

## Exhibit VIII.A.5 (Business Plan):

*Submit as Exhibit VIII.A.5. a qualitative five (5) year business plan for the proposed Gaming Facility describing, at least, the components and projected results of the material revenue lines and expense categories of the proposed Gaming Facility, the Applicant's sources and availability of financing, the principal business and financing risks of the proposed Gaming Facility and plans to mitigate those risks.*

This memorandum and the Pro Forma Financial Information included as Exhibit VIII.A.4. include statements that may constitute "forward-looking statements." Forward-looking statements are not historical facts but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements.

### REVENUES:

Total gaming revenues are projected to be \$484.1 million in the first year of operations and increase 11.1% in year two to \$537.9M and then increase 4.0% to \$559.4 million in the third year of operations. Future gaming revenue is expected to grow 2.0% annually after the third year. The year over year growth in years two and three are considered conservative based on our prior experience in regional gaming markets, as we have demonstrated significant "ramp up" in revenues at other properties as the properties' databases grow and marketing plans mature.

Food and beverage revenues are part of other revenue and are forecasted as a percentage of gaming revenues. The assumed revenue is consistent with our proposed program and was determined by our using our past experience in other regional gaming markets. Other revenue also includes hotel revenues, which is forecasted based on average revenue per room per night and occupancy assumptions are forecasted to grow with gaming and then with inflation as occupancy levels reach their peak. Year one total other revenue is expected to be \$64.6 million.

Comp Allowance includes deductions primarily for food and beverage complimentary sales and complimentary hotel rooms. Comp Allowance is forecasted based on a percentage of gaming revenue and at a higher rate than our other properties because of the hotel planned by the Applicant. In addition, Comp Allowance as percentage of gaming revenue is projected to slightly increase in the first years of operation as our database grows and more players have access to complimentary sales.

Total net revenues, after the Comp Allowance, are extrapolated to be [REDACTED] in year 1 and increase to [REDACTED] by year three.

### EXPENSES:

Total gaming and license fees consists of gaming taxes, slot and table count fees, payments to the Horsemen and Breeding Funds as well as gaming commission costs. These expenses are based on gaming revenues and gaming positions and will be paid in accordance with the New York State Gaming regulations. Payroll & Related, which includes all salaries and wages, benefits, taxes and other costs of employment, is estimated based on a "bottoms-up" employee headcount and wage analysis. [REDACTED]

[REDACTED] Non-payroll marketing expenses include the cost of all media advertising, promotions and other marketing costs. Marketing expenses are forecasted in conjunction with Comp Allowance based on a percentage of gross revenue incorporating results at our other properties and

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the expected competitive dynamics of the market. [REDACTED]

[REDACTED] Cost of Goods Sold is primarily a variable food and beverage costs that is forecasted to be variable with Food and Beverage revenue. G&A costs are a mix of relatively fixed and variable costs including accounting, human resources, software and other maintenance contracts, and several other administrative functions. G&A costs are forecasted to be consistent with our other properties as percentage of revenue and conservatively estimated to grow with revenues. Other Costs are forecasted based on the anticipated facility's size and revenues and are conservatively estimated to grow modestly each year with adjustments in revenues.

Overall, EBITDAM [REDACTED] is expected to be [REDACTED] in year 1 and grow [REDACTED] respectively in years 2 and 3, where it is expected to stabilize between [REDACTED] annually. [REDACTED] forecasted as a percentage of the gross revenues. Depreciation and Amortization is estimated based on an analysis assigning useful lives for tax purposes to the different components of our development budget. Interest expense is based on the financing structure described in Exhibit VIII.A.6.c and anticipated outstanding debt balances.

### **CAPITAL EXPENDITURES:**

Capital expenditures are projected to be between [REDACTED] and [REDACTED] annually for the first five years of operations. These projections include meaningful game replenishment and general maintenance for the property. Capex is expected to increase over time as the casino matures and slot product replacement becomes more necessary.

### **AVAILABILITY OF FINANCING:**

Project financing for the facility is more fully described in Exhibit VIII.A.6.c and assumes an initial debt to equity ratio of 3:1, although the sponsors are committed to funding more equity as may be appropriate. This ratio is forecasted to decrease [REDACTED] at the end of year 5 [REDACTED]. In terms of liquidity, our development budget includes a line item for opening day cage cash of \$17.5 million. In addition to cage cash, on opening day, [REDACTED]. In addition, our financing structure includes a revolving line of credit for \$15.0 million that will be available at opening for any unforeseen liquidity needs. In our prior experience opening and operating casinos, liquidity has never been an issue as cash flow from operations has been sufficient to fund liquidity needs. In addition to our availability to debt and capital markets, our equity sponsor has demonstrated the ability to fund liquidity needs when access to those markets is not available.

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### **PRINCIPAL BUSINESS RISKS:**

Factors that could cause actual results to differ materially from the forward-looking statements described in this Business Plan include, among others:

- Our ability to attract gaming patrons for our services
- The competitive environment in which we operate, including the possibility of expansion gaming in our market or nearby markets and competition from alternative forms of gaming
- The effects of regulation and regulatory changes and requirements, including, but not limited to, regulation by the New York State Gaming Commission ("NYSGC"), on our business and principals
- The effects of differences in the regulatory environment that give operators a competitive advantage in other jurisdictions with which we compete
- Availability of qualified workforce and potential variability from assumed staffing levels and cost of employment
- Potential variability in operating costs that are generally out of management's control

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements included elsewhere in this Business Plan.

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