

Template for Item VIII.A.3. - Gaming revenues and visitation for first 10 years

**HIGH-CASE**

NAME OF APPLICANT:

American Racing & Entertainment, LLC

**Instructions**

Submit 10-year projections, starting from date of opening:

Projected Opening Date (mm/dd/yyyy):

1/1/2017

- POPULATE EMPTY CELLS, BLANKS AND BRACKETED INFORMATION AS NECESSARY.
- IN ADDITION TO COMPLETING THIS WORKSHEET, THE APPLICANT SHALL PROVIDE (IN THE ASSUMPTIONS SECTION) A DETAILED DESCRIPTION OF ALL ASSUMPTIONS RELEVANT TO THE PROJECTIONS INCLUDED HEREIN.
- PROVIDE ALL DOLLAR AMOUNTS IN CURRENT-YEAR (UNINFLATED) DOLLARS
- ADD ROWS AS NECESSARY. PLEASE DO NOT DELETE COLUMNS.

**GROSS GAMING REVENUES**

	Unit of Measure	Adult Population of Geographic Area	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)
<b>LOCAL MARKET PARTICIPANTS (Total local market patrons within 120 minutes of gaming facility)</b>												
Geographic Area 1: 15 minutes of gaming facility† (see "Geo Areas" worksheet)	#\$	22,643	\$ 6,256,420	\$ 7,427,329	\$ 7,582,065	\$ 7,736,801	\$ 7,852,853	\$ 7,970,646	\$ 8,050,352	\$ 8,130,856	\$ 8,130,856	\$ 8,130,856
Geographic Area 2: 30 minutes of gaming facility† (see "Geo Areas" worksheet)	#\$	61,980	13,192,593	15,661,628	15,987,912	16,314,196	16,558,909	16,807,292	16,975,365	17,145,119	17,145,119	17,145,119
Geographic Area 3: 60 minutes of gaming facility† (see "Geo Areas" worksheet)	#\$	347,234	42,715,156	50,709,430	51,765,877	52,822,323	53,614,658	54,418,878	54,963,067	55,512,697	55,512,697	55,512,697
Geographic Area 4: 90 minutes of gaming facility† (see "Geo Areas" worksheet)	#\$	408,650	12,925,301	15,344,312	15,663,985	15,983,658	16,223,413	16,466,764	16,631,432	16,797,746	16,797,746	16,797,746
Geographic Area 5: 120 minutes of gaming facility† (see "Geo Areas" worksheet)	#\$	1,146,613	10,132,494	12,028,822	12,279,422	12,530,023	12,717,973	12,908,742	13,037,830	13,168,208	13,168,208	13,168,208
Geographic Area 6 [____] [miles/minutes] of gaming facility† (add additional Geographic Areas below as needed. Total here)	#\$											
<b>Total local market participants</b>	#	1,987,120	\$ 85,221,964	\$ 101,171,520	\$ 103,279,260	\$ 105,387,000	\$ 106,967,805	\$ 108,572,322	\$ 109,658,046	\$ 110,754,626	\$ 110,754,626	\$ 110,754,626
<b>Total annual estimated gross gaming revenues from local market participants</b>	\$											
<b>Visitation</b>												
Local market gaming visitors	#	N/A	116,071	126,075	128,061	130,024	131,318	132,625	133,285	133,948	133,948	133,948
Average Visits per year	#	N/A	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Total local market gaming visitation	#	N/A	1,074,542	1,167,159	1,185,547	1,203,723	1,215,701	1,227,797	1,233,906	1,240,044	1,240,044	1,240,044
Average spend per visit	\$	N/A	\$ 79	\$ 87	\$ 87	\$ 88	\$ 88	\$ 88	\$ 89	\$ 89	\$ 89	\$ 89
<b>TOURISTS (Patrons from more than 120 minutes of gaming facility)</b>												
Tourist gaming visits per year	#	N/A	32,428	111,831	113,593	115,334	116,482	117,641	118,226	118,814	118,814	118,814
NY (State of origin)	#	N/A	19,675	67,851	68,920	69,977	70,673	71,377	71,732	72,088	72,088	72,088
PA (State of origin)	#	N/A	8,726	30,091	30,565	31,034	31,343	31,655	31,812	31,970	31,970	31,970
NJ (State of origin)	#	N/A	4,027	13,888	14,107	14,323	14,466	14,610	14,682	14,755	14,755	14,755
_____ (State of origin)	#	N/A										
_____ (State of origin)	#	N/A										
(add additional States below as needed. Total here)	#	N/A										
<b>Total gaming visits per year</b>	#		1,106,970	1,278,990	1,299,140	1,319,057	1,332,182	1,345,438	1,352,132	1,358,859	1,358,859	1,358,859
Annual estimated gross gaming revenue from tourist gaming visitors - slots/electronic games	\$	N/A	\$ 1,854,481	\$ 9,728,699	\$ 9,931,381	\$ 10,134,062	\$ 10,286,073	\$ 10,440,364	\$ 10,544,767	\$ 10,650,215	\$ 10,650,215	\$ 10,650,215
Annual estimated gross gaming revenue from tourist gaming visitors - house banked table games	\$	N/A	717,686	3,626,862	3,702,421	3,777,981	3,834,651	3,892,171	3,931,092	3,970,403	3,970,403	3,970,403
Annual estimated gross gaming revenue from tourist gaming visitors - Other	\$	N/A	-	-	-	-	-	-	-	-	-	-
<b>Total annual estimated gross gaming revenues from tourist gaming visitors</b>	\$		\$ 2,572,168	\$ 13,355,561	\$ 13,633,802	\$ 13,912,043	\$ 14,120,724	\$ 14,332,534	\$ 14,475,860	\$ 14,620,618	\$ 14,620,618	\$ 14,620,618
<b>TOTALS</b>												
<b>TOTAL ANNUAL GROSS GAMING REVENUES - SLOTS/ELECTRONIC GAMES</b>	\$	N/A	\$ 73,679,780	\$ 82,265,706	\$ 83,979,575	\$ 85,693,443	\$ 86,978,845	\$ 88,283,528	\$ 89,166,363	\$ 90,058,027	\$ 90,058,027	\$ 90,058,027
<b>TOTAL ANNUAL GROSS GAMING REVENUES - TABLE GAMES</b>	\$	N/A	14,114,352	32,261,376	32,933,488	33,605,600	34,109,684	34,621,329	34,967,542	35,317,218	35,317,218	35,317,218
<b>TOTAL ANNUAL GROSS GAMING REVENUES - OTHER</b>	\$	N/A	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ANNUAL GROSS GAMING REVENUE</b>	\$		\$ 87,794,132	\$ 114,527,081	\$ 116,913,062	\$ 119,299,043	\$ 121,088,529	\$ 122,904,857	\$ 124,133,905	\$ 125,375,244	\$ 125,375,244	\$ 125,375,244

Recaptured Revenue from Out of State venues	\$	N/A	\$ 4,323,429	\$ 5,639,895	\$ 5,757,393	\$ 5,874,891	\$ 5,963,015	\$ 6,052,460	\$ 6,112,984	\$ 6,174,114	\$ 6,174,114	\$ 6,174,114
Cannibalized gross gaming revenue from existing NY tribal casinos and racetrack Video Lotteries (i.e., cannibalization of existing NY tribal casino and racetrack VLT gross gaming revenues)	\$	N/A	53,540,509	69,843,372	71,298,442	72,753,512	73,844,815	74,952,487	75,702,012	76,459,032	76,459,032	76,459,032
Net New Gaming Revenue (sourced in-State)	\$	N/A	17,452,693	22,766,965	23,241,277	23,715,589	24,071,323	24,432,393	24,676,716	24,923,484	24,923,484	24,923,484
Net New Gaming Revenue (sourced out-of-State)	\$	N/A	12,477,501	16,276,849	16,615,950	16,955,051	17,209,377	17,467,517	17,642,192	17,818,614	17,818,614	17,818,614
<b>TOTAL ANNUAL GROSS GAMING REVENUE</b>	\$		\$ 87,794,132	\$ 114,527,081	\$ 116,913,062	\$ 119,299,043	\$ 121,088,529	\$ 122,904,857	\$ 124,133,905	\$ 125,375,244	\$ 125,375,244	\$ 125,375,244

† Include detailed description of the geographic borders and municipalities and/or Zip Codes included in each Geographic Area (see "Geo Areas" worksheet)

<b>Assumptions</b>												
<b>1. Facility Assumption: \$195 million (historical investment plus expansion) casino and related investment including 161 room hotel, 1,000 slots and 50 live table games, several restaurants, 6,552 SF event center, parking garage, golf course &amp; spa.</b>												
<b>2. Assuming license granted by 12/31/15, different aspects of the expansion will open throughout 2016 with full implementation of the entire expansion by April 1, 2017.</b>												
<b>3. Gravity Model (DRIVE-IN / LOCAL MARKET PARTICIPANTS):</b>												
- Gravity model is for 2019 (first stabilized year of operations) and separate gravity models were completed for slots and tables.												
- Competition includes all of the existing casinos within a 3 hour drive of Tioga Downs, plus new casinos in NY (Lago, Montreign, Rivers & Yellow Brick Road). Existing casinos are assumed to keep current capacity.												
- Slot gravity model assumes maximum gamer budgets of \$946 annually in 2019 and adjusted by zip code for per capita income, gravity model convenient distance is assumed to be 6.0 minute drive time and exponent is -0.7, maximum slot participation is estimated at 35% and 2019 drive-in market reach is 120 minutes.												
- Table gravity model assumes maximum gamer budgets of \$736 annually in 2019 and adjusted by zip code for per capita income, gravity model convenient distance is assumed to be 19 minute drive time and exponent is -2.0, maximum table participation is estimated at 11% and 2019 drive-in market reach is 120 minutes.												
- The attraction factor in both the slot and table models is 1.2 in the high case												
- Hotel rooms have 100% weight in model (equal to slots and table game positions)												
- Consumer budgets for both slots and tables are estimated to grow by 1% annually from 2014 through 2019 due to economic gains but not due to inflation												
<b>4. Overnight Visitor Model (TOURISTS)</b>												
- overnight visitor model is segmented into two markets, those staying in onsite hotel and those staying in other area hotels												
- onsite hotel has 161 rooms, stabilized occupancy of 94.6%, a gamer capture rate of 90%, 1.8 guest per room, 70% slots, 30% tables, \$306 slot win per guest and \$263 table win per guest, 40% of onsite hotel guests are considered from beyond drive-in radius so onsite overnight guest revenues are discounted by 60% to arrive at incremental overnight visitor revenues												
- There are 5,350 hotel rooms within 30 miles. Assume stabilized occupancy of 55%, a gamer capture rate of 2.7% (weighted average based on distance from Tioga Downs), 1.8 guests per room, \$61 slot win per guest and \$26 table win per guest, 40% of offsite hotel guests are considered from beyond drive-in radius so onsite overnight guest revenues are discounted by 60% to arrive at incremental overnight visitor revenues												
<b>5. Traffic Intercept Model (TOURISTS)</b>												
- 15% of Route-17/I-86 traffic will be from beyond the 120 minute drive time market (based on Advisors proprietary observations of highway traffic in other jurisdictions).												
- 1.25% of pass through travelers will patronize the casino each for slots and tables (based on industry wide accepted rates and anticipated investment and assets at Tioga Downs)												
- Travelers will make relatively short duration trips and average win per trip will be \$61 for slots and \$21 for tables based on an estimate of one hour of play time.												
- Each car will have an average of 1.5 adult passengers (based on Advisors traffic observations).												
<b>6. Gaming Revenue Ramp Up</b>												
- Class II operations will continue through March 31, 2016; Class III operations will begin throughout 2016 with new slotsonline April 1, 2016 and tables online July 1, 2016.												
- Both slots and tables will achieve 96% in the first full year of operations (2017) and 98% in the second full year of operations (2018).												
- Annual growth will be 1.5% in 2020 & 2021, 1.0% in 2022 & 2023 and 0% in 2024 & 2025												
<b>7. Tourist Patronage</b>												
- The state of origin for tourist patronage is estimated based on the number of gamers (per the gravity model) in the zip codes between 120 and 180 minutes:												

Template for Item VIII.A.3. - Gaming revenues and visitation for first 10 years

**AVERAGE CASE**

NAME OF APPLICANT:

American Racing & Entertainment, LLC

**Instructions**

Submit 10-year projections, starting from date of opening:

Projected Opening Date (mm/dd/yyyy):

1/1/2017

- POPULATE EMPTY CELLS, BLANKS AND BRACKETED INFORMATION AS NECESSARY.
- IN ADDITION TO COMPLETING THIS WORKSHEET, THE APPLICANT SHALL PROVIDE (IN THE ASSUMPTIONS SECTION) A DETAILED DESCRIPTION OF ALL ASSUMPTIONS RELEVANT TO THE PROJECTIONS INCLUDED HEREIN.
- PROVIDE ALL DOLLAR AMOUNTS IN CURRENT-YEAR (UNINFLATED) DOLLARS
- ADD ROWS AS NECESSARY. PLEASE DO NOT DELETE COLUMNS.

**GROSS GAMING REVENUES**

	Unit of Measure	Adult Population of Geographic Area	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)
<b>LOCAL MARKET PARTICIPANTS (Total local market patrons within 120 minutes of gaming facility)</b>												
Geographic Area 1: 15 minutes of gaming facility† (see "Geo Areas" worksheet)	##/\$	22,643	\$ 6,166,408	\$ 7,309,189	\$ 7,461,464	\$ 7,613,738	\$ 7,727,945	\$ 7,843,864	\$ 7,922,302	\$ 8,001,525	\$ 8,001,525	\$ 8,001,525
Geographic Area 2: 30 minutes of gaming facility† (see "Geo Areas" worksheet)	##/\$	61,980	12,523,597	14,844,516	15,153,777	15,463,038	15,694,983	15,930,408	16,089,712	16,250,609	16,250,609	16,250,609
Geographic Area 3: 60 minutes of gaming facility† (see "Geo Areas" worksheet)	##/\$	347,234	39,384,400	46,683,261	47,655,829	48,628,397	49,357,823	50,098,190	50,599,172	51,105,164	51,105,164	51,105,164
Geographic Area 4: 90 minutes of gaming facility† (see "Geo Areas" worksheet)	##/\$	408,650	11,636,990	13,793,600	14,080,967	14,368,333	14,583,858	14,802,616	14,950,642	15,100,149	15,100,149	15,100,149
Geographic Area 5: 120 minutes of gaming facility† (see "Geo Areas" worksheet)	##/\$	1,146,613	8,698,319	10,310,323	10,525,121	10,739,920	10,901,018	11,064,534	11,175,179	11,286,931	11,286,931	11,286,931
Geographic Area 6 [____] [miles/minutes] of gaming facility† (add additional Geographic Areas below as needed. Total here)	##/\$											
<b>Total local market participants</b>	#	1,987,120	\$ 78,409,713	\$ 92,940,889	\$ 94,877,157	\$ 96,813,426	\$ 98,265,627	\$ 99,739,612	\$ 100,737,008	\$ 101,744,378	\$ 101,744,378	\$ 101,744,378
<b>Total annual estimated gross gaming revenues from local market participants</b>	\$											
<b>Visitation</b>												
Local market gaming visitors	#	N/A	106,899	115,857	117,682	119,486	120,675	121,876	122,482	123,091	123,091	123,091
Average Visits per year	#	N/A	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Total local market gaming visitation	#	N/A	991,775	1,074,884	1,091,819	1,108,558	1,119,588	1,130,728	1,136,354	1,142,007	1,142,007	1,142,007
Average spend per visit	\$	N/A	\$ 79	\$ 86	\$ 87	\$ 87	\$ 88	\$ 88	\$ 89	\$ 89	\$ 89	\$ 89
<b>TOURISTS (Patrons from more than 120 minutes of gaming facility)</b>												
Tourist gaming visits per year	#	N/A	23,520	81,465	82,749	84,017	84,853	85,698	86,124	86,553	86,553	86,553
NY (State of origin)	#	N/A	14,271	49,428	50,206	50,976	51,483	51,996	52,254	52,514	52,514	52,514
PA (State of origin)	#	N/A	6,329	21,921	22,266	22,607	22,832	23,059	23,174	23,289	23,289	23,289
NJ (State of origin)	#	N/A	2,921	10,117	10,276	10,434	10,538	10,643	10,696	10,749	10,749	10,749
_____ (State of origin)	#	N/A										
_____ (State of origin)	#	N/A										
(add additional States below as needed. Total here)	#	N/A										
<b>Total gaming visits per year</b>	#		1,015,295	1,156,350	1,174,567	1,192,575	1,204,442	1,216,426	1,222,478	1,228,560	1,228,560	1,228,560
Annual estimated gross gaming revenue from tourist gaming visitors - slots/electronic games	\$	N/A	\$ 1,344,699	\$ 7,303,777	\$ 7,455,939	\$ 7,608,101	\$ 7,722,223	\$ 7,838,056	\$ 7,916,436	\$ 7,995,601	\$ 7,995,601	\$ 7,995,601
Annual estimated gross gaming revenue from tourist gaming visitors - house banked table games	\$	N/A	513,392	2,712,585	2,769,097	2,825,609	2,867,994	2,911,013	2,940,124	2,969,525	2,969,525	2,969,525
Annual estimated gross gaming revenue from tourist gaming visitors - Other	\$	N/A	-	-	-	-	-	-	-	-	-	-
<b>Total annual estimated gross gaming revenues from tourist gaming visitors</b>	\$		\$ 1,858,091	\$ 10,016,362	\$ 10,225,036	\$ 10,433,710	\$ 10,590,216	\$ 10,749,069	\$ 10,856,560	\$ 10,965,126	\$ 10,965,126	\$ 10,965,126
<b>TOTALS</b>												
<b>TOTAL ANNUAL GROSS GAMING REVENUES - SLOTS/ELECTRONIC GAMES</b>	\$	N/A	\$ 67,485,159	\$ 73,739,775	\$ 75,276,020	\$ 76,812,266	\$ 77,964,450	\$ 79,133,916	\$ 79,925,256	\$ 80,724,508	\$ 80,724,508	\$ 80,724,508
<b>TOTAL ANNUAL GROSS GAMING REVENUES - TABLE GAMES</b>	\$	N/A	12,782,646	29,217,476	29,826,173	30,434,871	30,891,394	31,354,765	31,668,312	31,984,995	31,984,995	31,984,995
<b>TOTAL ANNUAL GROSS GAMING REVENUES - OTHER</b>	\$	N/A	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ANNUAL GROSS GAMING REVENUE</b>	\$		\$ 80,267,804	\$ 102,957,251	\$ 105,102,194	\$ 107,247,136	\$ 108,855,843	\$ 110,488,681	\$ 111,593,568	\$ 112,709,503	\$ 112,709,503	\$ 112,709,503
<b>Recaptured Revenue from Out of State venues</b>	\$	N/A	\$ 3,090,070	\$ 3,963,546	\$ 4,046,120	\$ 4,128,693	\$ 4,190,624	\$ 4,253,483	\$ 4,296,018	\$ 4,338,978	\$ 4,338,978	\$ 4,338,978

<b>Cannibalized gross gaming revenue from existing NY tribal casinos and racetrack Video Lotteries (i.e., cannibalization of existing NY tribal casino and racetrack VLT gross gaming revenues)</b>	\$	N/A	50,271,020	64,481,221	65,824,580	67,167,939	68,175,458	69,198,090	69,890,071	70,588,972	70,588,972	70,588,972
<b>Net New Gaming Revenue (sourced in-State)</b>	\$	N/A	15,711,142	20,152,240	20,572,078	20,991,916	21,306,795	21,626,397	21,842,661	22,061,087	22,061,087	22,061,087
<b>Net New Gaming Revenue (sourced out-of-State)</b>	\$	N/A	11,195,572	14,360,244	14,659,416	14,958,588	15,182,966	15,410,711	15,564,818	15,720,466	15,720,466	15,720,466
<b>TOTAL ANNUAL GROSS GAMING REVENUE</b>	\$		\$ 80,267,804	\$ 102,957,251	\$ 105,102,194	\$ 107,247,136	\$ 108,855,843	\$ 110,488,681	\$ 111,593,568	\$ 112,709,503	\$ 112,709,503	\$ 112,709,503

† Include detailed description of the geographic borders and municipalities and/or Zip Codes included in each Geographic Area (see "Geo Areas" worksheet)

<b>Assumptions</b>												
<b>1. Facility Assumption: \$195 million (historical investment plus expansion) casino and related investment including 161 room hotel, 1,000 slots and 50 live table games, several restaurants, 6,552 SF event center, parking garage, golf course &amp; spa.</b>												
<b>2. Assuming license granted by 12/31/15, different aspects of the expansion will open throughout 2016 with full implementation of the entire expansion by April 1, 2017.</b>												
<b>3. Gravity Model (DRIVE-IN / LOCAL MARKET PARTICIPANTS):</b>												
- Gravity model is for 2019 (first stabilized year of operations) and separate gravity models were completed for slots and tables.												
- Competition includes all of the existing casinos within a 3 hour drive of Tioga Downs, plus new casinos in NY (Lago, Montreign, Rivers & Yellow Brick Road). Existing casinos are assumed to keep current capacity.												
- Slot gravity model assumes maximum gamer budgets of \$946 annually in 2019 and adjusted by zip code for per capita income, gravity model convenient distance is assumed to be 6.0 minute drive time and exponent is -0.7, maximum slot participation is estimated at 35% and 2019 drive-in market reach is 120 minutes.												
- Table gravity model assumes maximum gamer budgets of \$736 annually in 2019 and adjusted by zip code for per capita income, gravity model convenient distance is assumed to be 19 minute drive time and exponent is -2.0, maximum table participation is estimated at 11% and 2019 drive-in market reach is 120 minutes.												
- The attraction factor in both the slot and table models is 1.0 in the average case												
- Hotel rooms have 100% weight in model (equal to slots and table game positions)												
- Consumer budgets for both slots and tables are estimated to grow by 1% annually from 2014 through 2019 due to economic gains but not due to inflation.												
<b>4. Overnight Visitor Model (TOURISTS)</b>												
- overnight visitor model is segmented into two markets, those staying in onsite hotel and those staying in other area hotels												
- onsite hotel has 161 rooms, stabilized occupancy of 92.6%, a gamer capture rate of 85%, 1.8 guest per room, 70% slots, 30% tables, \$306 slot win per guest and \$263 table win per guest, 33% of onsite hotel guests are considered from beyond drive-in radius so onsite overnight guest revenues are discounted by 67% to arrive at incremental overnight visitor revenues												
- There are 5,350 hotel rooms within 30 miles. Assume stabilized occupancy of 55%, a gamer capture rate of 1.7% (weighted average based on distance from Tioga Downs), 1.8 guests per room, \$61 slot win per guest and \$26 table win per guest, 40% of offsite hotel guests are considered from beyond drive-in radius so onsite overnight guest revenues are discounted by 60% to arrive at incremental overnight visitor revenues												
<b>5. Traffic Intercept Model (TOURISTS)</b>												
- 15% of Route-17/I-86 traffic will be from beyond the 120 minute drive time market (based on Advisors proprietary observations of highway traffic in other jurisdictions).												
- 1.0% of pass through travelers will patronize the casino each for slots and tables (based on industry wide accepted rates and anticipated investment and assets at Tioga Downs)												
- Travelers will make relatively short duration trips and average win per trip will be \$61 for slots and \$21 for tables based on an estimate of one hour of play time												
- Each car will have an average of 1.5 adult passengers (based on Advisors traffic observations).												
<b>6. Gaming Revenue Ramp Up</b>												
- Class II operations will continue through March 31, 2016; Class III operations will begin throughout 2016 with new slots online April 1, 2016 and tables online July 1, 2016.												
- Both slots and tables will achieve 96% in the first full year of operations (2017) and 98% in the second full year of operations (2018).												
- Annual growth will be 1.5% in 2020 & 2021, 1.0% in 2022 & 2023 and 0% in 2024 & 2025												
<b>7. Tourist Patronage</b>												
- The state of origin for tourist patronage is estimated based on the number of gamers (per the gravity model) in the zip codes between 120 and 180 minutes												



<b>TOTAL ANNUAL GROSS GAMING REVENUE</b>	\$		\$ 71,943,914	\$ 90,214,342	\$ 92,093,807	\$ 93,973,273	\$ 95,382,872	\$ 96,813,615	\$ 97,781,751	\$ 98,759,568	\$ 98,759,568	\$ 98,759,568
<b>Recaptured Revenue from Out of State venues</b>	\$	N/A	\$ 1,562,211	\$ 1,958,940	\$ 1,999,752	\$ 2,040,563	\$ 2,071,171	\$ 2,102,239	\$ 2,123,261	\$ 2,144,494	\$ 2,144,494	\$ 2,144,494
<b>Cannibalized gross gaming revenue from existing NY tribal casinos and racetrack Video Lotteries (i.e., cannibalization of existing NY tribal casino and racetrack VLT gross gaming revenues)</b>	\$	N/A	46,501,909	58,311,243	59,526,061	60,740,879	61,651,992	62,576,772	63,202,539	63,834,565	63,834,565	63,834,565
<b>Net New Gaming Revenue (sourced in-State)</b>	\$	N/A	14,047,256	17,614,609	17,981,580	18,348,551	18,623,780	18,903,136	19,092,168	19,283,089	19,283,089	19,283,089
<b>Net New Gaming Revenue (sourced out-of-State)</b>	\$	N/A	9,832,538	12,329,549	12,586,414	12,843,280	13,035,929	13,231,468	13,363,783	13,497,420	13,497,420	13,497,420
<b>TOTAL ANNUAL GROSS GAMING REVENUE</b>	\$		\$ 71,943,914	\$ 90,214,342	\$ 92,093,807	\$ 93,973,273	\$ 95,382,872	\$ 96,813,615	\$ 97,781,751	\$ 98,759,568	\$ 98,759,568	\$ 98,759,568

† Include detailed description of the geographic borders and municipalities and/or Zip Codes included in each Geographic Area (see "Geo Areas" worksheet)

#### Assumptions

**1. Facility Assumption: \$195 million (historical investment plus expansion) casino and related investment including 161 room hotel, 1,000 slots and 50 live table games, several restaurants, 6,552 SF event center, parking garage, golf course & spa.**

**2. Assuming license granted by 12/31/15, different aspects of the expansion will open throughout 2016 with full implementation of the entire expansion by April 1, 2017.**

**3. Gravity Model (DRIVE-IN / LOCAL MARKET PARTICIPANTS):**

- Gravity model is for 2019 (first stabilized year of operations) and separate gravity models were completed for slots and tables.
- Competition includes all of the existing casinos within a 3 hour drive of Tioga Downs, plus new casinos in NY (Lago, Montreign, Rivers & Yellow Brick Road). Existing casinos are assumed to keep current capacity.
- Slot gravity model assumes maximum gamer budgets of \$946 annually in 2019 and adjusted by zip code for per capita income, gravity model convenient distance is assumed to be 6.0 minute drive time and exponent is -0.7, maximum slot participation is estimated at 35% and 2019 drive-in market reach is 120 minutes.
- Table gravity model assumes maximum gamer budgets of \$736 annually in 2019 and adjusted by zip code for per capita income, gravity model convenient distance is assumed to be 19 minute drive time and exponent is -2.0, maximum table participation is estimated at 11% and 2019 drive-in market reach is 120 minutes.
- The attraction factor in both the slot and table models is .80 in the low case
- Hotel rooms have 100% weight in model (equal to slots and table game positions)
- Consumer budgets for both slots and tables are estimated to grow by 1% annually from 2014 through 2019 due to economic gains but not due to inflation.

**4. Overnight Visitor Model (TOURISTS)**

- overnight visitor model is segmented into two markets, those staying in onsite hotel and those staying in other area hotels
- onsite hotel has 161 rooms, stabilized occupancy of 88.5%, a gamer capture rate of 80%, 1.8 guest per room, 70% slots, 30% tables, \$306 slot win per guest and \$263 table win per guest, 25% of onsite hotel guests are considered from beyond drive-in radius so onsite overnight guest revenues are discounted by 75% to arrive at incremental overnight visitor revenues
- There are 5,350 hotel rooms within 30 miles. Assume stabilized occupancy of 55%, a gamer capture rate of 0.7% (weighted average based on distance from Tioga Downs), 1.8 guests per room, \$61 slot win per guest and \$26 table win per guest, 40% of offsite hotel guests are considered from beyond drive-in radius so onsite overnight guest revenues are discounted by 60% to arrive at incremental overnight visitor revenues

**5. Traffic Intercept Model (TOURISTS)**

- 15% of Route-17/I-86 traffic will be from beyond the 120 minute drive time market (based on Advisors proprietary observations of highway traffic in other jurisdictions).
- 0.75% of pass through travelers will patronize the casino each for slots and tables (based on industry wide accepted rates and anticipated investment and assets at Tioga Downs).
- Travelers will make relatively short duration trips and average win per trip will be \$61 for slots and \$21 for tables based on an estimate of one hour of play time.
- Each car will have an average of 1.5 adult passengers (based on Advisors traffic observations).

**6. Gaming Revenue Ramp Up**

- Class II operations will continue through March 31, 2016; Class III operations will begin throughout 2016 with new slotsonline April 1, 2016 and tables online July 1, 2016.
- Both slots and tables will achieve 96% in the first full year of operations (2017) and 98% in the second full year of operations (2018).
- Annual growth will be 1.5% in 2020 & 2021, 1.0% in 2022 & 2023 and 0% in 2024 & 2025

**7. Tourist Patronage**

- The state of origin for tourist patronage is estimated based on the number of gamers (per the gravity model) in the zip codes between 120 and 180 minutes: