



Exhibit IX.A.2.a. - Cost to Host Municipalities and State

Submit as Exhibit IX.A.2.a. studies completed by independent experts showing the proposed Gaming Facility's cost to each Host Municipality, nearby municipalities and the State for the proposed Gaming Facility including, without limitation, the incremental effect on local government services (police, fire, EMS, health and building inspection, schools, public health and addiction services and general government services).

Please see the attached Exhibit IX.A.2.a. - Local Impacts and Costs report prepared by Global Gaming & Hospitality, LLC, Morowitz Gaming Advisors LLC and Leisure Dynamics Research, LLC.

Tioga Downs Works For The Southern Tier

CONFIDENTIAL

Exhibit IX.A.2.a – Local Impact and Costs

Located in:

Nichols, New York

Prepared For:

Tioga Downs Racetrack, LLC

Prepared By:

Global Gaming & Hospitality, LLC

&

Morowitz Gaming Advisors, LLC

&

Leisure Dynamics Research, LLC

June 12, 2015



Exhibit IX.A.2.a – Local Impact and Costs

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Exhibit IX.A.2.a – LOCAL IMPACTS AND COST: Provide an assessment of the proposed Gaming Facility’s cost to each Host Municipality, nearby municipalities and the State for the proposed Gaming Facility including, without limitation, the incremental effect on the local government services (police, fire, EMS, health and addiction services, and general government services).

Each independent expert’s study should describe the background, qualifications and experience on similar projects of the prepared and a description of the background conditions in the comparable year (assuming economic, traffic, and demographic conditions, etc. continue to develop as to trend without the proposed Gaming Facility) and under the build scenario with the express enumeration of assumptions. The report should include a comparison to similar projects or scenarios. The build scenario and assumptions should reasonably correspond to the description of the proposed Gaming Facility, revenue and visitation projections, and expense and employment estimates included in the Application. That is, the Applicant and the various independent studies should present comparable assumptions and build scenarios. Where independent studies depend on visitation or revenue assumptions, they should include analysis of the low, average and high cases analogous to the same used for the gaming market and tax studies. Studies should explain their methodology, report their results and compare those results to actual observed conditions in similar built projects. The reports should critique and analyze the adequacy of the Applicant’s proposed mitigation plans to address the identified impacts of the build conditions.

I. LOCAL IMPACT AND COSTS

For the purpose of this analysis, Leisure Dynamics Research, Morowitz Gaming Advisors and Global Gaming and Hospitality (collectively “GGH”) interviewed and collected data from area first responders and agencies to understand their current staffing levels, budgets, needs and expectations in order to protect and provide service to the casino resort and its patrons. Notably, given that Tioga Downs has an existing gaming facility, there is already a track record for visitation to the property, so this would primarily be a scalar difference for the operation, not an introduction of the “unknown” to the town.

Additionally, we conducted primary interviews with similar officials from around the country in gaming markets that have been recently established in order to understand what impacts they have felt as a result of having a casino in their cities, as well as what mitigation agreements they have to offset any additional costs they may have incurred. This is supplemented by a survey conducted by the Orange County, New York Department of Emergency Services of emergency service departments serving the Connecticut casino markets, and two New York casino markets, Turning Stone and Seneca Niagara. Based on the results of these interviews and surveys, we conclude this analysis with a summary of the likely impacts and potential mitigation needs.

Tioga County Sheriff Department

GGH interviewed the Tioga County Sheriff’s Department to understand the current status of the department and their experience working with the existing Tioga Downs property. Their experience is that the racino is a positive contributor to the business community and does not contribute any problems. Calls to the property are infrequent, and generally relate to issues such

as player's cards or credits accidentally being left in slot machines, wallets found in the parking lot, or, at worst, parking lot fender-benders. Tioga Downs opened in June 2006 and to date they do not recall any felonious activities related to the racino. During major events (the summer concert series) there is need for traffic control, performed by both the police and the fire department, but Tioga Downs pays for that service as it is provided. As a result, the Sheriff's Department envisions no impact if Tioga Downs expands from the current racino into a casino resort.

Nichols Fire Department

GGH interviewed Robby Minor, Chief of the Nichols Fire Department, which is the most proximate department responding to calls coming in from Tioga Downs (3 miles). The department responds to between 200 and 250 calls per year. Tioga Downs accounted for 17 of the calls in 2014, including 16 EMS calls and one false alarm. Through April of 2015 there were six calls, which would suggest 16 to 20 annual calls is a typical range for the department.

The department has three pumpers (two are also tankers: 2,500 gallon and 2,000 gallon), two ambulances, one rescue truck, one utility truck and one rescue boat, which Tioga Downs helped fund to assist during the September 2011 flood that devastated the area. When needed, the Tioga Center Fire Department also responds, with their firehouse being 8 miles from Tioga Downs. The Nichols Fire Department has 4 EMT's and 58 volunteer firemen, not all of which are active.

The department recently received training on how to work with garage fires, a necessity since Tioga Downs recently added the area's first parking garage. In order to adequately provide service to a casino resort the fire department would need additional training for high-rise buildings, preferably with some equipment on site. Training of casino resort security staff to serve as an extension to the department would be a beneficial supplement. Additionally, it may be necessary to add a ladder truck in case of need to respond to issues at the hotel.

Chief Minor was somewhat ambivalent about the prospect of transforming Tioga Downs from a racino into a casino resort. From a work perspective he did not anticipate problems with respect to an increased workload. Of personal concern was that there would be an increase in traffic in his rural town, though traffic from additional casino visitation should be easily managed through traffic engineering modifications.

Mental Health Services

In 2014 GGH interviewed Michelle Hadden, the director of the New York Council on Problem Gambling. The department is under the umbrella of the New York State Office of Alcohol and Substance Abuse. It is our understanding that her department gets no specific funding for problem gaming from the State.

There are 22 treatment programs across the state, but only 10 of which Ms. Hadden considered as actively providing gambling addiction treatment. There is at most one counselor per treatment center dedicated to problem gaming. If there was more funding for the department it would be used for awareness campaigns (the hotline number was recently changed and calls are down sharply this year since people are not familiar with the new number), treatment programs, advocacy prevention, social studies, etc.

There have been numerous studies in the U.S. to gauge the level of problem gaming, with the landmark study being a 1999 Harvard report that estimated a prevalence rate in the range of 1.14 percent and 1.60 percent of the adult population.¹ The prevalence rate should be expected to vary depending on the level of accessibility to different gaming options. However, if gaming is already available in a region, adding new gaming facilities generally has not resulted in significant growth to the population of addicted individuals. As there are gambling options available already in the region, we would expect the incremental problem gamer issue will not grow significantly, though there will likely be some growth.

¹ Shaffer, H.J., Hall, M.N., & Vander Bilt, J., "Estimating the prevalence of disordered gambling behavior in the United States and Canada: A research synthesis." *American Journal of Public Health*, 89, 1369-1376. (1999).

II. COMPARATIVE MARKET EXPERIENCE

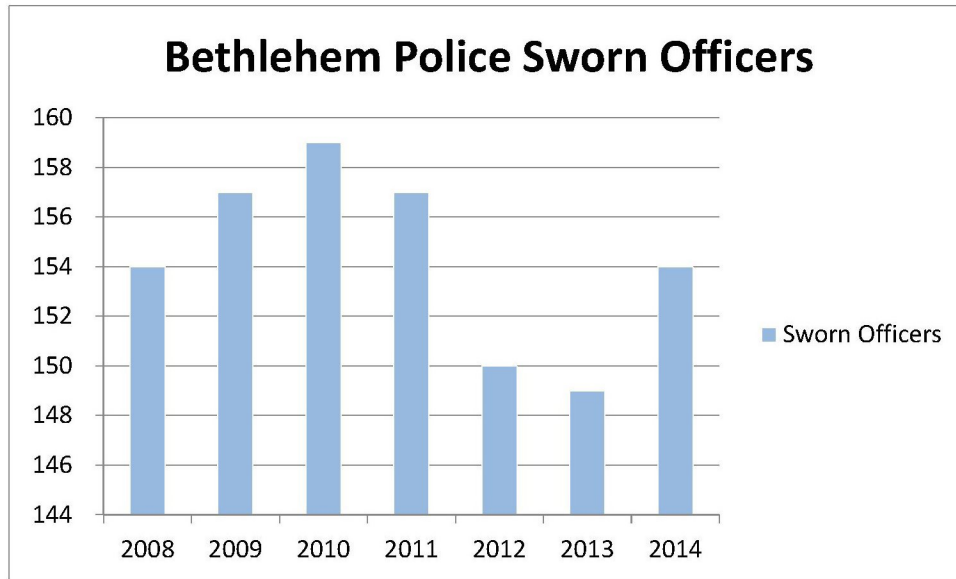
In addition to the experiences of the Tioga and Nichols area emergency professionals since the opening of Tioga Downs, the historical experience of officials in other towns that have recently added casinos offers some perspective. GGH conducted surveys with emergency services representatives in six communities to understand whether the casino created any issues with respect to their staffing needs, calls to the casino and any information related to memorandums of understanding (MOUs) and/or funding from the casino to the departments. The communities surveyed were:

- Bethlehem, PA where the Sands Casino opened in May 2009
- Mount Pocono, PA where the Mount Airy Lodge Casino opened in October 2007
- Emmetsburg, IA where the Wild Rose Casino and Resort opened in May 2006
- City of Waterloo, Black Hawk County, IA where the Isle Casino Hotel opened in June 2007
- Oxford, ME where the Oxford Casino opened in June 2012

This analysis also provide some summary data from a survey completed in 2014 for the Orange County, New York government regarding emergency service needs for existing Connecticut and New York casinos.

Bethlehem, Pennsylvania

The Bethlehem, PA police department Open Records Officer William Karras provided data that suggests the opening of the casino has had little impact on crime in the area. There has been a steady average of six annual DUI/DWI arrests over the past six years, and the department did not need to add any staff or equipment in response to the opening of the casino. The map below shows current police staffing at the same level as before the opening of the casino.



There are an average of six arrests per month at the casino, and there was not an MOU or other funding provided by the Sands Casino when the facility was developed and opened.

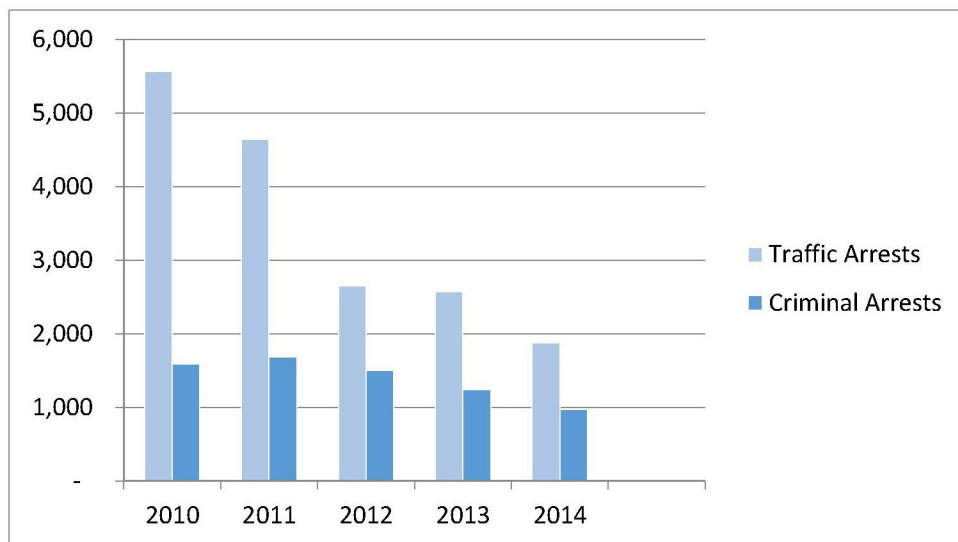
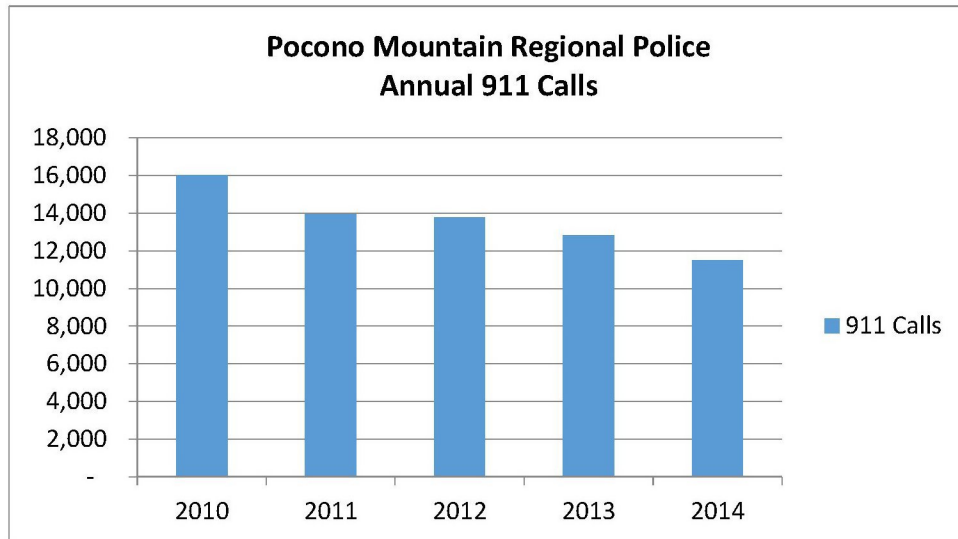
Bethlehem Fire Department Chief Robert Novatnack stated that he has seen an impact from the opening of the casino. His department currently employs 114 full-time firefighters and 30 EMS workers. While they did not have to build a new fire house in response to the opening of the casino, they did need to purchase a new fire truck, a new ambulance and hire five additional fire fighters at a cost of \$800,000 to the department. He said that the fire truck was partially paid for through a casino economic development grant, but that the grant only supplied \$25,000 of the necessary funds. He said that they also received a Gaming Grant for the ambulance, but that also did not cover the total cost of the equipment.

Chief Novatnack felt that the opening of the casino had significantly increased traffic in the area and that there were many more calls for EMS. He said that there were approximately two calls per day to the casino for EMS services and about two calls per week for small fires, typically things like, "people throwing their cigarette butts into the mulch in the landscaping" outside the casino. He stated that there had been no MOU with the casino, but that he "sure wish there had been" and that increased costs to the department were not funded appropriately by the casino. As a point of reference, Sands was included in this survey primarily due to the relative proximity to Tioga and the fact that it is one of the more recent east coast casinos to open. However, it should be noted that the casino generates gaming win approximately 4 times greater than projected for Tioga Downs, thus their relatively significant volume of service calls should be expected.

Mount Pocono, Pennsylvania

The Pocono Mountain Regional Police Department serves Tobyhanna, Mt. Pocono, Tunkhannok and Coolbaugh, the communities surrounding the Mt. Airy Casino. Chief Harry Lewis only had

data available going back to 2010, which is after the casino opened, but in all categories surveyed there has been a steady decline in incidents, suggesting that the casino is not a continuing negative influence on criminal activity in the Mount Pocono region.



The Pocono Mountain Fire Department is a 100% volunteer department, as are all of Monroe County and the surrounding counties. Chief Dan Luddeni stated that his station had not seen any increase in residential fires since the opening of the casino, but that they have seen "more traffic accidents in general and specifically in the area of the casino". Chief Luddeni said that the major cost increase was volunteer time spent, but that the department did spend approximately \$60,000 for vehicle rescue equipment to be used for the entire coverage area. He said that overall call volume for his Company had grown slightly over the past 12 years from roughly 170 fire calls annually to approximately 200 currently, but that it has grown largely due to population

increases over the past few decades and not as a result of the casino. Chief Luddeni also said that the number of volunteers has shown a slight increase recently, "but it is cyclical. We often gain a few then lose a few, always settling in or around the same number although we could always use more". His department has not received any funding or donations from the casino and did not have an MOU in place.

Emmetsburg, Black Hawk County, Iowa

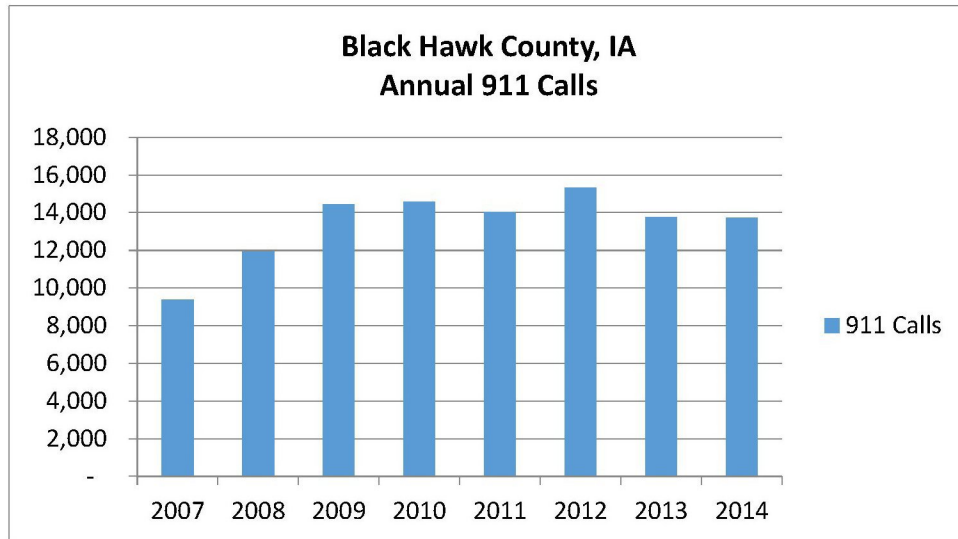
The Emmetsburg, IA Chief of Police Eric Hanson stated that his department gets eight to ten calls per month to the Wild Rose Casino and Resort, and that they fall into three main categories: request for support of armored trucks transporting casino property, ambulance calls, and requests to unlock vehicles. He said that it is extremely rare that the police department is called to the casino for criminal activity and that there are very few arrests. He said that on the occasions that an arrest is made, it is usually for Public Intoxication.

Chief Hanson said that the number of DUI/DWI arrests over the past ten years has remained relatively steady and he does not feel that there was an increase due to the casino opening. He provided information that there have been a total of 158 DUI/DWI arrests over the past ten years, for an average of 15.8 arrests annually. His department did not add any staff or equipment due to the opening of the casino, and has had six full time officers and one secretary for the past ten years. There was not an MOU with the casino when it opened and the police department has not received any funds directly from the casino, but has applied for and received grant funding from the casino's non-profit foundation.

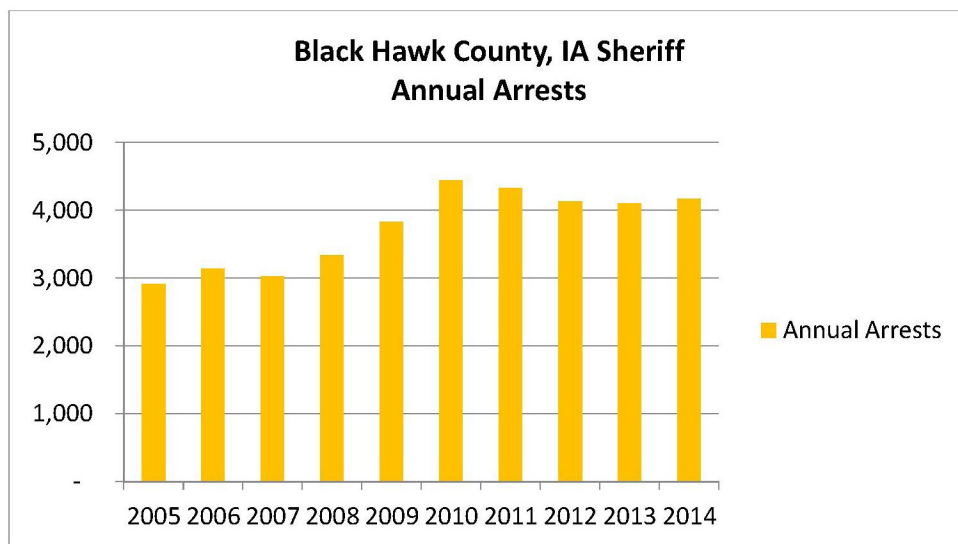
Kim Kibbie, the Emmetsburg City Clerk, stated that the fire department had not needed to add a new fire station due to the opening of the casino. She said that they had purchased new equipment, but that that was not necessarily due to the casino opening. She said that the fire department had not signed an MOU with the casino, but that like the police department, had received numerous grants to fund equipment purchases from the casino.

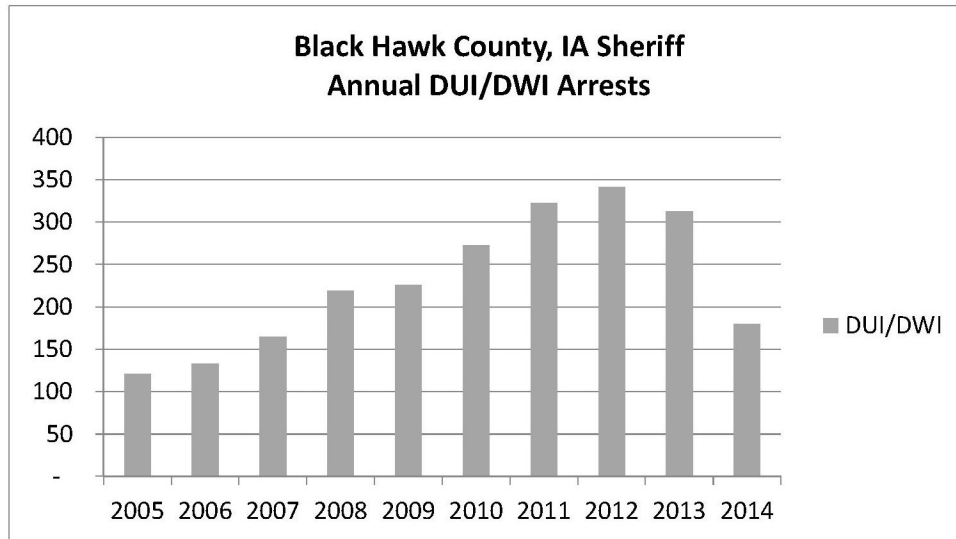
Deputy George Wright of the Black Hawk County Sheriff's Department stated that the department had not added any staff when the Isle Hotel and Casino opened, but that they had loaned the Iowa Department of Criminal Investigations, which handles many of the law enforcement activities for the casino, the use of their NetMotion/Shield software to track offenders in Black Hawk County at a cost of \$500 to the department. They did not have an MOU with the casino and have not received any funding from the casino.

Since the casino opened there has been an increase in the number of annual 911 calls that the Black Hawk County Sheriff's Department receives, going from 9,405 calls in 2007, the year the casino opened, to a peak of 15,328 calls in 2012, a 63 percent increase. However, the number of annual 911 calls has fallen in the past two years.



Similarly, there has been an increase in the annual number of arrests and number of DUI/DWI arrests since the casino in Black Hawk County opened. However, this trend began prior to the casino opening, but there was a significant jump in DUI/DWI arrests after the casino opened. Deputy Wright did not indicate whether he felt these increases were due to the opening of the Isle casino or not.





Waterloo, Iowa

The City of Waterloo Fire Rescue is a professional company that employs 100 uniformed and four civilian professional staff. In addition to its role in fire suppression and rescue, the department provides fire-service based Emergency Medical Services (EMS). Ambulances are staged at firehouses and are staffed by cross-trained firefighter-paramedics. This department feels that this affords considerable efficiency and flexibility to its operations. The budget for 2014-2015 was roughly \$13.5M.² Chief of Fire Services Pat Treloar did not indicate whether the department had signed an MOU with the casino or if they had received any funding from the casino, but the department secretary felt that there had not been any money given by the casino or any kind of agreement with the casino. The department opened a new fire station and added staff since the casino opened, but the administrative liaison did not feel that this was due to the Isle Casino opening.

Oxford, Maine

Lieutenant Mike Ward of the Oxford, Maine police department stated that the number of calls to his department has increased in the past two to three years, but he indicated that this was due to all of the new businesses that had recently opened in Oxford and were bringing many people to the area. He said that in addition to the Oxford Casino, a Wal-Mart and numerous other businesses had recently opened that brought more people into Oxford from out of town than actually live in the city. He stated that they were, "a small community of about 4,000 people. These businesses opening have been a boon for the town. We have a great relationship with the casino and the other businesses". He was very enthusiastic about the Oxford Casino and said that it had brought many jobs to the community. He said that he had not noticed any increase

² Waterloo FY2015 budget, <http://165.206.254.124/local/city/fy15/budgets/WATERLOO15.pdf>

in serious crimes, but that there was far more traffic in the town, again stating that "businesses are bringing more people in than actually live here". Although there was more traffic, Lt. Ward seemed to view the increased activity in the town as a significant positive.

Oxford Fire/Rescue is a professional company of 47 firefighters, EMTs, and paramedics. Lieutenant Steve Cordwell said that the department had grown in the past few years, but said that he wouldn't necessarily attribute that to the Oxford Casino. He was unsure if the casino had provided any funding to the department or if there had been a signed MOU.

Orange County Survey

As a result of the NY casino RFA, the Orange County, New York government conducted a similar survey on the impact of casinos on emergency services.³ The Orange County Department of Emergency Services contacted numerous emergency services agencies in New York and Connecticut in an attempt to determine the impact that casinos have had on their jurisdictions. The Orange County study included the following agencies:

Agency	Location	Casino
American Ambulance (Commercial Service)	Norwich, CT	Foxwoods Resort Casino & Mohegan Sun
City of Oneida Police Department	Oneida, NY (Oneida County)	Turning Stone Resort & Casino
Niagara County Office of Emergency Services	Niagara County, NY	Seneca Niagara Casino
Oneida County Emergency Services Office	Oneida County, NY	Turning Stone Resort & Casino
Town of Montville Police Department	Montville, CT	Mohegan Sun
Town of Ledyard Police Department	Ledyard, CT	Foxwoods Resort Casino
Town of Ledyard Fire Marshal	Ledyard, CT	Foxwoods Resort Casino
Verona Fire Department (Fire & EMS)	Verona, NY	Turning Stone Resort & Casino

According to that study,

“The overall finding from these telephonic interviews is that the casinos have had a minimal impact in terms of crime rates, medical calls, fire related incidents, and emergency management activities. The common theme from all the representatives interviewed for this study was that the impact of the casinos caused some initial issues but as the facilities matured, the impact was minimized.”

³ Orange County Department of Emergency Services, “Impact of Casinos on Emergency Services in Orange County”, <http://www.co.orange.ny.us/filestorage/1140/16310/CasinoImpactEmergSvc2014.pdf>, April 2014.

There was a concern that there would be significant increases in DUI/DWI cases and Part 1 crimes such as murder, rape and assault, but the Orange County Department of Emergency Services determined that these fears were largely unfounded according to the police department members they interviewed. This is in keeping with the findings of GGH, which did not see any statistically significant increase in any region in 911 call volume, criminal activity or arrests, and in many areas saw a marked decrease in crimes after the casino opened.

In the Orange County study, the one exception to this trend was in the area of vehicular traffic. In their survey, each of the jurisdictions interviewed cited a significant increase in vehicular traffic leading to and from the casinos. GGH did not specifically request information about traffic patterns or increased vehicle incidents, but several of the towns that we surveyed specifically mentioned traffic and traffic accidents as a significant effect of the opening of the casino. However, in Mount Pocono, the one region that did provide data on arrests related to traffic arrests and violations, they have actually seen a decrease over the past five years in traffic arrests and warnings.

In conclusion, there seems to be very little deleterious impact on community services in areas in which a casino has opened. In most small communities there was also no signed MOU with any casino. In general, communities seemed to have an overall positive feeling toward the casino and felt that it was an asset to the town or county.

Summary of Potential Impacts

There seems to be very little deleterious impact on community services in areas in which a casino has recently opened or the markets that Orange County surveyed in New York and Connecticut. Summarizing the police calls and arrest comparisons, Sands Bethlehem was clearly an outlier and this is likely related to the significant business volumes that they generate. As noted by the Tioga County Sheriff's office, calls to the casino are infrequent; a doubling of gaming revenues from 2014 to 2019 theoretically would double visitation (or slightly more, based on the addition of non-gaming amenities as well), but the magnitude is still not worrisome to their department.

From a fire and EMS perspective, given that revenues at Foxwoods and Mohegan Sun are each substantially larger than the proposed Tioga Downs expansion (8,300 to 9,300 gaming positions apiece as compared to 1,300), the need could be scaled down to less than one EMS call per week for Tioga Downs. Similarly, based on the current volume of calls for EMS services at Tioga Downs of 16 to 20 per year, a doubling of visitation would likely increase the visitation to a rate of one call every one to two weeks (32 to 40 calls per year). This incremental demand may call for an additional EMT.

Health/addiction services is one area where there was little to no feedback regarding before and after impacts of adding casinos to the aforementioned markets. Gamers in the region currently have multiple options for casino-style gaming in New York, including at Monticello, Yonkers, Aqueduct, Tioga Downs, Turning Stone and Saratoga, as well as out of state in New Jersey,

Connecticut and Pennsylvania (and likely soon in western Massachusetts). The lottery is also a form of gaming that has been popular in the region for decades. As a result, we would expect that the addition of the casino would not have a significant incremental impact on the addiction volume, but should be a concern of the State as far as supporting addiction programs and studies of their effectiveness.

IV. ABOUT GGH & AFFILIATES

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Global Gaming & Hospitality, LLC

Global Gaming & Hospitality (GGH) is a private global merchant advisory & investing boutique – with offices in Las Vegas, Nevada, New York, New York, and Atlantic City, New Jersey – dedicated to providing our clients in the core global real estate, gaming & hospitality (including casinos, lodging & hotel, resort, condominium, timeshare, vacation ownership, golf & leisure) sectors with an experienced, highly-focused, and “industry knowledge” based platform committed to helping clients achieve their diverse broader strategic, real estate, operational & financial objectives.

GGH’s core business revolves around three primary areas of established activity, focus & expertise:

- Industry Knowledge including general casino & hotel industry/market research & feasibility, expert consulting, turn-around & operational assessment, corporate & strategic planning, etc.
- Commercial Real Estate Services including real estate brokerage, leasing & asset management, site assemblage, valuation services, and more
- Financial Advisory, Capital Markets & Merchant Investing including M&A, capital-raising advisory, work-out/re-structuring advisory, and buy-side investor advisory or direct capital investing services

GGH’s core clients currently or previously have consisted of a wide range of public & private companies; high net worth individuals & families; government agencies, municipalities & regulatory bodies; Native American tribes & nations; trustees, special servicers & receivers; banks & other financial institutions; institutional investors (including hedge funds and CLOs); private equity sponsors; global investors (including sovereign wealth funds); law firms; real estate developers, owners & entrepreneurs; and 3rd -party management companies & growth platforms – all for whom we periodically provide a wide array of general industry-related consulting or advisory services.

Michael S. Kim's Bio

Michael S. Kim is a founding member of GGH, a boutique merchant advisory & investing firm that specializes in servicing the gaming & hospitality sectors globally. GGH has 2 main offices located in New York City & Las Vegas. The GGH platform provides clients with a “one-stop” shop and holistic perspective regarding investments in the hospitality and gaming sectors. This perspective is derived from the synergies of the partners’ collective experience with core industry consulting, operational assessment, asset/property management, commercial real estate brokerage (sell/buy-side) & services, investment banking, corporate/leveraged acquisition finance, capital markets, M&A/financial advisory, project finance, development, and pre-development services, etc. Prospective GGH clients include major global financial institutions; public and private companies; various US, European, and Asian investor groups; certain high net worth individuals & families and distressed debt/property investors.

Prior to founding GGH, Michael was Managing Director, Corporate Finance - Real Estate, Gaming, Lodging & Leisure based in New York with SG Americas Securities LLC (“SGAS”), SOCIETE GENERALE Corporate & Investment Banking’s (“SG CIB”) registered US broker-dealer subsidiary. As head of Gaming, Lodging & Leisure, globally, Michael had specific responsibility for overseeing SG CIB’s activities worldwide in these industries including client coverage, allocation of investment capital & portfolio management, new business origination, strategic planning, and providing corporate finance and M&A advisory services to clients in these sectors. SG CIB’s total capital to these industries was historically invested across a variety of assets including senior secured/unsecured bank & mortgage loans, institutional first & second-lien debt, acquisition finance, high-yield bridge loans, mezzanine, public and private convertible, preferred and common equity. While at SG CIB, Michael was actively involved in the origination, structuring and execution of over 100 separate capital markets transactions raising in excess of \$40 billion for primarily gaming, lodging & leisure companies in the form of senior secured bank loans, mortgage/asset-backed and corporate high-grade & high yield debt securities, institutional first/second lien, mezzanine, preferred and common equity distributed via publicly-registered, 144A and direct private placements as well as traditional leveraged & syndicated loan product offerings. As a lifetime industry-oriented investment banker, Michael has also spear-headed the origination and execution of numerous domestic and cross-border strategic and M&A advisory assignments (both private and public, buy-side and sell-side), LBOs and re-capitalizations for real estate, gaming, lodging & leisure clients totaling in excess of \$20 billion. Upon joining SG CIB in 1996, Michael was one of the founding members of Société Générale Securities Corporation, one of SGAS’ predecessor entities and Société Générale’s original US broker-dealer unit formed to facilitate its original entry into the US securities business.

Prior to joining SG CIB, Michael worked in both the Financial Institutions Group & Real Estate Investment Banking divisions for Salomon Brothers Inc where he was actively involved in the origination, structuring and execution of a variety of capital-raising transactions including public

and 144A corporate high-grade & high-yield debt, convertible/preferred stock and common equity (including IPOs and secondary share offerings), project financing, CMBS and mezzanine placements for banks, thrifts, S&Ls, insurance companies, mortgage banks, specialty finance companies, REITs, and real-estate intensive gaming & lodging companies with specific responsibility for coverage of the hotel REIT sector. Michael also performed financial and M&A advisory work for numerous public and private gaming, lodging & real estate companies, individuals, limited partnerships and financial institutions with respect to the recapitalization of their balance sheets or asset portfolios including extensive experience in the valuation, disposition and securitization of non-performing loans and distressed real estate assets through advisory work involving the Resolution Trust Corporation. Prior to joining Salomon Brothers, Michael also worked at J.P. Morgan.

Michael graduated from Yale University with a BA in Economics and BA in Political Science – International Relations.

Cory Morowitz's Bio

Cory Morowitz is Managing Partner of Morowitz Gaming Advisors, LLC, a gaming consultancy, and a partner in GGH with Global Gaming & Hospitality, LLC. He is the publisher and editor of the Morowitz Quarterly (on hiatus), and previously Industry Director of the Wharton Program for Gaming Executives. He is also a former adjunct professor on staff at Drexel University where he developed and taught a Masters Level course called “Casino Financial Analysis.” Mr. Morowitz received his Masters of Business Administration from the Wharton School of the University of Pennsylvania in 1996. He received his undergraduate degree with honors from the State University of New York, College at Oneonta, in Business Economics in 1981. For over thirty years Mr. Morowitz has advised gaming and other business clients on operations improvement, market entry and expansion, strategy, and finance. He has testified numerous times on valuation and business litigation.

Mr. Morowitz is the author of a number of continuing education and masters level courses as follows:

- Accounting and Financial Analysis for Non-Accountants in the Hospitality Industry
- Financial and Operations Analysis Techniques for Gaming Industry Professionals
- Operations Management Techniques for Gaming and Hospitality Executives
- Family Business Value Management – Growing the Value of Your Family Business
- Ultimate Budgeting for Gaming Industry Professionals
- Forecasting and Analysis Techniques for Gaming Industry Professionals
- Drexel University – Casino Financial Analysis (Hospitality Masters Program)

Mr. Morowitz lectures frequently on the topic of business valuation and business growth. He has presented at the following venues:

- Global Gaming Expo (G2E) in 2002 and 2003 - budgeting and forecasting
- Global Gaming Expo (G2E) 2006 – Revenue Management
- Global Gaming Expo (G2E) 2007 – Education and Gaming
- Global Gaming Expo (G2E) 2008 – Sustainable cost cutting
- Global Gaming Expo (G2E) 2008 – Succession planning
- Global Gaming Expo (G2E) 2009 – Restructuring the Gaming Industry
- Global Gaming Expo (G2E Asia) 2011 – Sustainable Cost Management
- Global Gaming Expo (G2E) 2012 – Managing Corporate Cash
- Gaming & Technology Conference in Atlantic City - 2000-2003
- UNLV – Quarterly Seminars on Gaming Management
- Hospitality Finance and Technical Professionals – 2001 Keynote Speaker on Finance and Strategy
- Wharton School - Guest lecturer for Marketing Strategy Class, fall 2005, 2006, 2007 and 2010
- Rutgers Family Business Forum – Frequent lecturer on business growth and valuation

- Ultimate Budgeting for Gaming Industry Finance Professionals – 2004 and 2005 Atlantic City Convention Center and 2006 in Las Vegas at Green Valley Ranch and Venetian and in 2007 at UNLV
- Drexel University, Casino Financial Analysis – Spring Quarter, 2011, Adjunct Professor and course developer

As Industry Director of the Wharton School Program for Gaming Industry Executives, Mr. Morowitz was responsible for conception and development of a comprehensive training program for senior gaming industry executives at the World's premier business school. Mr. Morowitz is the publisher of the Morowitz Quarterly (currently on hiatus), an award winning gaming industry strategy and finance newsletter. He is also the author of numerous articles, studies and white papers. His articles have been published in The Morowitz Quarterly, Gaming Industry Observer and Global Gaming Business magazine. Previously, Mr. Morowitz was appointed Chief Financial Officer of a public gaming firm during its transition through bankruptcy. Mr. Morowitz was part of a team of executives that successfully reorganized the firms' debt from \$130 million to less than \$26 million, preserved three Indian gaming contracts and the successful emergence from bankruptcy. Mr. Morowitz and his associates typically consult to the gaming industry on financial and strategic issues. Here is a sampling of the types of projects he has consulted on:

- Feasibility and market impact studies for new casinos in almost every U.S. market
- Consultant and expert witness on major Atlantic City tax appeal case
- Consultant on implementation of new customer service system that has revolutionized slot service in the gaming industry.
- Determination of optimal customer service windows for new casino in Atlantic City
- Design and implementation of employee scheduling and service systems in casinos
- Market impact study for Delaware racino industry quantifying the impact of Pennsylvania gaming on existing racinos
- Impact study on implementation of sports wagering in Delaware and testified to legislative committee
- Study on behalf of market leading Atlantic City operator of internet gaming potential for the state of New Jersey
- Internal audit and accounting outsourcing to Native American tribes and casinos throughout the United States
- Pre-opening activities including budgets and internal controls for several casinos in eastern U.S.
- Investment optimization analysis for new casinos
- Valuation analysis for termination of Indian Gaming contract rights and assistance with negotiation and buyout of partner
- Stock buyback analysis for a public gaming firm
- Part of three man team to lead a public gaming firm through bankruptcy reorganization and successful emergence from bankruptcy while keeping three tribal gaming management contracts in force
- Co-developed and launched a slot machine with Sands Casino and Alliance Gaming

- Strategic analysis for a Nevada based gaming firm whereby we quantified the impacts of closing one of its three casinos.
- Developer of a gaming floor optimization product
- Accounting due diligence for several casino acquisitions
- Analysis of the impacts of a tax on promotional gaming credits on Pennsylvania casinos and the state of Pennsylvania
- Strategic scenario and options analysis for a Midwest casino in order to quantify the strategic options associated with its two gaming licenses
- Strategic planning facilitations for executive management teams of several casinos throughout U.S.
- Buy side due diligence for several casino transactions

Leisure Dynamic Research, LLC

Leisure Dynamics Research, LLC (“LDR”) is a New Orleans-based consulting firm formed in 2009, specializing in providing services for leisure industry development projects, from development project feasibility to economic and socio-economic impact analyses. LDR’s staff has provided casino, hotel and resort-related analyses for projects throughout North and Central America, the Caribbean, Australia, Europe, Asia and Africa, as well as golf course, marina, theatre, convention center, bowling alley, spa and other related leisure developments. LDR is led by CEO and President Scott Fisher, Ph.D. who has been providing leisure industry economic consulting services globally since 1994.

Our staff has performed more than 100 casino and resort-related analyses throughout the globe, ranging from feasibility studies for small Native American casinos to full financial forecasts for some of the largest casino resort developments and operations in both Macau and Singapore, along with several resorts currently in the planning stages positioned to potentially change the European gaming landscape.

Local Impact Analysis Experience and Methodology

LDR has analyzed impacts on public services for casino resort development in previous engagements as addenda to economic impact analyses, generally focusing on single markets. However, for the purpose of the New York bid process Leisure Dynamics Research did primary research across the United States (during the Application process, April-June 2014), interviewing town and county commissioners, police and fire chiefs, casino operators, EMS departments, etc. in jurisdictions where large-scale casinos have opened in the past decade (not in clustered locations such as Las Vegas, Atlantic City or Biloxi). These interviews provided us with information to calibrate what impacts may be felt in each arena (where quantified – most respondents were more qualitative in their response, particularly when the answer was “we felt no impact”) – we focused on recent openings in order to get opinions and data in terms of before/after impressions. We also supplemented the primary research with research recently conducted by the Orange County Department of Emergency Services, available on the Orange County website, which did surveys of agencies serving Foxwoods, Mohegan Sun, Turning Stone and Seneca Niagara Casino.⁴ The Connecticut casinos in particular are of significantly larger scale and patronage (projected) than the proposed Grand Hudson Resort and Casino, and have been open for much longer, but are useful as an additional evidence to demonstrate what the potential impacts and utilization of emergency services may be.

Scott Fisher's Bio

Summary of Qualifications

⁴ <http://www.co.orange.ny.us/filestorage/1140/16310/CasinoImpactEmergSvc2014.pdf>, accessed May 30, 2014.

- Over 15 years experience in analyzing the global gaming market and financial performance of individual gaming and resort properties;
- Experienced evaluator of market demand and risk for development in emerging markets, including large-scale resort feasibility projects in:
 - *Australia; Cambodia; Cyprus; Germany; Hungary; Laos; Latvia; Macau; Philippines; Singapore; S. Korea; Spain; Taiwan; U.K.; U.S.; Vietnam*
- Broad experience working with senior gaming industry executives, investment banking analysts, governmental officials and tribal leaders.

President, Leisure Dynamics Research, LLC, New Orleans, LA 2009-present

- Established independent consultancy in leisure development projects and operations;
- Performed gaming and hotel market assessments, financial forecasts and valuations, and marketing strategies for resorts worldwide;
- Responsible for all aspects of LLC setup and operations.

Co-Owner and Managing Director of The Innovation Group, New Orleans, LA 1997-2009

- Arrived as an analyst with a microeconomics background and helped develop complex models to forecast demand, costs and economic impacts for a broad array of casino and resort amenities of all sizes for our clients;
- Promoted from junior analyst position to Managing Director of a 28-person consulting firm and manager of an office of nine employees, producing over 250 studies per year as a global group;
- Spoke frequently on panels at U.S. and international gaming congresses;
- Performed market analyses throughout the world, with specific emphasis on Macau and other Asian gaming markets, as well as established and emerging European markets;
- Provided economic impact assessments and provided legislative testimony in support of gaming bills and referendums;
- Provided calculations of IRR and ROI for development projects and cost estimation to determine project feasibility and development budgets;
- Authored several articles published in Global Gaming Business;
- Frequently interviewed for newspapers and magazines in the U.S. and Asia on gaming-related issues, as well as on National Public Radio.

Research Analyst, Oakland Econometrics, New Orleans, LA 1993-1997

- Provided research assistance and wrote reports for small economics consultancy firm;
- Provided economic impact analyses for the Louisiana Department of Tourism to justify annual advertising budget in excess of \$10 million per year;
- Provided economic impact assessment for the City of New Orleans to justify allocations of State funds towards the metro area.

Published articles (partial list):

- Global Gaming Business, March 2009 “Island Fever”, discussing legalization of gaming in Taiwan. http://www.ggbmagazine.com/articles/Island_Fever;
- Casino Design, 2008 Q&A interview “The Asian Experience”;
- Global Gaming Business, December 2006 “Asian Excitement” discussing Macau’s parallel as the Las Vegas of Asia, and how other existing and emerging Asian markets compare to large U.S. markets.

Speaking/Presentation Experience (partial list):

- 2013 Southern Gaming Summit speaker, “Non-Gaming Amenity Technology Changes, 2020”;
- 2010 Global Gaming Expo (G2E) speaker, “Singapore: Integrated Resort Model or Stand Alone Success?”;
- 2008 G2E Asia moderator “The Macau Market: How Much is Too Much?”;
- 2008 Southern Gaming Summit panelist, “Fighting for Finance”;
- 2007 G2E panelist in session “Emerging Gaming Markets Asia”, with presentation “Asian Gaming Expansion Potential Opportunities”;
- 2007 Goldman Sachs Investment Forum at G2E Asia “Betting the Bank: Profitability and Performance of the Asian Gaming Market”;
- 2005 G2E panelist “Meeting in Macau : A Report on the First Year of Expanded Gaming”;
- 2004 Asian Gaming Expo, Singapore, panelist on gaming market potential in emerging markets;
- 2004 G2E panelist “Macau: Explosive Growth, A Risky Experiment or Both?”;
- 2003 Racino, session on racino expansion;
- 2002 G2E, panelist on racino legislation and emerging markets.

Other Qualifications:

- Former co-owner of Riverwalk Casino in Vicksburg, Mississippi (sold to Churchill Downs in 2012);
- Former co-owner of Casino Monte Lago in Lake Las Vegas, Nevada. Approved for an individual Nevada gaming license in 2009;
- Former Partner, Innovation Capital, an investment bank based in Los Angeles, focused on transactions related to the gaming industry;
- Former Partner, Innovation Project Development, a construction management/owners rep firm specializing in cost estimation and owners representation for the development and expansion of resorts.

Educational background includes:

- Freeman School of Business, Tulane University, New Orleans, LA – Executive MBA with Finance Concentration (2009-2011); Beta Gamma Sigma honors;
 - Tulane University, New Orleans, LA – M.A. and Ph.D. in Economics – (1990-1997);
- Union College, Schenectady, NY - BS in Mathematics/Economics (1985-1989).