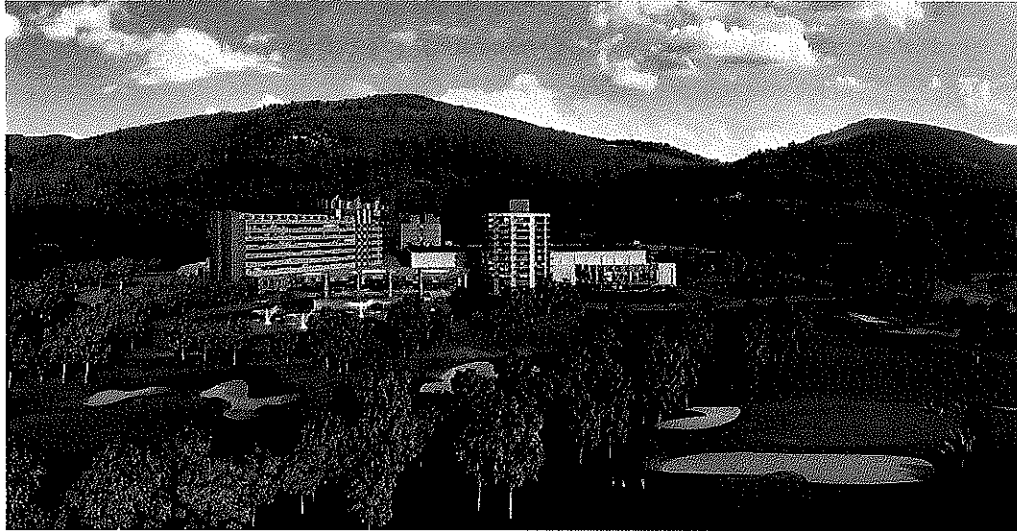


THE NEVELE RESORT, CASINO & SPA

Ellenville, New York



The Nevele Resort, Casino & Spa in Warwarsing, Ulster County, New York (the “Nevele”) is the eastern anchor property for the historic Catskill resort region. For over 100 years, Nevele has been the economic engine for the southern Ulster County area. Nevele sits at the foot of the Shawangunk Mountain range, and to stand at Nevele is to appreciate the majesty of New York State. Nevele is a brand name in the New York metropolitan area, and was a gateway to upstate New York for generations of New Yorkers. Nevele is an icon for upstate New York and is known worldwide.

Nevele closed in 2009 and displaced hundreds of workers. Nevele’s closure was a result of 30 years of decline in the Catskill region – largely attributable to the rise of convenient and inexpensive air travel – and coincided with the closure of several other major industries in the Ellenville/Wawarsing area. The once bustling Ellenville area, with scores of department, jewelry, clothing and other shops, has declined to the point that it is unrealistic for parents to think that their children will be able to live and work in the community. Ellenville was, quite literally, built on tourism. The area infrastructure, and regional priorities all reflect the fact that tourism was the mainstay of the economy in southern Ulster County. There is a desperate need for some sort of catalyst to bring back the Ellenville regional economy.

The project proposed by the Applicant, Nevele-R, LLC, represents a once in a lifetime opportunity to reinvigorate the region’s tourism economy and to perfectly achieve the legislative purposes of the Upstate New York Gaming Economic Development Act of 2013 (the “Act”). Located in an area with an official unemployment rate of 13.5% (and likely much higher), Nevele provides the key to restoration of the historical tourist based economy of this region. Voters approving the amendment to the New York

Constitution in November 2013 had Nevele in mind when passing the measure by a wide margin. Nevele is also an important project for the Mid-Hudson Region Economic Development Council.

Nevele-R, LLC has proposed a comprehensive redevelopment of the former Nevele Grande Resort and Country Club as a revitalized destination gaming resort with a proposed capital investment of \$582 million, greatly exceeding the established minimum capital investment required by the Gaming Commission. The Project will restore the Nevele to its former prominence as the anchor property for the Catskills resort region and will include adaptive reuse of several existing structures and facilities and demolition of on-site structures to accommodate construction of planned new facilities; all within the existing development footprint, intentionally minimizing any environmental impacts.

The casino will total 300,200 square feet with 83,100 square feet assigned to gaming featuring 2,000 slot machines, 80 table games, including poker. The remaining 213,200 square feet will be devoted to uses and amenities that support gaming. Elements for the resort, in addition to the casino, include: hotel buildings utilizing the existing Tower building (rebranded as the LBJ Tower), a portion of the existing Empire structure, a new six (6) story hotel with two distinct wings providing 446 keys/units to be operated under the Westin® flag, Starwood's largest upscale hotel and resort brand. The Westin® partnership adds a unique guarantee of quality luxury amenities and brings an upscale clientele and loyalty rewards programs with it.

The Nevele amenities also include a spa and fitness center, banquet and meeting rooms, and night club, and several restaurants, including the iconic Old Homestead Steakhouse. The extensive recreational facilities to be provided include an ice arena, swimming pool, tennis courts, skiing, horseback riding, zip lines and an 18-hole golf course. In addition, a total of 2,490 parking spaces are proposed, of which 1,891 are proposed to be housed within a three story parking structure. An off-site overflow employee lot on nearby property south of the site will accommodate 545 parking spaces. An employee shuttle will drop off and pick up from this off-site location, as well as locations within the Village, on a constant basis. It is anticipated that this off-site parking lot could be used for overflow parking for the Nevele during peak times. This off-site parking site will also have a solar panel array, providing renewable and sustainable energy to the Nevele.

The Nevele enjoys unrivaled local and regional support. The Town of Wawarsing Town Board has unanimously resolved to support the project and gaming at the Nevele. The Ulster County Legislature has unanimously resolved to support the project and gaming at the Nevele. These resolutions of support from the respective Host Municipalities are included in the Nevele application. Additionally, the Village of Ellenville which will provide water and sewer for the Nevele has also resolved to support the project and gaming at the Nevele as have many nearby communities. The Nevele has received this support because the Nevele-R, LLC and its principals have worked with municipal, business and community leaders in the community and region for over two years in planning for this resort. They have worked closely with the communities to develop and sign a Community Mitigation Plan assuring that the

benefits that are being offered by the Project meet the needs and desires of the Town of Wawarsing and the Village of Ellenville. A copy of the signed Community Mitigation Plan is part of the Application. The Nevele's proximity to the Village of Ellenville and its historical relationship provided a practical, simple and environmentally beneficial solution to the provision of water and wastewater treatment for the resort. Ellenville will make its municipal water and wastewater treatment facilities available to the Nevele and the costs of capital improvement and operational fees paid by the Nevele will help sustain the Village's ongoing operations.

In addition, the existing roadway infrastructure servicing the Nevele needs only minor improvements to properly manage the expected traffic increases and the Nevele will pay for the required improvements which are scheduled to be in place by December, 2015 almost a full year before gaming operations are scheduled to commence.

The State Environmental Quality Review Act process has been carefully and fully completed for the Nevele project, with the Gaming Commission having received the DGEIS, FGEIS and the SEQRA Statement of Findings directly from the Town of Wawarsing Town Board, the SEQRA lead agency. No further SEQRA compliance is necessary for the review and approval of the Nevele, other than issuance of SEQRA Findings by the Gaming Commission and other involved agencies in connection with their respective discretionary approvals. Access to the DGEIS and FGEIS is readily available through the Town's website at www.townofwawarsing.net.

The Project fully complies with the Zoning in the Town of Wawarsing, as the Town Board on June 30, 2014 adopted two local laws: one establishing a Planned Resort Recreational District (PRRD) and amending the Zoning Map to locate the PRRD on the Nevele site. The next and final discretionary Town approval is the Site Development Plan Approval by the Town Board which is expected to be obtained in late August or early September, 2014.

The construction of the Nevele has been the subject of ongoing design and planning for over 30 months. The highly regarded and experienced firm, Tishman Construction, an AECOM company, was retained in 2012 to work with the Nevele's architectural dream team which includes Nevada-based Wilday Architects, New York City-based Holzman Moss Bottino Architecture, and Buffalo-based Foit-Albert Associates to map out the fastest practical construction schedule to meet the strict 24-month requirement set forth in the Upstate New York Gaming Economic Development Act of 2013. This preapproval planning effort provides Nevele with the unique ability to open its casino and full complement of amenities by November 2016. Thus, the important tax benefits to New York State and the Host Municipalities will begin to flow in the latter half of State Fiscal Year 2016-17.

This construction effort will be assisted by 1,000+ construction jobs over the 26-month construction period with a payroll of \$197 Million. Affirmative Action efforts will be led by Tishman Construction

which will adhere to its award winning procedures to meet or exceed all identified goals. Tishman will be assisted by Nevele's agreement with STRIVE International to promote and facilitate minority hiring.

Nevele will be a dominant driver of economic activity and revenue generation for the Town of Wawarsing, Ulster County, Catskill/Hudson Valley Region, and the State of New York. In the first full year of operation, \$99 million in taxes and fees will be paid to the State of New York, including gaming tax, income tax, sales tax and the gaming fee. Ulster County will benefit from a total of \$9.8 million in sales, occupancy, and gaming tax revenue and the Town of Wawarsing will receive nearly \$5.2 million from gaming tax revenue and other sources (fees, permits, inspections, etc.). When the project reaches its 20th year of operation, Nevele will account for \$2.3 billion in revenue for New York State, \$250 million for Ulster County, \$12.2 million for the Town and special districts, and \$11.6 million for the Ellenville Central School District on an annual basis. As a result of these large tax contributions, residents and businesses throughout the region will enjoy significantly lower tax burdens.

Nevele Resort, Casino & Spa is estimated to create 2,250 – 2,440 jobs when it is fully operational. This is in addition to over 1,000 projected construction jobs and over 1,000 projected indirect jobs. It is further estimated that compensation to Nevele employees will be over \$104 million annually once Nevele is operational. It is important to note that it is projected that the majority of this compensation (85%) will be spent in the communities of the Town of Wawarsing, the Village of Ellenville, Ulster County, the Catskills/Hudson Valley Region and the State of New York, creating positive economic impact throughout the economies.

To facilitate the hiring of employees needing childcare assistance, Nevele has engaged Bright Horizons Family Solutions, LLC a high-quality, industry-recognized childcare center contractor to design and operate its on-site childcare center in compliance with all New York State, local and federal regulatory and licensing requirements. This program will offer discounted fees, hourly rates, convenience of payroll deduction for payment, early care and education, security and quality assurance to Nevele employees.

In anticipation of needing to prepare a qualified talent pool from which to recruit employees, Nevele Resort, Casino & Spa has already initiated monthly meetings with education, training and workforce partners to identify way to maximize employment and training of local workers in the Hudson Valley region. These meetings began in December 2013 and within six months Nevele and its partners, the SUNY system, BOCES, workforce development boards and one-stop centers, were able to identify the available training, as well as the training gaps enabling all to put forth a vision for continued collaboration. The Nevele project has all of the hallmarks of a great project, will be almost completely "Made in New York State," and will be built by union labor. In 2013 Nevele-R, LLC executed labor harmony agreements covering both the construction and operation of the property.

Nevele Resort, Casino & Spa is the perfect project for the Hudson Valley/Catskill region and the Nevele team is ready to go.