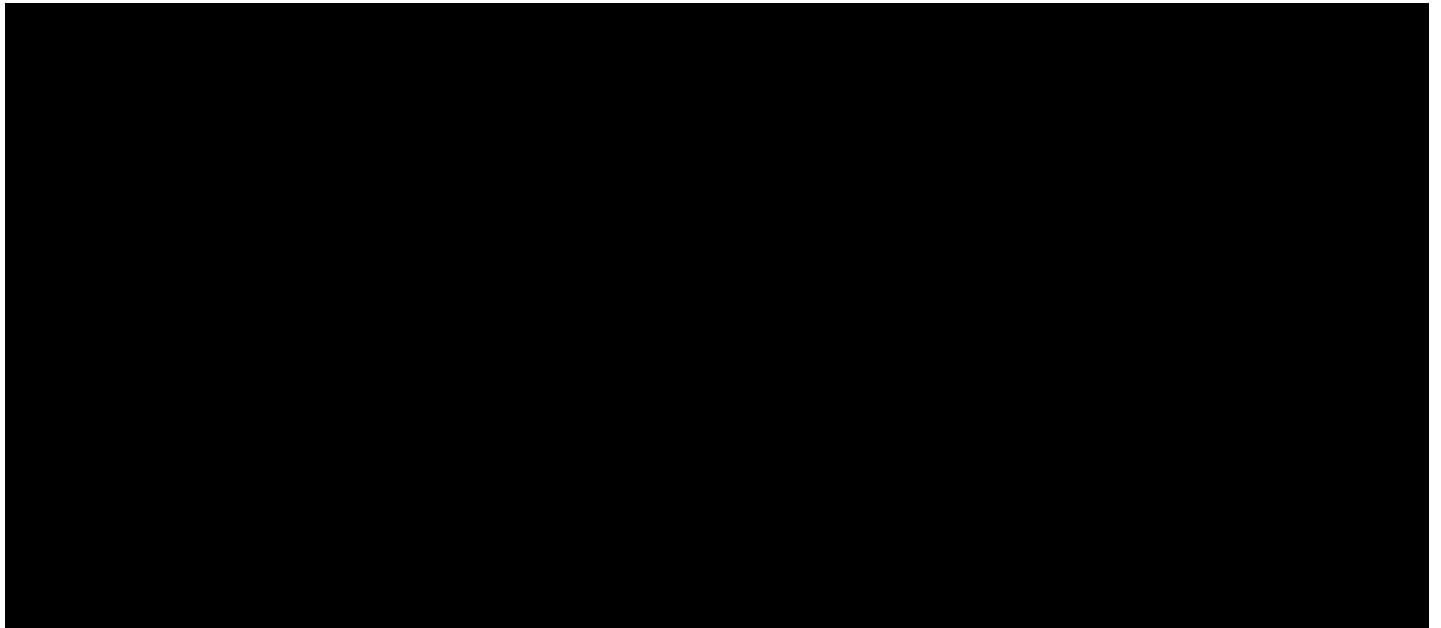
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL BEVERAGE EXPENSES

TOTAL BEVERAGE INCOME



RETAIL DEPARTMENT

RETAIL REVENUE

Total Sales

Complementary Sales

TOTAL RETAIL GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

RETAIL EXPENSES

Payroll - Officers

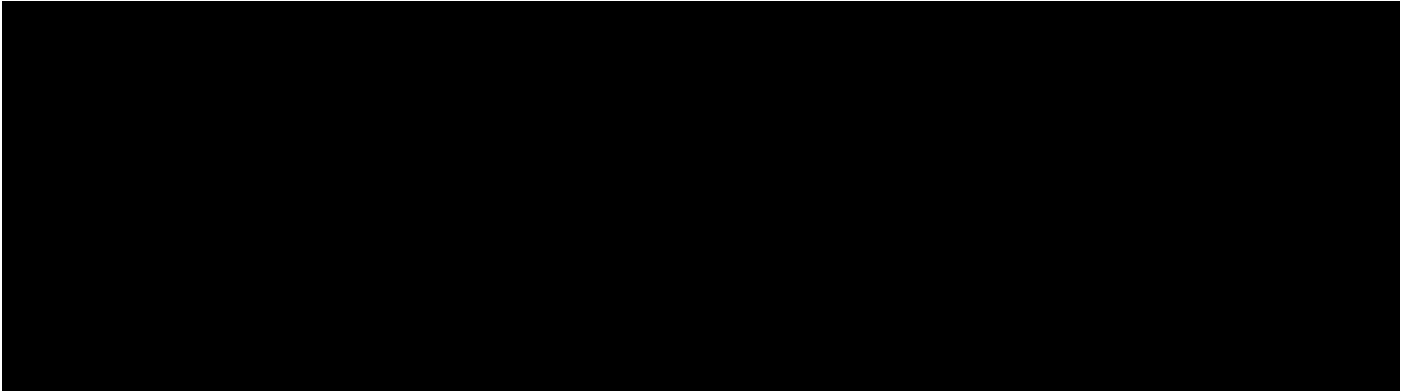
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Other (Specify)

TOTAL RETAIL EXPENSES

TOTAL RETAIL INCOME



OTHER DEPARTMENTAL INCOME (please specify)

(E.G. CHECK CASHING, ATM FEES & LEASED

OUTLETS, ETC.)

OTHER REVENUE

Total Sales

Complementary Sales

TOTAL OTHER GROSS REVENUE

Less: Cost of sales

GROSS MARGIN

OTHER EXPENSES

Payroll - Officers

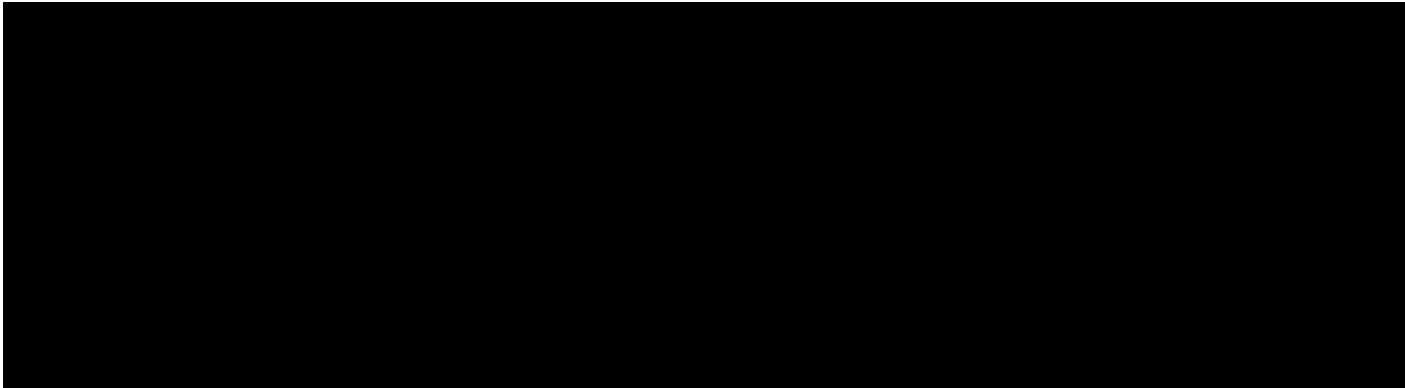
Payroll - Other Employees

Payroll - Related (Taxes, Benefits, etc.)

Charitable Foundation contributions

TOTAL OTHER EXPENSES

TOTAL OTHER DEPARTMENTAL INCOME



III.

SUMMARY DEBT SCHEDULE - LOW-CASE BASIS

Year 1 (20__) **Year 2 (20__)** **Year 3 (20__)** **Year 4 (20__)** **Year 5 (20__)** **Year 6 (20__)** **Year 7 (20__)** **Year 8 (20__)** **Year 9 (20__)** **Year 10 (20__)** **Comments**

DEBT 1:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

DEBT 2:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

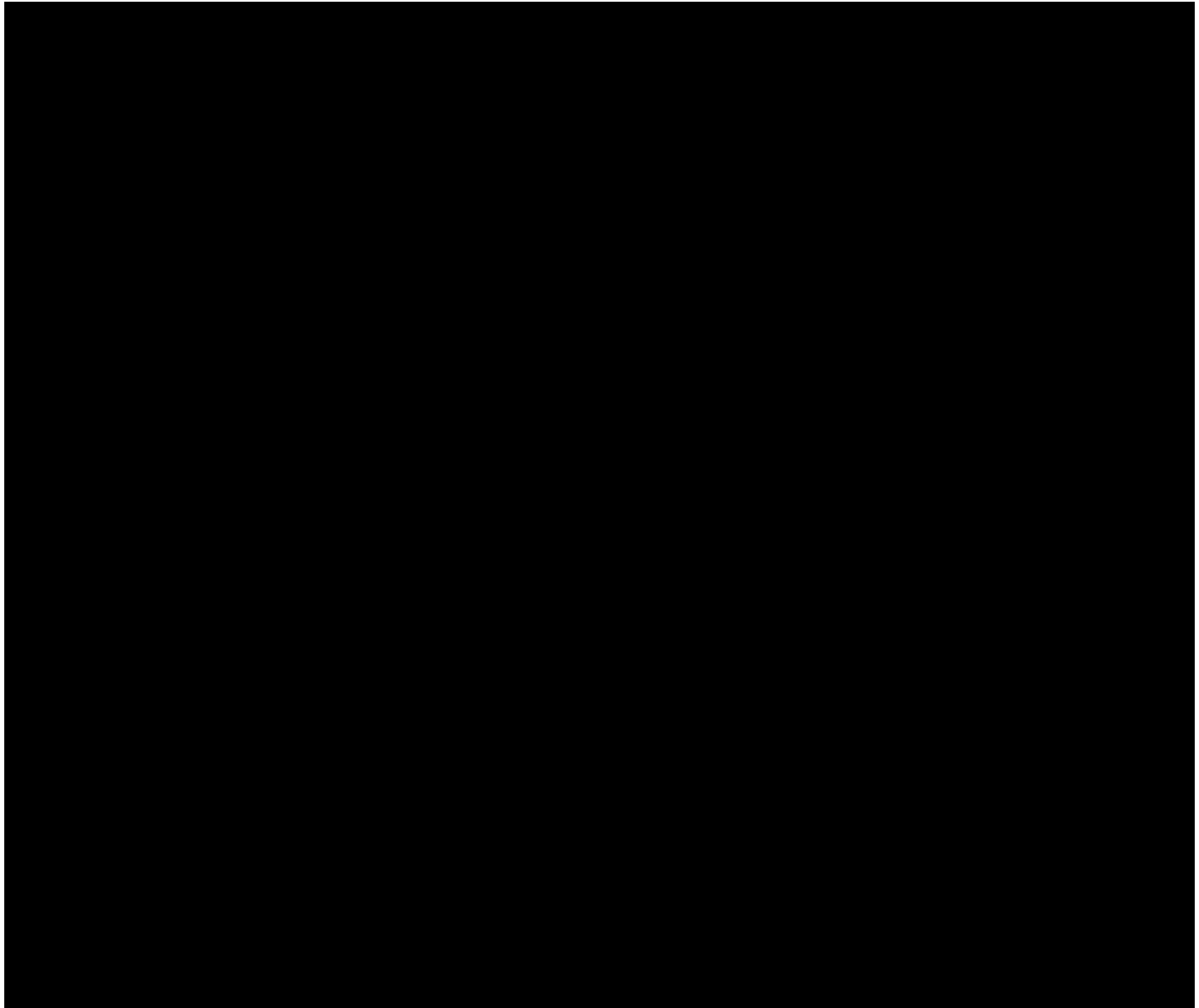
DEBT 3:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

DEBT 4:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

DEBT 5:
Principal Balance (\$)
Annual Cash Rate (%)
Annual PIK Rate (%)
Annual Amortization (\$)
Total Cash Interest (\$)
Total PIK Interest (\$)

TOTAL DEBT PRINCIPAL BALANCE
TOTAL DEBT AMORTIZATION
TOTAL CASH INTEREST
TOTAL PIK INTEREST

SUMMARY RATIOS
Total Debt / EBITDA
EBITDA / Cash Interest
EBITDA / Total Interest
(EBITDA - Capex) / Cash Interest
(EBITDA - Capex) / Total Interest



IV.

STATEMENT OF INCOME - LOW-CASE BASIS

(in millions) Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

SUMMARY INCOME STATEMENT

REVENUE (from Departmental Section)

- Casino
- Hotel
- Food
- Beverage
- Convention
- Entertainment
- Retail
- Other (Specify)

Gross Revenues

Less: Complimentaries (from Departmental Section)

Net Revenues

- Cost of Sales (from Departmental Section)
- Departmental Expenses (from Departmental Section)
- Bad Debt Expense
- General and Administrative Expenditures:
 - Advertising and Promotion
 - Payroll - Officers (THIS IS G&A PAYROLL)
 - Payroll - Related (Taxes, Benefits, etc.)
 - Rent or Lease
 - Taxes (Non-Gaming)
 - Utilities
 - Other (Specify)
- Total General and Administrative Expenditures:

EBITDA

- Less: Depreciation and Amortization
- Less: Interest Expense

Net Income Before Federal Income Tax

Less: Taxes

Net Income After Federal Income Tax

FREE CASH FLOW BRIDGE

EBITDA (from above)

- Less: Capital Expenditures
- Less: Increase in Net Working Capital
- Less: Cash Taxes
- Less: Cash Interest Paid
- Less: Other Changes in Free Cash Flow (Specify)

Free Cash Flow

V.

BALANCE SHEET - LOW-CASE BASIS

(in millions) **Year 1 (2016)** **Year 2 (2017)** **Year 3 (2018)** **Year 4 (2019)** **Year 5 (2020)** **Year 6 (2021)** **Year 7 (2022)** **Year 8 (2023)** **Year 9 (2024)** **Year 10 (2025)** **Comments**

ASSETS

Current Assets

Cash and cash equivalents
Restricted cash
Accounts receivable
Inventory
Prepaid expenses
Other current assets (specify):

Total Current Assets

Fixed Assets

Land
Buildings and improvements
Furniture, fixtures and equipment
(Less accumulated depreciation)

Total Fixed Assets

Other Assets

Intangible assets
Goodwill
Other assets (specify):
(Less accumulated depreciation)

Total Other Assets

Total Assets

LIABILITIES AND OWNERS' EQUITY

Current Liabilities

Accounts payable
Accrued compensation and benefits
Short-term debt
Taxes payable
Current portion of long-term debt
Other accrued liabilities (specify):

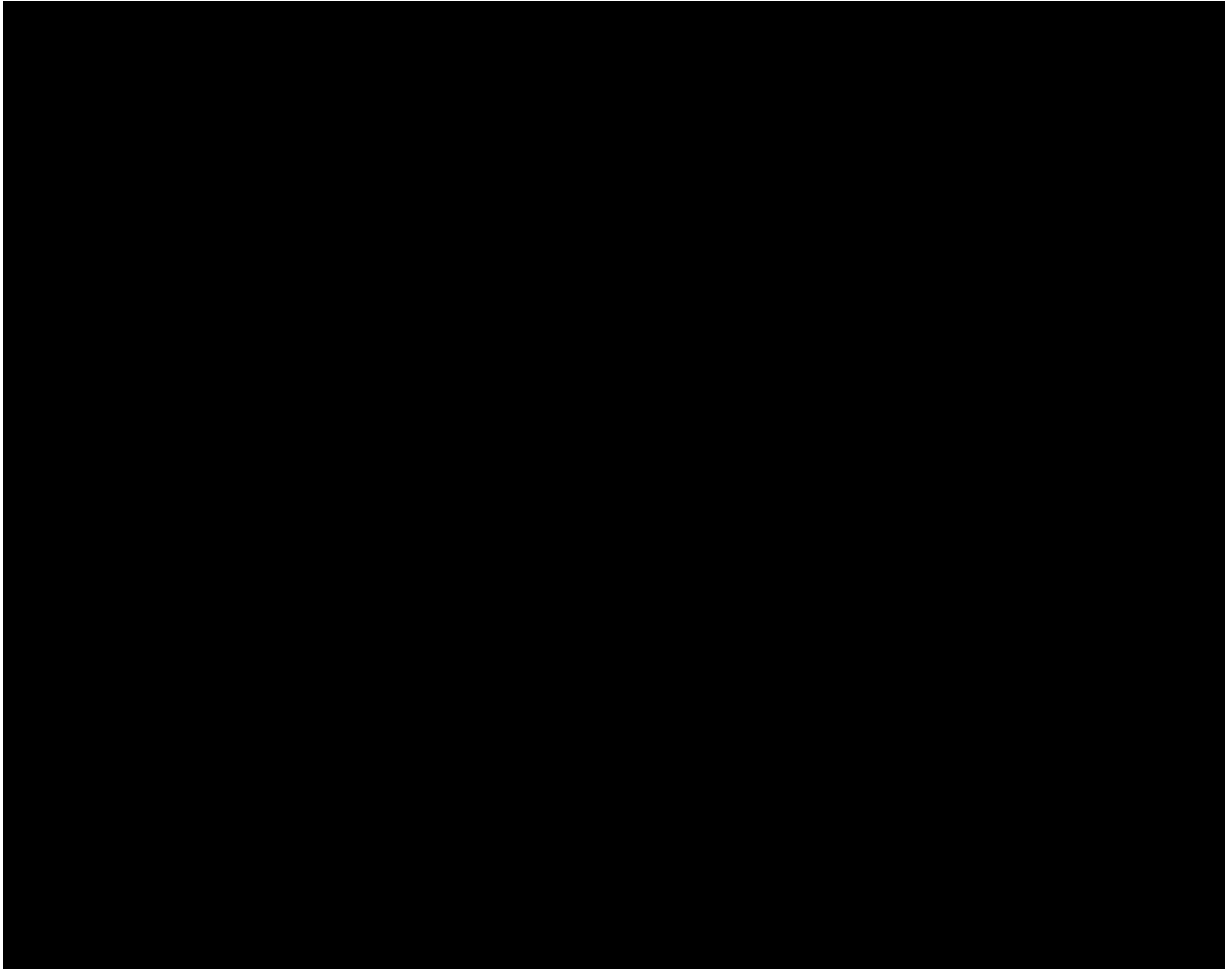
Total Current Liabilities

Long-Term Liabilities

Long-term debt
Deferred income taxes
Other liabilities (specify):

Total Long-Term Liabilities

Total Liabilities



Owners' Equity

Owners' investment
Retained earnings
Additional paid in capital
Other (specify):
Pre-opening expenses

Total Owner's Equity

Total Liabilities and Owners' Equity

Ratio of Debt-to-Equity (Total Liabilities/Total Owners' Equity)

WORKING CAPITAL SCHEDULE

Cage cash
Operating cash
Restricted cash

Current Assets

Accounts receivable
Inventory
Prepaid expenses
Other current assets (specify):

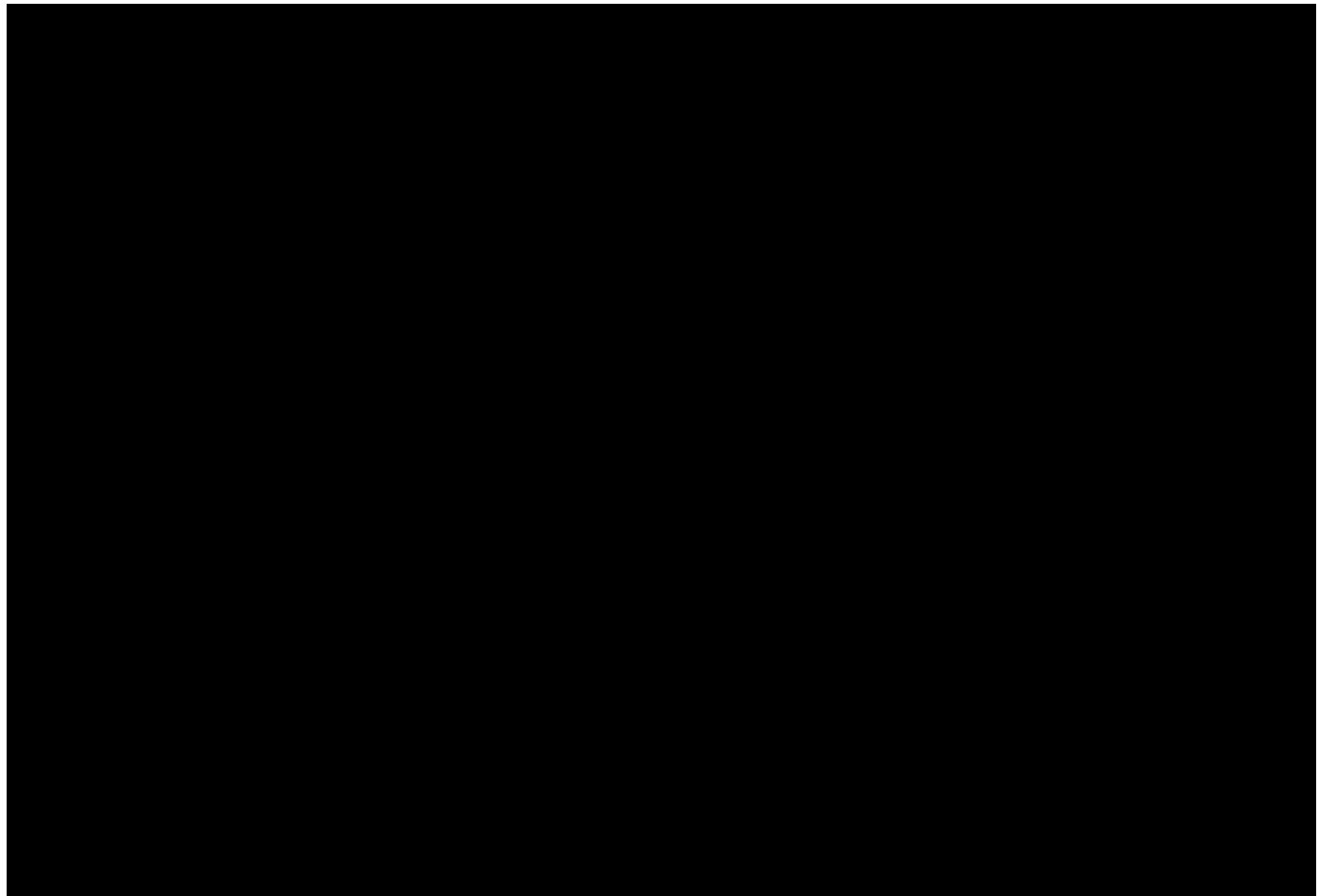
Total Current Assets

Current Liabilities

Accounts payable
Accrued compensation and benefits
Taxes payable
Other accrued liabilities (specify):

Total Current Liabilities

Increase / (Decrease) in Net Working Capital



VI.

STATEMENT OF CASH FLOW - LOW-CASE BASIS

(in millions) Year 1 (2016) Year 2 (2017) Year 3 (2018) Year 4 (2019) Year 5 (2020) Year 6 (2021) Year 7 (2022) Year 8 (2023) Year 9 (2024) Year 10 (2025) Comments

CASH FLOW FROM OPERATIONS:

Net income
Adjustments to reconcile net income to net cash
provided by operating activities:
Depreciation and amortization
Deferred income tax
Other (specify):
Changes in prepaid expenses

Net cash provided by operating activities

CASH FLOWS FROM INVESTING ACTIVITIES:

Capital expenditures
Disposition of property and equipment
Other (specify):
Members Investment
New York State retainer Fee
New York State Gaming license

Net cash provided by (used in) investing activities

CASH FLOW FROM FINANCING ACTIVITIES:

(Specify):
Long Term borrowing
construction period operating costs
Principal portion of debt service

Net cash provided by (used in) financing activities

VII.

ASSUMPTIONS

See assumptions subsequent to all the financial projections

TRADITIONS RESORT & CASINO, LLC
ASSUMPTIONS TO FINANCIAL PROJECTIONS
(BASE, HIGH, LOW CASE BASIS)
FOR THE TEN YEARS ENDED DECEMBER 31, 2025 (FORECASTED)

NOTE 1 - SUMMARY OF SIGNIFICANT (FORECASTED) ASSUMPTIONS:

This financial forecast is management's estimate of the most probable results of operations for the forecast period. Accordingly, the forecast reflects the management's judgment based on present circumstances of the most likely set of conditions and its most likely course of actions. The assumptions herein are those that management believes are significant to the forecast or are key factors upon which the financial results of the Company depend. Some assumptions will inevitably not materialize, and are unanticipated of this forecast. Therefore, the actual results achieved during the forecast period will vary from the forecast, and the variation may be material.

Nature of Operations: The Company will be formed as a limited liability company and the primary business is to operate a gaming casino. In addition to operating a gaming casino, the Company will also operate a hotel, food and beverage operations as well as various retail and entertainment venues including golf and health spas.

The Limited Liability Company's forecasted ownership would consist of 100% ownership by the Walsh family as the general partners.

Accounting Basis: The financial statements are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles. All income and expenses are recorded as received and paid when accrued per the forecasted financial statements for presentation purposes.

Property, Plant, Equipment and Depreciation: Property, plant and equipment are recorded at cost and are depreciated on the accelerated method over the estimated useful lives of the assets, which range from 7 to 40 years, in accordance with generally accepted accounting principles.

Upon sale or retirement of the above assets, the cost and related accumulated depreciation and amortization are eliminated from the accounts and the resulting gain or loss, if any, is reported in the Combined Statement of Income.

Accounts Receivable and Allowance for Uncollectable Accounts: The account receivable balance is stated at actual. The Company utilizes the allowance method of recognition of bad debt on accounts receivables in accordance with generally accepted accounting principles. The company extends credit to its customers and performs ongoing credit evaluations of its customers and generally does not require collateral. No accounts receivable are recorded per the forecasted financial statements for presentation purposes.

Cash and Cash Equivalents: For financial statement purposes, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The carrying value of these investments approximates fair value due to the nature of the maturity period.

Concentration of Risk: The Company will maintain cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) and balances may at times exceed the federally insured limit.

Presentation: The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of such statements and revenue and expenses during the reporting period. Accordingly, actual could differ from those estimates and assumptions.

Advertising: The Company expenses advertising charges as incurred.

Revenue Recognition: Revenue from the sales are recorded when a service is provided.

Subsequent Events: Management has determined that no events have occurred subsequent to the balance sheet date and through the date of this statement that would require adjustment, or additional disclosure in the financial statements.

Forecasted Income Statement: Management developed the income and expenses based on the market analysis prepared by the Innovation Group which has been included as part of the private placement offering package for the first five years of operation. The remaining five years were projected forward at the same rate of increase as the first five years.

Employee Hiring: Management anticipates hiring up to 1,150 people over the next three years based on the financial forecast. In addition, another few hundred employees will be employed in the fourth and fifth years when the projected expansion of the facilities will facilitate additional hotel, food, beverage and entertainment operations. The cost of additional employment and appropriate payable costs are reflected in the financial forecast for the ten year period ending December 31, 2025.

NOTE 2 - INVENTORIES:

Inventories are stated at lower of cost of market and in compliance with generally accepted accounting principles. The cost of inventory is determined by the first-in, first-out basis; however, there was no inventory recorded as an asset per the forecasted financial statements for presentation taken for the ten years ended December 31, 2025.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment at December 31, 2025 (forecasted) and 2016 (forecasted in millions):

Equipment

Buildings and Improvements

Vehicles

Furniture, Fixtures & Other Assets

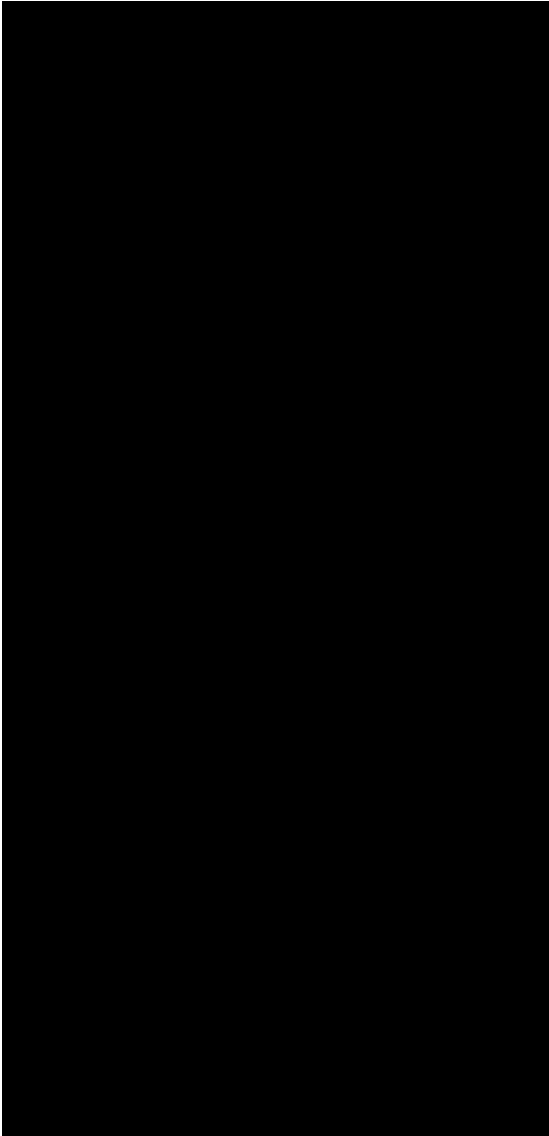
Less: Accumulated Depreciation

Net value of Property, Plant and Equipment

Intangible Assets:

Gaming License

Less: Accumulated Amortization



NOTE 4-SOURCES AND USES OF FUNDS:

The sources of funds will consist of member investments and bank and public debt financing. The debt financing will be incurred during both the first and the second phase of the casino development, anticipated to be fully completed by December, 2016. The development would expand the hotel facility, and develop a mall facility that would include new restaurants, retail, and beverage and entertainment venues.

| | <u>Amount(in millions)</u> | <u>Ownership %</u> |
|---|--------------------------------|--------------------|
| SOURCE OF FUNDS: | | |
| Walsh family investment of \$2.5 million in cash and investment (value of the hotel and business of \$5 million) | | |
| Bank Financing | | |
| Phase I Construction | | |
| Phase II Construction | | |
| Total source of funds | | |
| USE OF FUNDS: | | |
| Assignment of the hotel, and business | | |
| Construction period costs including organizational start-up, interest, and operational expenses (including pre-license cost of \$2.5 million) | | |
| Working Capital and Cage Cash Fund | | |
| Retainer Fee (see Note 15)(see note below)* | | |
| Payment of the gambling license fee before the casino opens (see note 12) | | |

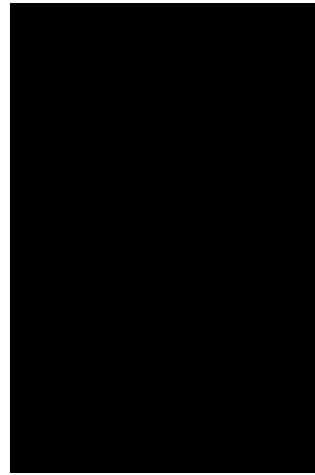
Cost of casino assets including building, furniture,
fixtures, inventory

and equipment

Phase two of the construction, which would include
new hotel,

restaurants, retail, beverage and entertainment
venues

Total uses of funds



NOTE 5 - LONG-TERM DEBT:

Long-term debt at December 31, 2025 (forecasted) and 2016 (forecasted in millions) consisted of:

(Forecasted)

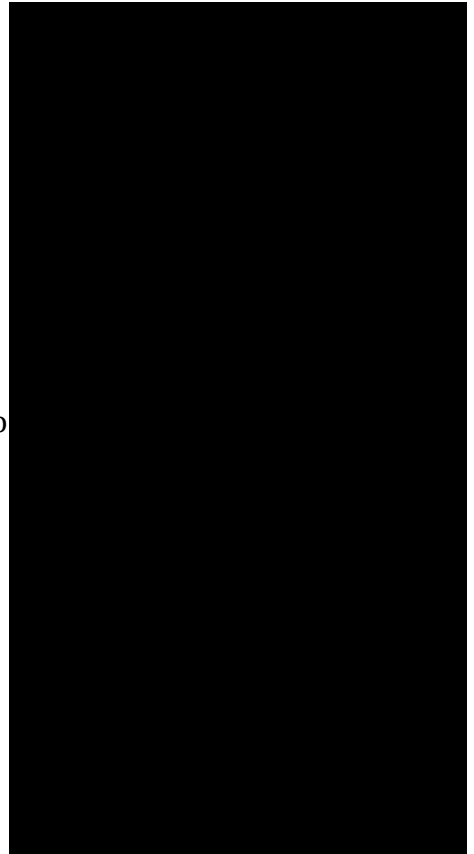
Loan payable anticipated to be incurred in 2018, to be paid in monthly installments including interest at an annual rate of 10%, with a maturity date of 2035, collateralized by building improvements, furniture, fixtures and equipment with an original cost basis of \$40 million dollars.

Mortgage Payable to be incurred in 2015, to be paid in monthly installments including interest at an annual rate of 10%, with a maturity date of 2035, collateralized by the building at a cost basis of \$100 million dollars.

Total long term debt

Less current portion of long term debt

Long Term Debt



The financing agreement with the bank will include various covenants and conditions including financial covenants and guarantee of indebtedness of the majority member.

NOTE 6 – SHORT-TERM DEBT:

The Company will secure a revolving operating credit with a local bank. The line-of credit will be payable on demand, collateralized by assets of the partnership. There are no short term debts assumed per the forecasted financial statements for presentation purposes.

The partnership anticipates that the financing agreement with the bank may include various covenants and conditions including financial covenants and guarantee of indebtedness of the majority member.

NOTE 7 – RELATED PARTY TRANSACTIONS:

Upon the approval of the New York Casino Gaming commission to construct the casino at Traditions at the Glen Resort during the calendar year 2014, the Walsh family will invest [REDACTED]

[REDACTED]

The Walsh family will build the casino facility, utilizing their existing property and personal investment, along with bank financing. The Walsh family anticipates that the bank financing agreement will include various covenants and conditions including financial covenants. The mortgage will be collateralized by the existing property.

NOTE 8 - INVESTMENT IN LIMITED LIABILITY COMPANY:

The general liability member ownership will remain with the Walsh family. The Walsh family's ownership will be acquired upon the assignment of the hotel, banquet, and golf businesses and \$2.5 million in cash to the Limited Liability Company. Once the Casino operation is approved by the State of New York, an additional investment of \$80 million will be invested by the Walsh family as a result of the sale of the land to a REIT, with a land lease agreement as noted in note #14 below. The Company will operate perpetually unless dissolved as set forth in the operating agreement.

NOTE 9 - INCOME TAXES:

By election of the Limited Liability Company, the partnership will elect to be treated as a partnership for tax purposes and be subject to a franchise fee annually payable to the State of New York. All of the partnership income and losses will pass through to the individual members for income tax purposes. For presentation purposes, the financial forecast did not apply any Federal and New York State income tax cost.

NOTE 10 –EMPLOYEE BENEFITS, VACATION, SICK LEAVE AND COMPENSATORY ABSENCES:

Any employment contracts or agreements between the partnership and its full-time employees

allow for various cumulative and non-cumulative compensated leaves and employment benefits. All employment agreements will be in compliance with both Federal and New York State laws.

NOTE 11 – MANAGEMENT CONTRACT:

The Company intends to contract a professional casino management company that will operate the Casino business. The anticipated costs based on preliminary negotiations with management companies are recorded in the forecasted financial statements.

NOTE 12 – GAMBLING LICENSES:

In order for the Company to obtain a gaming license, the Company will be required to pay the State of New York a gaming license bond, to be paid in one annual installment estimated to be fifty million dollars due prior to the opening of the casino operation. The anticipated costs of the gambling license fee are recorded in the forecasted financial statements.

NOTE 13 – CHARITABLE FOUNDATION:

The Company's operating agreement will include a formation of an independent charitable foundation for the purpose of donating funds for the improvement and betterment of the local community. The Company is anticipating it will commit 1/4% of the net annual gross revenue of the entire Company's revenue less any promotional allowances.

NOTE 14 – LAND LEASE



NOTE 15 – SUBSEQUENT EVENTS

Subsequent to the original date the financial forecasts were prepared, New York State issued the RFA (Request for Application) with new restrictions and requirements for the casino operations which required changes to the financial forecasts including, but not limited to, a retainer fee of 10% of the entire project to be held in escrow until the phase II of the project is completed which is expected to be by December 31, 2017. Upon the release of the retainer fee by the State of New York, the funds will be applied directly against the phase II construction loan. Also, a minimum of \$35 million dollar gaming license fee is required which is reflected in the forecasted financial statements. In addition, phase I of the project is required to be completed within one year of the issuance of acceptance of the license.