

VIII. B. 8. COMPETITIVE ENVIRONMENT

With the ratification of an amendment to the State Constitution incorporating the changes to the racing pari-mutuel wagering and breeding law, the competitive environment in upstate New York has been fairly well established for the next decade. Gaming properties located in proximity to Traditions Resort & Casino's primary and intercept markets include two tribal resort casinos and a harness track with VLT gaming under license from the state lottery. In addition, Pennsylvania hosts two casinos, each approximately 90 minutes from Binghamton.

Traditions Resort & Casino takes a fresh look at the prospect of bringing full-scale casino gaming to the Southern Tier by seeking to create ***a complimentary business environment*** rather than a competitive one. Traditions' business plan will be to ***retain New York residents*** currently visiting Pennsylvania casinos and turn the tide by attracting Pennsylvanians to visit New York.

The following table presents all of the existing competitive casinos in the immediate Johnson City market area:

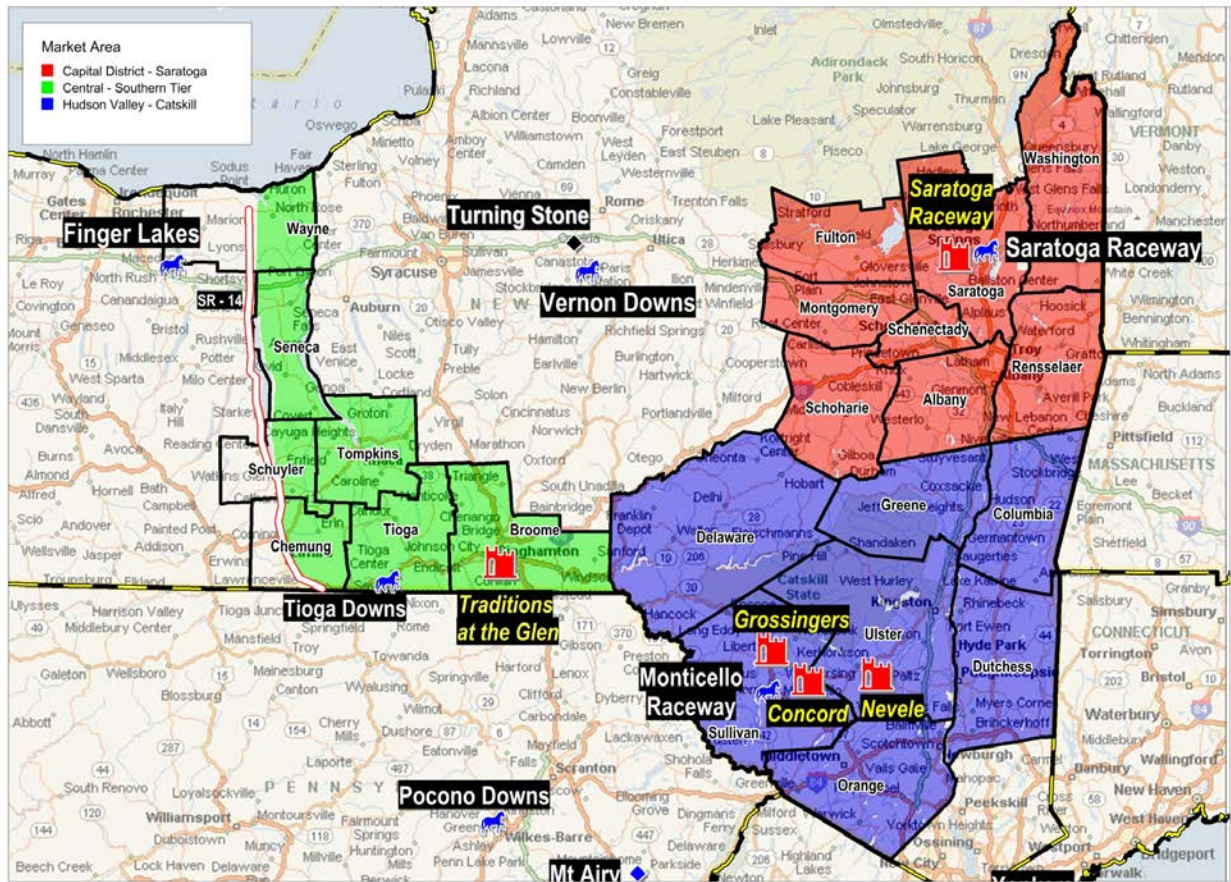
Existing Competitive Casinos				
Location	Name	Machines	Tables	Positions
Monticello, NY	Mighty M Gaming	1,110	0	1,110
Nichols, NY	Tioga Downs	800	0	800
Saratoga Springs, NY	Saratoga Gaming and Raceway	1,782	0	1,782
Vernon, NY	Turning Stone Casino	2,162	117	2,864
Vernon, NY	Vernon Downs Casino & Hotel	767	0	767
Farmington, NY	Finger Lakes Casino & Racetrack	1,200	0	12,576
Wilkes-Barre, PA	Mohegan Sun at Poconos Downs	2,332	84	2,836
Mount Pocono, PA	Mt. Airy Casino Resort	1,985	72	2,417
Total		12,138	273	25,152

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

[The state Legislature has passed legislation allowing a referendum on a constitutional amendment](#) to legalize up to four commercial Class III casinos in upstate New York, followed by 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).

The following map shows the three regions that are to be awarded a total of four gaming licenses. Existing racetracks are eligible to bid for the Class III licenses but the legislation does not provide the racetracks any special advantage. The map shows sites that are known to have been proposed for casino development. Other competing sites may emerge.

Upstate New York Economic Development Act Destination Gaming Regions



New York

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. Empire Resorts has proposed to relocate the operation to the Concord Hotel and Resort in Monticello as a Class III casino which is assumed in this analysis to be operational within the same time period as the Nevele.

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	12.4%	1,580	-6.7%	\$133	20.5%
2007	\$64,290,240	-16.0%	1,587	0.4%	\$111	-16.3%
2008	\$58,109,181	-9.6%	1,587	0.0%	\$100	-9.6%
2009	\$53,751,367	-7.5%	1,401	-11.7%	\$105	4.8%
2010	\$57,394,484	6.8%	1,089	-22.3%	\$144	37.3%
2011	\$60,918,062	6.1%	1,110	1.9%	\$150	4.2%
2012	\$63,873,596	4.9%	1,110	0.0%	\$158	4.9%
LTM						
2012	\$63,309,086		1,110		\$156	
LTM						
2013	\$63,447,410	0.2%	1,110	0.0%	\$157	0.2%
2013*	\$31,114,090		1,110		\$155	

Source: New York Lottery; *revenues through June 2013

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 800 video lottery terminals. The property now features 800 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	98.5%	750	0.0%	\$151	-0.5%
2008	\$47,240,210	14.0%	751	0.2%	\$172	13.8%
2009	\$49,352,263	4.5%	771	2.6%	\$175	1.9%
2010	\$53,036,886	7.5%	782	1.5%	\$186	5.8%
2011	\$56,989,100	7.5%	802	2.4%	\$195	4.9%
2012	\$61,701,011	8.3%	802	0.1%	\$211	8.2%
LTM 2012	\$61,103,852		801		\$209	
LTM 2013	\$60,745,079	-0.6%	802	0.1%	\$208	-0.7%
2013*	\$31,044,987		802		\$214	

Source: New York Lottery; *revenues through June 2013

Saratoga Springs

Saratoga Gaming and Raceway is a ½-mile [standard bred 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 over 1,780 video lottery terminals. For the purpose of this analysis it is assumed that the racino will be replaced by a Class III casino.

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	15.2%	1,326	0.2%	\$246	15.0%
2007	\$129,784,671	8.8%	1,593	20.1%	\$223	-9.4%
2008	\$134,373,560	3.5%	1,770	11.1%	\$208	-6.8%
2009	\$136,038,290	1.2%	1,770	0.0%	\$211	1.2%
2010	\$139,721,687	2.7%	1,775	0.3%	\$216	2.4%
2011	\$150,420,830	7.7%	1,782	0.3%	\$231	7.3%
2012	\$159,751,975	6.2%	1,780	-0.1%	\$246	6.3%
LTM 2012	\$158,455,700		1,776		\$244	
LTM 2013	\$159,526,579	0.7%	1,782	0.3%	\$245	0.4%
2013*	\$80,077,523		1,780		\$249	

Source: New York Lottery; *revenues through June 2013

Turning Stone Resort and Casino

Turning Stone Casino is located in Verona, New York approximately 105 miles north of Traditions' proposed site along Interstate 90. 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 2,400 class III slots and approximately 115 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 approximately 110 miles north of the proposed Traditions at the Glen site. It is in close proximity 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	345.6%	767	-1.3%	\$115	-12.2%
2008	\$37,259,520	16.2%	761	-0.8%	\$134	17.1%
2009	\$37,149,183	-0.3%	761	0.0%	\$134	-0.3%
2010	\$41,279,444	11.1%	761	0.0%	\$149	11.1%
2011	\$42,337,320	2.6%	764	0.3%	\$152	2.2%
2012	\$43,684,082	3.2%	767	0.5%	\$156	2.7%
LTM 2012	\$43,414,901		767		\$155	
LTM 2013	\$44,102,741	1.6%	767	0.0%	\$158	1.6%
2013*	\$21,961,790		767		\$158	

Source: New York Lottery; *revenues through June 2013

Finger Lakes Casino and Racetrack

Finger Lakes casino is located in Farmington, New York in the western portion of New York. It opened in 1962 as a thoroughbred horse track and in 2004 Finger Lakes opened a casino as part of \$10.5 million renovation and introduced gaming in 2005. It is the home to the New York Derby, a 1 1/16 mile race for three year old horses bred in the state of New York. Currently the casino offers more than six dining options and nearly 1,200 video lottery terminals.

Finger Lakes Casino Historical Gaming Revenues

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2005	\$71,030,754		1,010		\$193	
2006	\$86,612,598	21.9%	1,048	3.8%	\$226	17.5%
2007	\$93,213,533	7.6%	1,199	14.4%	\$213	-6.0%
2008	\$101,370,718	8.8%	1,199	-0.1%	\$232	8.8%
2009	\$111,066,222	9.6%	1,199	0.0%	\$254	9.6%
2010	\$115,743,471	4.2%	1,199	0.0%	\$264	4.2%
2011	\$122,007,879	5.4%	1,195	-0.3%	\$280	5.8%
2012	\$129,612,318	6.2%	1,192	-0.2%	\$298	6.5%
LTM 2012	\$127,229,869		1,191		\$293	
LTM 2013	\$130,431,740	2.5%	1,196	0.4%	\$299	2.1%
2013*	\$66,933,982		1,201		\$308	

Source: New York Lottery; *revenues through June 2013

Pennsylvania

The Johnson City market will continue to be impacted by casinos at racetracks and land-based facilities in Pennsylvania. Pennsylvania's enabling legislation allowed up to 5,000 slot machines and 250 table games at Category 1 and Category 2 facilities. Locations that will likely affect gaming in the Johnson City area in the northeastern portion of Pennsylvania – namely, Mohegan Sun at Pocono Downs in Wilkes-Barre and Mount Airy Casino Resort in the Poconos.

Mohegan Sun at Poconos Downs

Mohegan Sun at Poconos Downs was the first casino to open in Pennsylvania. Mohegan Sun Casino is located at the Poconos Downs harness racing track in Wilkes-Barre, Pennsylvania. The temporary casino opened in November 2006. The property completed their "Project Sunrise" expansion in July 2008 featuring a 300-seat buffet, a food court with national outlets like Wolfgang Puck, Johnny Rockets, and Bar Louie. The property also features a Ruth's Chris Steakhouse, and major retailers such as Brookstone. It currently has 2,300 slot machines and 84 table games.

During the summer of 2012, Mohegan Sun broke ground on a \$55 million hotel and convention center expansion which is scheduled to opened in January 2014. The expansion includes a seven story 238-room hotel and a 20,000-sq.-ft. convention center that can accommodate banquets of up to 800 people and concert seating for as many as 1,500 people.

Mohegan Sun Historical Gaming Revenue

	Gaming Revenue	Change	Machines	Change	Win per Position	Change
2006	\$21,655,033		1,099		\$379	
2007	\$175,503,593	710.5%	1,170	6.5%	\$411	8.4%
2008	\$185,583,564	5.7%	1,798	53.7%	\$283	-31.2%
2009	\$220,808,247	19.0%	2,466	37.1%	\$245	-13.2%
2010	\$243,216,305	10.1%	2,820	14.3%	\$236	-3.7%
2011	\$274,835,909	13.0%	2,860	1.4%	\$263	11.4%
2012	\$274,923,844	0.0%	2,836	-0.8%	\$266	0.9%
LTM 2012	\$281,395,522		2,835		\$272	
LTM 2013	\$265,869,783	-5.5%	2,836	0.0%	\$257	-5.5%
2013*	\$155,917,628		2,836		\$259	

Source: Pennsylvania Gaming Control Board; *revenues through July 2013

Mount Airy Casino Resort

Mount Airy Casino Resort is located in Mount Pocono, Pennsylvania on the site of the former Mount Airy Lodge. The original lodge was constructed in 1898 and featured 8 rooms. The property was redeveloped in the 1950s as the Poconos' largest resort with over 890 rooms and featuring national acts such as Bob Hope, Milton Berle, and Tony Bennett. The resort was completely demolished and replaced in November 2007 with a \$412 million casino resort complex featuring 188-rooms. The casino currently hosts approximately 1,800 slots and 80 table games. The casino is one of five Category 2 (non-racino) gaming licenses which the Pennsylvania Gaming Control Board is permitted to award. Only four of the five Category 2 licensees are currently operating in Pennsylvania.

Mt. Airy Casino Historical Gaming Revenues

	Gaming Revenue	Change	Positions	Change	Win per Position	Change
2007	\$25,745,832		2,524		\$140	
2008	\$176,389,714	585.1%	2,521	-0.1%	\$192	37.2%
2009	\$164,634,128	-6.7%	2,506	-0.6%	\$180	-6.1%
2010	\$163,278,042	-0.8%	2,865	14.3%	\$156	-13.3%
2011	\$185,383,967	13.5%	2,733	-4.6%	\$186	19.0%
2012	\$189,513,113	2.2%	2,507	-8.3%	\$207	11.4%
LTM 2012	\$188,641,836		2,578		\$200	
LTM 2013	\$185,386,672	-1.7%	2,446	-5.1%	\$208	3.6%
2013*	\$107,774,214		2,403		\$212	

Source: Pennsylvania Gaming Control Board; *revenues through July 2013

Seneca Gaming

As the owner of Traditions' proposed management company, Seneca Gaming Corporation brings its management experience to the Traditions project. The closest Seneca Gaming operation to Binghamton is Seneca Allegany, which is over 3 hours west. It is anticipated that with regulatory approval a cross-marketing alliance between the properties will be implemented to the benefit of both properties.

Live Racing - Tioga Downs

The Tioga Downs facility will continue to have an appeal to horse racing fans. Tioga Downs's re-birth has been driven by the improved quality of racing which is driven by higher purses and better breeding programs. The Gaming Act provides for the commercial casino operator to fund continuation of these supplements at 2012 levels. With the quality of racing stock maintained, there is no reason race fans would not continue to visit the track. The addition of the Traditions Resort & Casino will create an increased visitation of patrons to the Southern Tier which will drive increased visitation to Tioga Downs' racing facilities.

Video Lottery - Tioga Downs

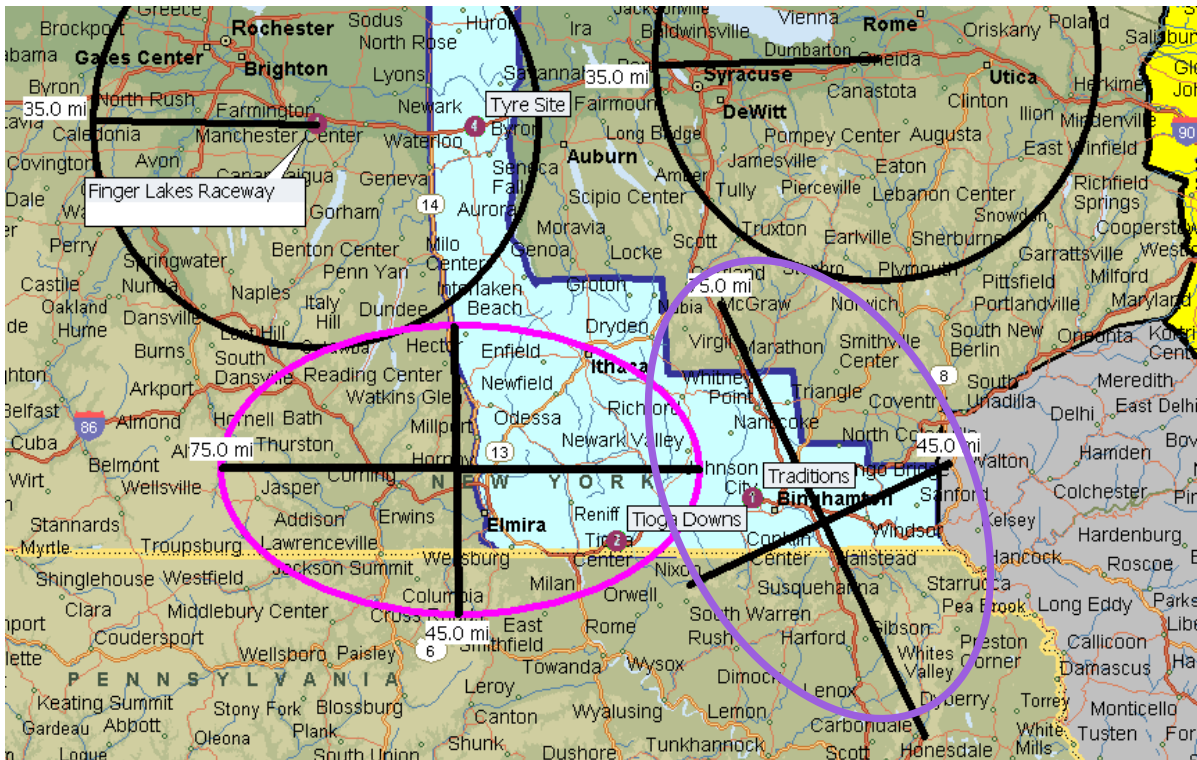
Located at the western edge of the Binghamton MSA, Tioga Downs's site along the primary highway in the Southern Tier presents the opportunity to draw guests from nearby Elmira, Corning and Ithaca, as well as intercepting traffic from the west. Video Lottery Operators in New York, including Vernon Downs, Batavia and Hamburg, have proven that the racino format of offering live or simulcast racing and Video Lottery Terminals can compete effectively against full scale Las Vegas-style casino operations.

While adding casino gaming to the Traditions Resort & Casino may impact VLT gaming volumes at Tioga Downs, Tioga would continue to be a strong operation. An additional facility in close proximity to Tioga Downs will drive visitation to the Southern Tier and create additional exposure and opportunity.

For evidence, one need only look to Oneida County, home to both Vernon Downs and Turning Stone Resort. Turning Stone first opened in 1993. Vernon Downs re-opened under new ownership in 2006. Vernon Downs is a 10 minute drive from Turning Stone. The developers and owners of Vernon Downs understood that there was a unique demand for live racing and VLT gaming that would attract patrons not comfortable or not interested in visiting a resort casino such as Turning Stone. Vernon Downs operates roughly the same number of VLTs as Tioga and has generated over \$40 million in lottery revenue each year since 2010. The Traditions Casino and Hotel will be a 45 minute drive from Tioga, a 35 minute longer drive than the 10 minute drive between Vernon Downs and Turning Stone, putting the Tioga gaming facility even less at risk if the Traditions site is selected.

Market Size and Segmentation

The potential local gaming market has been estimated at over \$668 million annually for the region. The sole gaming operator in the Southern Tier of New York, Tioga Downs, is currently generating gaming revenues of approximately \$60 million or less than 10% of the total potential market. A portion of the market may currently go to Turning Stone in Verona, and some area gamers may visit Vernon Downs. Additional revenue from our market is being drawn to Mohegan Sun at Pocono Downs and Mount Airy Casino Resort in Pennsylvania.



Much of the potential market is not being captured by the current gaming operators, and is in large part going out of state. The adjacent map presents the opportunity that awaits Traditions Resort & Casino, the greater Southern Tier economy and New York State. As is illustrated, and as further described below, Traditions Resort & Casino seeks to penetrate deeper into the untapped regions of New York State as well as expand into Northern Pennsylvania's gaming population and maximize on its proximity to Interstate 81 and Interstate 86.

This results in the perfect opportunity to create a complementary entertainment environment in which not only gaming operators, but local and regional businesses can thrive from increased visitation and greater awareness of the wonders that make the Southern Tier a destination in the waiting. The proximity of Traditions at the Glen to Interstate 81 (North and South) creates a convenient option for those travelers on Interstate 81 that are not inclined to venture to the West on Interstate 86 to Tioga Downs or East on Interstate 90 to Turning Stone. Creating a facility to capture transient motorists along the Interstate 81 corridor is an integral component to maximizing market

penetration and increasing revenues for New York State, while maintaining the integrity of existing operators.

Complementary Offerings

Illustrative Complementary Gaming Facilities:

Western New York demonstrates the model for the success for offering a variety of gaming options which maximize market penetration rather than cannibalize each other. Seneca Gaming Corporation operates three casinos in Western New York, each with a different feel and focus.

Seneca Niagara Falls is an urban resort casino with a 4 Diamond hotel, seven restaurants and a spa. Twenty miles away, **Seneca Buffalo Creek** operates as an urban casino specifically designed to complement rather than cannibalize the existing downtown dining and entertainment environment, and has successfully partnered with local businesses to cross market and promote the revitalized waterfront entertainment district. **Seneca Allegany Casino** is a rural escape with a 400 room 4 diamond hotel, fine dining, a spa and salon located Salamanca in the mountains 90 miles south of Buffalo. Each is successfully designed to target a specific market segment, and leverage and promote its local attractions.

In addition to the tribal gaming options in western New York, there are three racinos offering VLT games under license from the New York Lottery in the same region. Batavia Downs, Hamburg Raceway and Finger Lakes offer live and simulcast racing and video lottery games. The variety of options allows gamers to choose a venue and style based on amenities, location, or service. While each operation could be seen as a competitor to the others, the range of options maximizes the size of the market and the percentage of market penetration benefiting all by exposing a larger percentage of the adult population to this entertainment experience.

Another excellent example of gaming venues complementing each other in New York State is the relationship between Turning Stone in Verona and Vernon Downs 10 minutes away in Vernon. Both operations thrive by offering different entertainment experiences. Vernon Downs offers live racing and VLT gaming. Turning Stone does not offer these attractions. Additionally each property offers a different experience ranging from a grand resort style experience to an intimate local setting.

Established Complementary Gaming Facilities:

Turning Stone, in Verona New York is approximately an 1 hour and 40 minute drive from Binghamton. The resort offers a full casino experience with a variety of hotel offerings, several golf courses and many dining options.

Seneca Allegany, while nearly a 3 hour drive west, offers a complete casino experience with 2,000 slot machines 30 table games and dining options that include a buffet, a coffee shop, an Italian restaurant and a steakhouse. In 2012 the hotel at Seneca Allegany was expanded to over 400 rooms and offers guests a spa and indoor pool.

Tioga Downs a harness track offering Video Lottery Terminals under license from the New York State Lottery. Dining options at Tioga Downs include a buffet, a sports bar and a Subway restaurant. Tioga Downs is an approximately 35 minute drive east of Binghamton

at exit 62 on Route 17/Interstate 81. Tioga Downs opened with 750 VLTs in 2006, and has expanded to 802 in the past eight years.

Each of these existing operations in New York State has a unique niche and caters to that specific audience. Racinos offer live racing, Turning Stone offers a range of golf courses in addition to its casino. Seneca Allegany offers a mountain resort casino experience in Salamanca in the rolling Allegany Mountains.

Traditions Resort & Casino will offer a complete resort environment with a casino, offering fine dining, a hotel, spa and golf in a community that has other attractions upon which to build a sustainable tourist destination.

Future Complementary Gaming Facility and Regional Economic Catalyst:

Traditions Resort & Casino builds on the investment and vision of its owners. The Walsh family purchased the Traditions at the Glen property with the intent of restoring the property to its former luster as the IBM Country Club, and since acquiring the property there have been steady measured improvements and expansions designed to carry on the heritage while improving the guest experience. If awarded the gaming license, Traditions Resort & Casino will be an entertainment venue which makes the opportunities of the past today's reality by broadening the market and building on the many attractions already in the area.

This project is more than just one family's vision for the future. It is about an entire city's hope for a rebirth; hope for an economic infusion long sought after since the departure of major manufacturers like IBM and Endicott Johnson; and hope to retain the many existing talents and develop the many more future talents to be borne out of this region by promoting opportunity, security and a stable livelihood.

The casino will fit into the overall resort plan and the entire project will be sustained and supplemented through a program of continuous planned improvements to maintain freshness and keep offerings current to maintain and grow guest loyalty, visitation and spend.

Integrating the new casino and related amenities with the existing resort and banquet operation creates more than simply a place to gamble. The Traditions Resort & Casino will be a full scale resort offering a hotel, golf, restaurants, entertainment, and a spa supplemented by regional attractions including wine country, horse racing, golf, and outdoor recreational activities. In fact, a nature preserve adjacent to the Traditions Resort & Casino, which includes paved trails and naturalist programs, was established using land donated by the Walsh family. This donation preserves the rugged landscape of the Southern Tier and provides a recreational option unrivalled in many urban areas, and has private access from the doorstep of Traditions Resort & Casino. While a delightful amenity for visitors to the region to enjoy, the preserve represents the Walsh family's commitment to the community and preservation of the charm which makes the Southern Tier an excellent selection for this opportunity.

The property will be much more than a place to game. It will be a place to play, dine & relax, and serve as a hub for regional activity.

The Traditions Resort & Casino may attract visitation from existing patrons, however and more importantly, this would likely result in increased frequency of visitation and increased market penetration by providing a convenient attractive gaming facility at the crossroads of Interstate 81 and Interstate 86. The addition of a resort casino to the existing

gaming option in the immediate area creates a critical mass of gaming entertainment that has the potential to drive additional visitation to the horse racing venue in Nichols. There are many benefits to a collaborative effort in New York.

Among the primary benefits of the Traditions Resort & Casino proposal is the opportunity to draw New Yorkers back from Pennsylvania, while attracting Pennsylvanians living near Binghamton to the casino and to Tioga Downs as the region will then offer the same range of gaming properties as Pennsylvania, a complement of a variety of casino gaming experiences along with live horse racing.

The Traditions Resort & Casino will not operate in isolation. Among the competitive advantages that the location will have is the Binghamton area itself. Already a regional shopping destination, the addition of a fully developed casino resort with a variety of amenities and the history and reputation of the Traditions at the Glen development gives the property a head start in attracting and maintaining business. The Traditions Resort & Casino is not the only game in town.

The development is an additional catalyst for economic development in Broome County and the Southern Tier that can capitalize on the universities, golf courses, shopping, transportation links via interstate highway and scheduled airline service that many other proposed locations cannot.

Greater Binghamton has many unique attractions. Of the fewer than 150 antique carousels remaining in the United States and Canada, six are in Greater Binghamton, New York. The area is known for its golf, hosting a PGA tour event for many years. The industrial and technological history of America is encapsulated in the area, with many notable sites.

While generally viewed as a distinct region, the Finger Lakes and the Gorges of Ithaca are short trips from Binghamton. Working with these areas and venues to broaden the attractions of the Southern Tier is central to the success of the Traditions Resort & Casino, and the region.

Binghamton was home to the PGA Tour's BC Open from 1972 through 2006. The tournament had to seek another location when severe flooding forced the cancellation of play. The municipal course En-Joie has hosted champions the likes of Tom Kite, John Daly, Brad Faxon and Craig Stadler. Since July of 2007 the En-Joie Golf Course is the home of the Champions Tour's Dick's Sporting Goods Open.

En-Joie Golf Club first opened in 1927 under the original design of Ernie Smith. The golf course was originally built by George F. Johnson, the owner of the Endicott-Johnson Shoe Company. Mr. Johnson loved the game of golf and couldn't see any reason that his employees shouldn't love it as well. Mr. Johnson created the golf course as a place of recreation for his employees who worked at the local shoe factory in Endicott.

Other notable courses in the area include:

The Links at Hiawatha – Designed by Silva & Mungeam 1994

Conklin Players Course – Designed by Rick Rickard 1991

Vestal Hills – Designed By Goeffery Cordish 1957

Endwell Greens - Designed By Goeffery Cordish 1968

Traditions at the Glen – Designed by John Van Kleek 1936

Binghamton Country Club – Designed by AS Tillinghast 1921

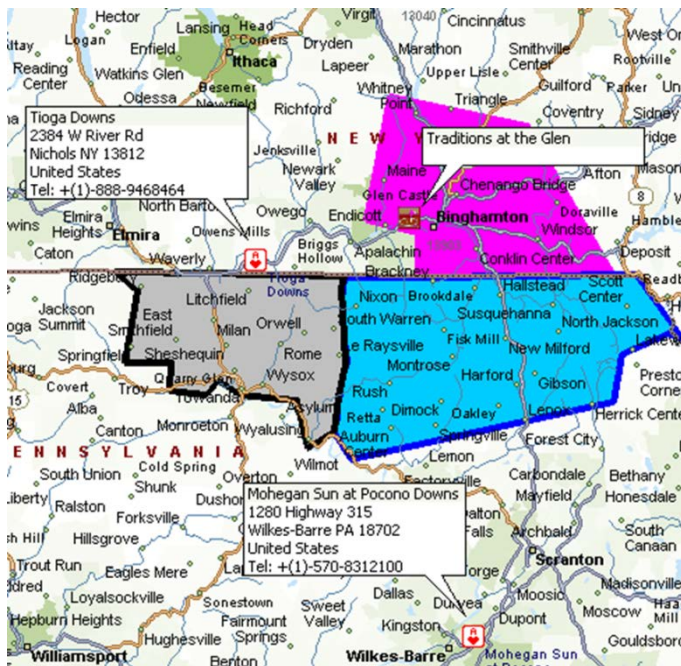
The Traditions Resort & Casino and the additional visitation it will drive can help bring Southern Tier golf back to its prior glory when Binghamton was an annual PGA host city.

It has long been established that offering consumers choices in the marketplace drives visitation to the whole community, not just the individual attraction. The Vestal Parkway in Vestal, NY, just south of Traditions Resort & Casino is an excellent example in the immediate area. Over the past 10 years, while striving to gain an economic foothold in the faltering economy, many businesses have developed along the Vestal Parkway corridor, businesses which stand to benefit from increased regional visitation along with strategic partnerships with Traditions Resort & Casino.

Pennsylvania Market Re-capture

Mohegan Downs at Pocono Downs and Mount Airy Casino Resort

These two gaming operations in Pennsylvania attract players from New York. In 2010 Pocono Downs published a presentation including the fact that 11% of players in their database were New York residents. Using this number, it can be estimated that annually approximately \$28 million in gaming revenue is derived from New Yorkers. Given the proximity of Mt. Airy, it seems reasonable to estimate that a similar portion of revenue or \$20 million annually is derived from New Yorkers. If 50% of the estimated New York business at these Pennsylvania casinos is derived from the Southern Tier area, the State of New York stands to re-capture \$24 million in gaming revenue to the State.



In addition to retaining New York Play in New York, The Traditions Resort & Casino has the potential to draw gamers from Pennsylvania to New York to game. The adjacent map presents the areas where cross border gaming visits are most likely to occur. The pink section represents the New York players retained in the State. The gray shaded area indicates the Pennsylvanians likely visiting Tioga Downs to enjoy live racing and VLT gaming. The shaded blue section represents the likely prime visitation area from Pennsylvania to the Traditions at the Glen Casino Resort to play table games and Vegas Style Slots.

A recent report prepared for the Pennsylvania Legislative Budget and Finance Committee estimated that expanded New York casinos would

reduce revenues in Pennsylvania by \$38 million annually. The report *The Current Condition and Future Viability of Casino Gaming in Pennsylvania* was prepared by Econsult Solutions.

Spin-off visitation

The location and proximity of other area businesses and attractions is another factor in creating a successful property that can seed further growth opportunities for the host community. Traditions Resort & Casino fits into the regional mix of entertainment, shopping and dining. Traditions Resort & Casino site has the most potential in the Southern Tier to promote further tourism, attract out of state visits, and deepen gaming market penetration. Three locations are competing for the commercial casino license in region 5: Tioga Downs' in Nichols; Wilmot Casino and Resort in Tyre; and The Traditions Resort & Casino in Johnson City. Below are summaries of local area attractions & restaurants.

Exhibit VIII.B.8

Within 5.0 miles of Tioga Downs

Hotels – 0

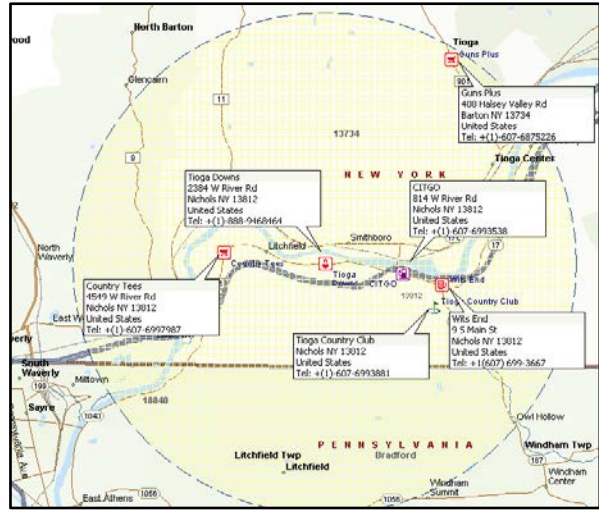
Restaurants – 0

Bars – 1

Gas Stations – 1

Golf Course - 1

Shopping – 5: Dollar General, True Value, Guns Plus, Country Tees, Taylors Military Surplus



Within 2.5 miles of the proposed site in Tyre

There are 3 gas stations. Dining options include the Iron Skillet restaurant and a Subway restaurant both located at the Petro Truck Stop.

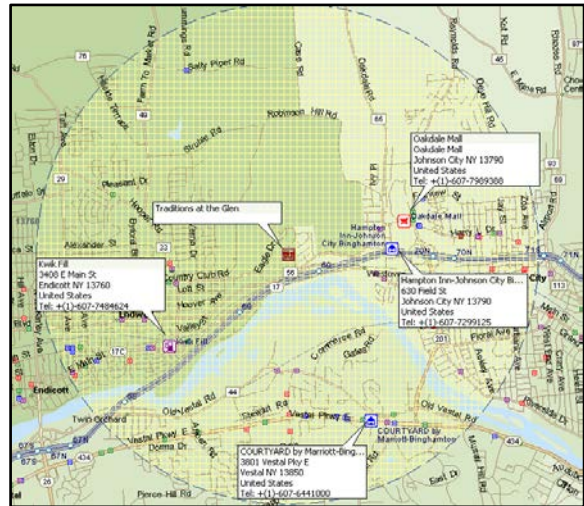


Exhibit VIII.B.8

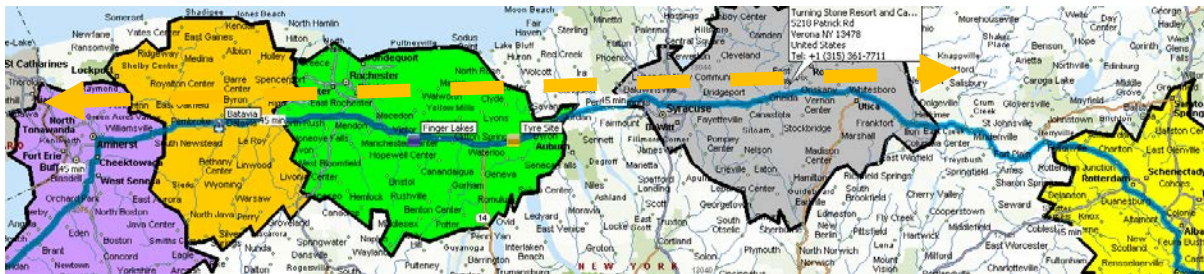
Within 2.5 miles of Traditions at the Glen

Hotels – 16
Restaurants – 26
Bars – 19
Gas Stations – 18
Golf Courses – 3

Shopping – 86 (including Oakdale Regional Mall) Macy's, Bob Ton, Sears, JC Penny's, Aeropostale, Victoria's Secret, Hollister, Eddie Bauer, Claire's, Champs Sports, Foot Locker, Gymboree, Express



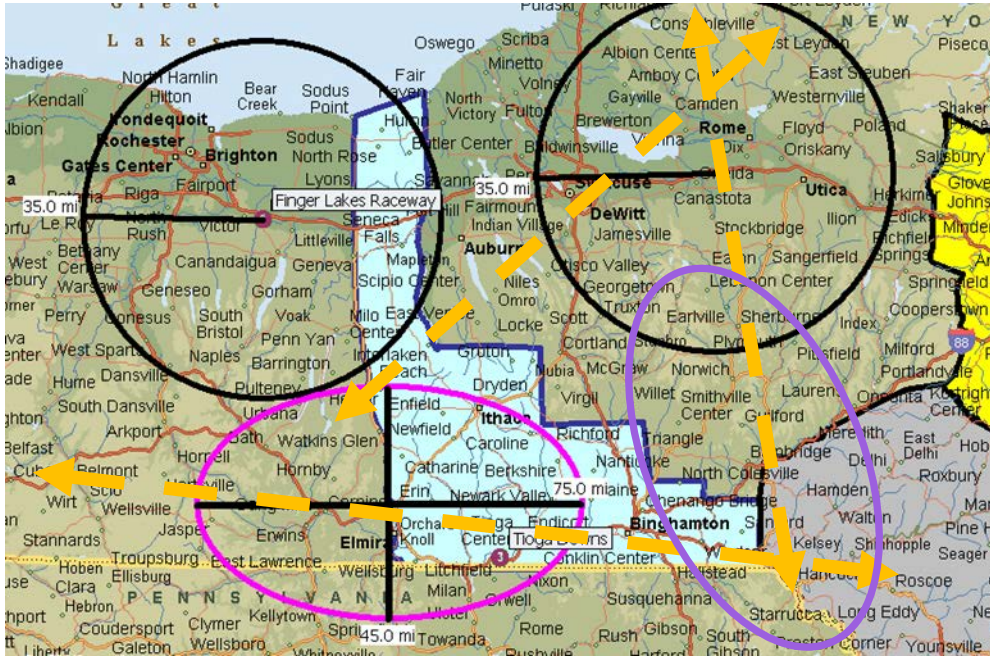
In evaluating the potential sites for a casino in region five one needs to consider the existing gaming operations and the available market. The northern "Pan Handle" section of region five intersects the New York Thruway. Initially it may seem that this location would be ideal for a casino.



Upon further examination it becomes clear that the drive through market along the Thruway is already well covered by existing operators. When travelling the Thruway a driver is almost always within 45 minutes of a gaming property. From Hamburg on the west to the Capital region on the east, there are abundant locations.

Adding a complementary property to the Southern Tier can create the critical mass of entertainment vital to regional success. Adding an isolated rural property to a thin market serves to dilute rather than strengthen potential synergies. Additionally any incremental gaming would come from New York residents whose closest gaming option is another New York gaming venue.

Exhibit VIII.B.8



Awarding the Southern Tier commercial gaming license to the Traditions Resort & Casino not only has the potential to strengthen the regional attraction, but can draw players from along Interstate 86 and travelers from Canada and Pennsylvania along Interstate 81, as well.

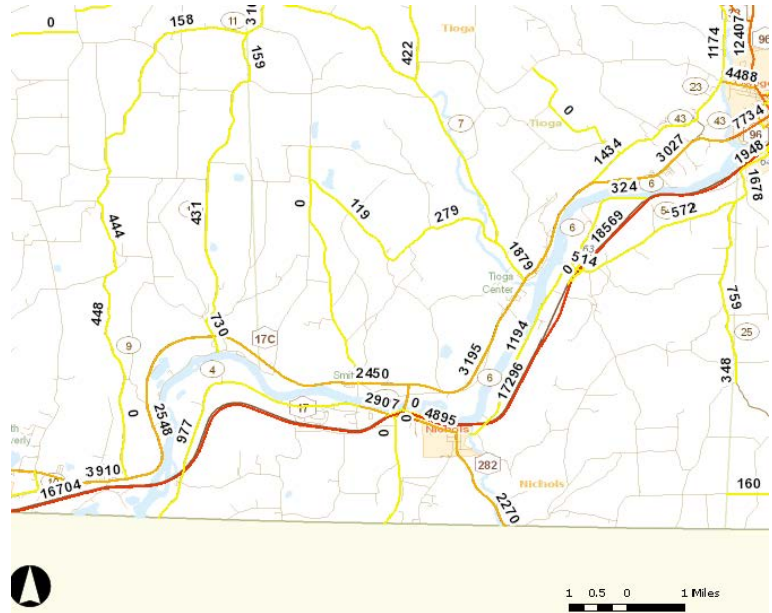
Exhibit VIII.B.8

Other important factors in successfully drawing patrons to New York from Pennsylvania and Canada are highway access and traffic volumes.

Nichols, New York Traffic Counts

State Route 17/I-86, the primary route across the Southern Tier passes through Nichols, immediately to the south of Tioga Downs. Travelers from the west pass the raceway before the exit enabling travelers to plan a stop. Traffic counts along the highway are approximately 17,000 daily.

While the East-West traffic is strong, there is little North-South traffic. State Route 282 at the Pennsylvania line only handles 2,270 vehicles per day. These data may indicate that few Pennsylvania race fans are visiting. Only 1,879 vehicles per day head north along State Route 7.



Binghamton, New York Traffic Counts

Binghamton has always been a regional transport hub. The city was founded at the confluence of 2 rivers. Of more importance are the 3 interstate highways that meet in the city. Interstate 86 /SR 17 draws traffic from the west. Interstate 81 provides convenient access to Syracuse and Canada on the north and Pennsylvania on the south. Interstate 88 connects to Albany.

As expected, traffic counts along the Interstates are high. The north-south flow through on Interstate 81 is in excess of 25,000 vehicles daily. Interestingly the secondary highway SR 26 at the Pennsylvania line over 6,200 vehicles daily.

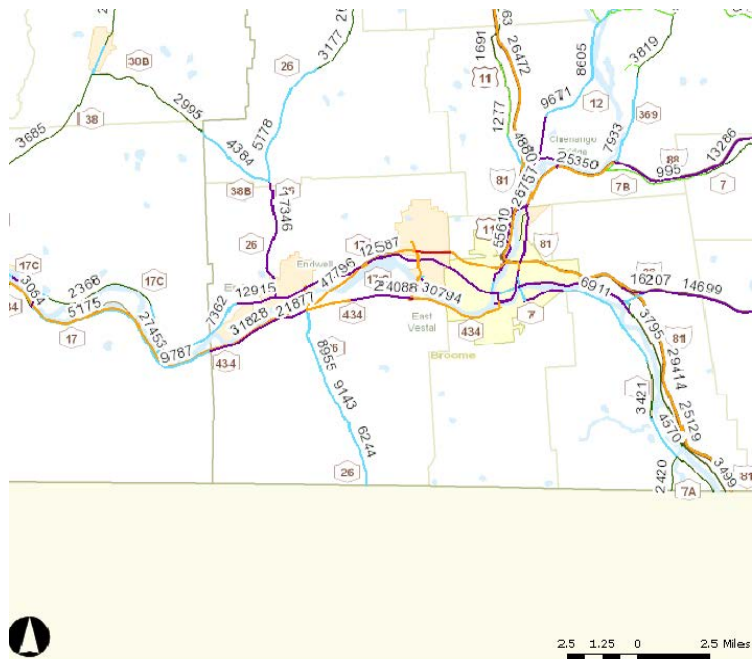


Exhibit VIII.B.8

Access to the Southern Tier flows through Binghamton. The junction of the 3 interstates provides accessibility from all compass points. The access will enable the Traditions Resort & Casino to draw visitors from Pennsylvania and Canada to the region. Once in the Southern Tier visitors have the option to engage in a variety of activities from golfing, to shopping, fishing, hiking or a visit to the harness track.

The Constitutional Amendment passed by the voters is known as “The Upstate New York Gaming and Economic Development Act”. No other location in the Southern Tier can accomplish the goals set forth in this Act, better than Traditions. The Traditions Resort & Casino location and design afford a unique opportunity for collaborative rather than competitive gaming properties, while creating a critical mass of tourism to enhance the future economic growth of the Southern Tier.

Economic Growth

The Binghamton MSA is comprised of Broome County and Tioga County. The area has been through a period of declining labor force participation and overall employment. Data from the US Census bureau and the Bureau of Labor Statistics illustrates the issue.

	<u>2012</u>	<u>2010</u>	<u>Change</u>
Population	250,995	251,725	(730)
Labor Force	117,383	121,308	(3,925)

Location:

The Traditions location has excellent highway visibility, is close to other attractions including shopping, dining and recreation. Local access to jobs is central to the goals of the act.

Development

At full build-out the project will include a hotel, two restaurants, a spa, golf course and other resort amenities including meeting spaces. The Traditions Resort and Casino will be a destination not a drive by.

Management

The management team has decades of experience in markets in New York state, across the country and around the world. There is no management group that has more experience designing, developing opening and operating casinos in New York.

Local Owners

The Wash family has owned the Traditions property for over a decade. The family is local. They were raised here. This is their home. The family knows the history of the property and the area, knows the community, is truly part of the community and is not just an investor.