LOYALTY PROGRAM

Casino 2 — Gaming Pit

Loyalty Program

Information related to the proposed player database and loyalty program including, but not limited to, the following:

Any program maintained by the Applicant or, if applicable, the Operator for any casino the Applicant or Operator owns, operates or manages.

Vision

Loyalty marketing is a cornerstone of casino marketing. The Coney's marketing program is designed to ensure that when people leave their homes, they choose to go to The Coney instead of the myriad other options people have for gaming and entertainment. We will structure the program with a mix of direct mail marketing; providing free bets to consumers who choose to visit The Coney; a robust and community-centric rewards program, where guests can spend their rewards on on-property amenities or at a number of local businesses in the Coney Island community; and events- and promotions-based marketing with parties, concerts, giveaways, and contests driving energy and excitement around the property 365 days a year.

Customer loyalty is an enormous driver of repeat visitation and consumer satisfaction, and this loyalty is driven largely by the loyalty and rewards program. McKinsey notes that 3 out of 4 members of top-performing loyalty programs changed their behavior to generate more value for the business, and 50% were more likely to recommend the brand to others.[1]

1 Chapple, L., Eizenman, O., & Wilkie, J. (2022, August 2). Winning in loyalty. McKinsey & Company. https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/winning-in-loyalty#/

We've named our loyalty program Club Coney. The program is intended to reward guests for their play and incentivize consolidation of their play at The Coney rather than at competitors by providing meaningful tier levels—just as airlines do to encourage business travelers to consolidate their travel within the brand.

Many rewards programs fail to deliver for the consumer and thereby ultimately fail to deliver for the brand. We believe that loyalty programs start by establishing data collection points, where the operator gathers data and preferences for guests. This data can then be used to ensure personalized service at each touchpoint, while simultaneously measuring and delivering high-quality service levels across all areas of the operation.

To this end, we lay out a strategic approach to loyalty marketing with the following key elements and tenets.

Strategic Elements

- Data and access are paramount, optimize by measuring
- Surgical approach to segmentation
- Focus on engagement and attention
- Personalization of messages, offers, and experiences — social know your customer (KYC)
- Emphasis on bottom-line results and enhancements of lifetime value of each guest

Casino 1 — Gaming Floor

Loyalty program benefits common throughout the casino and entertainment industry include the following:

- Escalating point-earning multipliers (e.g., earn 2x points on Thursday)
- Priority / VIP access to amenities: hotel check-in, parking, restaurants, room upgrades, late checkout, early check in
- Free parking / valet parking
- Access to tier-specific events / giveaways / promotions
- Partner benefits: Status, hotel nights, discounts
- Discounted cash rates at property food and beverage, retail
- Birthday offers / rewards

Club Coney of course provides all this and more.

Our diverse team of partners has successfully run casinos and marketing programs for decades, and Club Coney will be reflective of their experiences – for example, Saratoga Casino manages a successful casino operation in the State of New York, GGS operates over 30 gaming facilities, and Legends, our strategic entertainment partner, has a robust marketing program that tailors to its audience at the facilities where it operates food and beverage providers.

Club Coney will not merely mirror any of these partner loyalty programs, however; the New York City market is too different, and every market – but particularly one as iconic, vibrant, energetic, and diverse as New York City – requires unique consideration and attention to the local communities. Our program is market-driven and reflects our ability to segment the guests and provide personalized service and a combination of personalized and community-oriented marketing.

Needless to say, the underpinnings of modern, best-in-class hospitality loyalty programs are well-understood.

Our partners maintain several loyalty programs across their collective portfolio of dozens of casino operations, each program uniquely dialed in to serve its local market and its tourism mix. We provide an overview of the main programs offered by our partners: GGS and Saratoga.

Global Gaming Solutions

PBO § 87(2)(d)

PBO § 87(2)(d)

PBO § 87(2)(d)

PBO § 87(2)(d)

Whether the Applicant or, if applicable, the Operator maintains a Database that tracks the play of its Program members.

Our operating partners maintain databases that track the play of loyalty program members, but that's only the beginning of the data collection and analysis that drive our approach to loyalty marketing. As discussed above, loyalty programs are driven by an accurate and widespread collection of data from various customer interactions, ensuring that we deliver best-in-class guest service, including personalization and customized marketing to the guests. The interactions we measure start with casino play, but our robust loyalty marketing programs and technology stacks extend data collection and usage to all customer touchpoints throughout the property, including but not limited to our restaurants, hotel, and spa, as well as off-site interactions such as engagement with our website and social media. Both GGS and Saratoga maintain significant casino databases that track not only the play of their guests but also their behaviors throughout their respective resorts.

Between our partners, we currently have a database that boasts over 20,000,000 members, approximately 8,300,000 of which live within 200 miles of The Coney. Access to these database members will form the foundation of The Coney's database and customer acquisition efforts. Saratoga and GGS have large gaming databases with substantial penetration into the Northeast market. Legends, our strategic entertainment partner, also maintains a nationwide database of loyalists with heavy New York City and regional penetration due to its partnership with the New York Yankees.

Ground Level — Casino Lobby

We have also begun to utilize SCORPIO Data Services, a comprehensive Casino Database System ("CDS") used exclusively by GGS, to build a prospecting database to drive early acquisition. Through CDS we have identified 5,900,000 prospective players with a high propensity for gaming and who reside within 200 miles of The Coney. This database has been tiered based on gaming propensity and will augment our existing partner database.

Bolstered with industry-leading casino, restaurant, and hotel systems, along with personalization technology, our partners' loyalty programs are among the richest in the industry. Rather than a one-size-fits-all approach to guest incentives, or a small number of large player segments, our partners' approach to marketing is more 1-to-1. This approach will guide The Coney's loyalty marketing efforts. Our experienced marketing teams understand that one guest may respond better to a restaurant discount, while another may prefer to visit the spa. One may like M&Ms in her room on arrival, while another may prefer Skittles in his. Acknowledging and embracing the small differences that make us unique allows the guests to feel, authentically, that we know who they are, that we appreciate them, and that our casino should be their choice when they leave their home to make a gaming visit.

Whether the Program and Database will be available for the marketing, promotion and advertising of the Gaming Facility and whether they are "exclusive" to the Applicant and/or, if applicable, the Operator.

Our partners' programs and databases are available for The Coney's use and are exclusive to The Coney and GGS in the New York gaming market for the marketing, promotion, and advertising of the Gaming Facility. The Coney's loyalty program will be a hybrid program, built on the underpinnings of GGS' and Saratoga's existing loyalty programs and knowledge base. However, as with many of our partners' other programs in their local markets, The Coney's loyalty program is customized to suit the unique needs of the New York City audience and market. For example, our loyalty points will be redeemable at dozens of local businesses in Coney Island, providing further economic support to the neighborhood as we drive locals and tourists to local Coney Island businesses.

A cornerstone of The Coney's player acquisition efforts is the database of our partners. Between our partners, we have a New York exclusive gaming database that boasts over 20,000,000 members, of which just over 8,300,000 are within 200 miles of The Coney's proposed building site. Access to these databases will form the foundation of The Coney's database and customer acquisition efforts

and ultimately Club Coney, The Coney's player loyalty program. Our databases are comprised of prospective guests who are familiar with our brands and messaging, and we believe they — and the rest of the New York City market and beyond — will be incredibly excited by the development of The Coney and the redevelopment of Coney Island.

In addition, the partnership will leverage its proprietary CDS database of 5,900,000 high propensity gamers who live within 200 miles of The Coney. In combination with this effort, The Coney will build a player database that's exclusive to us in the New York gaming market using some of the same prospecting strategies implemented by the GGS operated casinos. Utilizing our proprietary prospecting database ("CDS") has proven successful across several properties – and have shown a 15–20% increase in new members during periods of usage.

The number of "active" (those who have played within the past 12 months) and "inactive" (those who have played over 12 months ago) members in the Database.

To start, The Coney will have access to a combined database, both from its partners and from prospecting, of 21.4M individuals. While a portion of that database is derived from prospecting or non-casino carded players, we believe strongly that it will be consistent with casino industry standards where roughly 20% of the overall casino database is active. Our casino partner databases are consistent with this statistic, but we expect our non-casino databases to provide at least the same level of gaming propensity. For example, the Legends database of its New York City area assets, which is composed largely of sporting enthusiasts (who traditionally have a high propensity to gamble), is likely to have at least 20% of its members having gambled in the last year. We also believe that number will grow based on new casino supply in the market. In other words, the Legends database will present The Coney with a strong acquisition marketing opportunity. Likewise, in the prospecting universe, we are utilizing proprietary modeling and data mapping techniques to identify residents of the regional market who – based on demographic, behavioral, and psychographic indicators – have a high propensity to participate in casino gaming. By combining these, and extrapolating out that analytical framework, of the 21.4M players, we expect that at least 4.3M would have active casino play within the last 12 months.

The number of rated players included in the Database that are located within 50, 100, 150 and 200 miles of the proposed Gaming Facility.

Our partner database and prospecting database both significantly penetrate these mileage rings. The below chart shows the size of our partner and prospecting databases within 200 miles, by 50-mile ring.

Database Sizes by Mileage (millions)

Mileage	Partner Database	Prospecting
<50	1.3	2.0
50-100	0.7	1.1
100-150	0.4	0.6
150-200	0.9	1.4

How the Database and Program will be used to market, promote, and advertise the Gaming Facility.

As described above in this Loyalty section, Club Coney will offer the most personalized and localized rewards throughout the region. The program is intended to make sure that when people leave their home to go to a New York area casino, we have provided a suite of valuable rewards and community integrations that encourage them to choose to visit The Coney instead of one of its competitors. Our tiered card program will offer incentives at each tier level: guests will earn points by using their Club Coney card when playing table games or electronic games or when making other purchases at the resort. As guests accumulate more points, they advance to higher tier levels, opening richer and more meaningful rewards and benefits.

Tiered loyalty programs are common throughout gaming and hospitality, and nearly all casinos offer some variation of complimentary hotel rooms, complimentary food and beverage, free bets at slots or table games, and priority service. Club Coney is designed to be a best-in-class loyalty program offering that blends unique benefits with community integration, providing tremendous value for The Coney's guests while bringing visibility and financial benefit to the broader Coney Island community.

Club Benefits

As with all decisions surrounding The Coney's development, Club Coney is designed with The Coney's diverse range of guests at its core. Elements of the program speak to out-of-town tourists visiting New York City, beachgoers, regional visitors, and of course local guests from the vibrant and varied neighborhoods and cultures that give New York its identity. For example, Club Coney will accommodate its high-tier regional players by offering free and discounted parking, airfare, hotel rooms and upgrades, meals, and show tickets ensuring that the trip to visit The Coney is always a great choice for a getaway. For our guests that visit to experience our world class Asian Gaming area, Club Coney offers Asian-language VIP hosts to ensure personalized service and industry-leading hospitality, New York-style; discounted and free meals from locally acclaimed Asian chefs who serve authentic Asian cuisine in a formal dining setting; Asian-themed celebrations, events and entertainment options, and giveaways including those for Lunar New Year; around-the-clock bussing to-and-from Chinatown in Manhattan and Queens; and of course, a quick serve noodle bar, allowing players to enjoy an authentic taste of Asian culture, even while remaining at their favorite game. Tourists can enjoy complimentary airfare and VIP transportation from the airport, as well as free/discounted transportation options within the city if they visit to also conduct business or sightsee. And of course our locals looking for a "staycation" or just their casino "home away from home" enjoy a wide range of Club Coney benefits ranging from public transit reimbursement; free or discounted F&B and hotel along with "date night" options and special menus at our restaurants; free and discounted entertainment options of all types throughout the year, ranging from classic acts to the hottest current entertainers; and weekly gift giveaways ranging from apparel to appliances. Club Coney truly offers something for everyone.

Just as we've designed elements of Club Coney to speak to the wide-ranging segments of guests that visit The Coney, we've likewise taken care to ensure that each tier of Club Coney receives compelling offers and benefits. Our tiered program offers a base tier ("Classic") so that all guests can join and begin earning rewards, while additional tiers offer increased benefits to provide ongoing incentive for guests to consolidate their play and visitation at The Coney. Classic members receive weekly gifts, discounted retail and F&B, discounts and offers from partners, as well as weekly gaming and resort offers based on play. All Club Coney members receive "Coney Cash," Club Coney's reward currency that can be redeemed for food and beverage, retail, hotel, and more. As guests ascend through the tiers, Club Coney begins to provide benefits such as airfare, rooms, upgrades, meals, show tickets, tier-specific events and gifts, complimentary valet parking, transportation, improved Coney Cash earning rates, host relationships, VIP check-in, priority service, and access to a VIP players lounge.

However, the most unique element of the Club Coney program is our community integration. Craving an authentic hot dog from the original Nathan's location? Club Coney offers that. Want to ride the world-famous Cyclone wooden roller coaster? Club Coney members can. Club Coney members are empowered to use their Coney Cash both in the facility as well as throughout the community. Club Coney will establish ongoing partnerships with local businesses and attractions to enable players to experience all of Coney Island. These local business partners will be promoted throughout all of Club Coney's communications, encouraging guests to discover Coney Island year-round.

Club Coney Players Cards

How We Encourage Enrollment

Encouraging enrollment in Club Coney will be a multipronged effort. For visitors to the property, our hotel and slot ambassadors will encourage sign-ups at all guest touchpoints, and we will enable sign-ups on tablets to reduce the friction of visiting the Club Coney desk. In the community, we will advertise Club Coney as a part of our media plan, through digital, radio, television, billboards, and other channels. As an example, billboards such as the below will encourage visitation and Club Coney signup.

Club Coney Sign-up Billboard

A sizable portion of Club Coney will come from our initial databases. Our marketing teams will leverage our substantial partner and prospecting databases, which combined total more than 21 million people, 8.3 million of whom live within 200 miles of The Coney. We will communicate with these people via email and direct mail such as the below.

Other player development opportunities that The Coney will offer include a strong junket and bussing program. The junket representatives will focus on bringing guests that frequent other gaming destinations like Las Vegas, south Florida and Atlantic City. In addition to junkets, tour bus operators will be solicited throughout the region with an emphasis on international tour operators. Junket reps and tour bus operators will be constantly evaluated for bringing in new members to ensure

The Coney will use promotions to both raise awareness and enroll Club Coney members to continue to add value to the players club.

Club Coney Sign-up Post Card

Casino 2 — Sports Book

Player Segmentation and Personalized Marketing

One of the key advantages that Club Coney and The Coney's marketing program has against other programs is its use of advanced statistical methods and data science to determine personalized communication and packages of offers for The Coney's guests.

As mentioned above, we utilize a proprietary database modeling system ("CDS") that enables us to aggregate multiple databases into one system, including gaming systems, hotel lodging, F&B, entertainment, promotional and third-party data sources. Doing so creates a more robust and accurate depiction of each guest. The combined data is analyzed and passed through CDS's valuation models, enabling the casino to better understand its customers.

A better understanding of the interests and expectations of each guest not only empowers the casino to target guests better, but it also enhances the guests' experience by aligning casino offerings to their preferences. As a marketing tool, CDS is focused on providing the right customer with the right offer at the right time.

CDS's models are built to better understand the guests and their preferences, values, and visitation patterns. Most casino operators segment their database by value (e.g., average daily theoretical) and geography (e.g., Local, Regional, and Outer Market). CDS incorporates significantly more segmentation into its offer decisions: Actual and Theoretical gaming spend, a guest's lifetime-to-date value, historical marketing response rates, play/time volatility by day, days between visits, whether the guest lives with another casino guest, jackpots, distance to property, age and gender of guest, slot vs. table dominance, email address, tier level, host relationships, total days played, average weeks played within a month, and other key factors.

These data points are run through a variety of database models and rankings to then assign each guest into one of over 9,000 possible segments. The 9,000 possible segments are predominantly driven by five main customer factors:

- **Volatility** – Does the guest have inconsistent play patterns? A player's volatility value can help the casino with player expectations, thus improving overall guest rewards.
- **Expectancy** – Is the guest predicted to visit this month? Each guest is assigned a likelihood value of visiting that month. Based on a guest's experience better aligning with their needs.
- **Impact** – How much financial impact does this guest provide? The guest's lifetime value is determined and enhanced with non-play data, such as hotel or F&B patronage. Reinvestment rates and offer packages will vary based on relative impact (high to low), where a guest who has a high impact will get a higher reinvestment compared to a low-impact guest.
- **Marketing Responsiveness** – Is the guest motivated by offers and promotions? Differentiating guests between those who take advantage of casino offers more than others provides significant insight to the casino. If the casino seeks swift visitation from guests, targeting high-engagement guests ensures nearly instant response.
- **Geography** – How far is this guest traveling? Geography works in tandem with Expectancy, and it is predominately used for applying enhanced offer packages that include food and hotel. Guests traveling more than 1.5 hours are typically extended a hotel offer based on play.

In addition to a monthly core newsletter, which extends offer packages specifically tailored to each guest based on their individual behavior patterns and preferences, a variety of targeted promotions and direct marketing initiatives are used to extend the customer life cycle.

Examples of these initiatives include:

- **Events** – Themed Food Nights, Pool Parties, New Year's Celebrations, Holiday Brunches, Game Shows, Sporting Event Viewing Parties
- **Promotions** – Luxury Gift Giveaways, Trip Giveaways, Slot and Table Tournaments, Shopping Sprees
- **Direct Marketing** (Mail, Email, Telemarketing) – High-Worth Days, Hotel Specials, Promotional Free Entries, Entertainment Ticket Offers
- **Retail and Amenities** – Spa Packages, Food Specials, Entertainment Schedule Lineup

Since the implementation of the SCORPIO targeted promotional strategy, one property grew its high-value guest visitation by 22%. Another property opened for one year with no direct marketing whatsoever. When direct marketing efforts were implemented after year one, this property experienced a 53% lift in revenue and a 46% lift in visitation.

Entertainment District — Casino Development