

# starwood

Hotels and  
Resorts

June 19, 2014

Ms. Kathi Meci  
Chief Operating Officer  
Nevele Resort, Casino & Spa  
Government Center, 5<sup>th</sup> Floor  
Ellenville, NY 12428

Re: Letter of Interest – Proposed Nevele Resort, Casino & Spa

Dear Ms. Meci:

Please accept this letter as confirmation of the interest of Starwood Hotels & Resorts Worldwide, Inc. (“Starwood”) in the potential for Starwood to operate the hotel portion of the proposed redevelopment of the Nevele Resort, Casino & Spa under the Westin® brand. Starwood has conducted an initial review of the project scope, market and architectural and design materials and based on that initial review Starwood has interest in further evaluating the opportunity and advancing its due diligence review if the Nevele project is granted a gaming license by New York State. The due diligence would include, but not be limited to, further review of architectural plans and design, project timeline, market, economics, capitalization, ownership entities, and reaching a mutually agreeable business transaction.

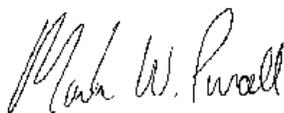
Starwood’s loyal base of Starwood Preferred Guest (“SPG”) members would be particularly attracted to a destination resort in the Catskills and would be a focus of our advertising and promotion of the hotel. Of our nearly 19 million SPG members, 330,000 reside in New York and a total of 1 million reside within 350 miles of the Nevele location. SPG members are the perfect target customer for Nevele with 53% being between the ages of 35 and 54 with an average household income over \$200,000.

Starwood recognizes the need to structure a relationship between the hotel and casino loyalty programs so that guests can trade points between the two programs, which would have to be worked out during the due diligence period. Starwood acknowledges that additional institutional equity investors would be brought into the project and would be the entity with which Starwood would negotiate and enter into definitive agreements if the project is to move forward.

Please note that this letter is only an expression of Starwood’s interest to further evaluate this opportunity. It does not create any legally binding obligation on either party. This letter or any further discussions regarding this potential transaction should not be relied upon as an agreement, offer or commitment by Starwood to enter into any transaction with respect to the hotel.

We look forward to continuing our discussions with you on this exciting project.

Sincerely,



Mark Purcell, Vice President Development

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THE LUXURY COLLECTION

WESTIN

FOUR POINTS

element

Sheraton

ST REGIS

W  
HOTELS