

RESORT MEMBERSHIP PROGRAM

November 20, 2012





INTRODUCTION

Kevin C. Hayes, Esquire



Section 1305(a)(1.1) of the Gaming Act

§ 1305. Category 3 slot machine license.

(a) Eligibility.--

(1.1) The board may approve a seasonal or year-round membership that allows an individual to use one or more of the amenities provided by the well-established resort hotel holding a Category 3 slot machine license. The membership shall allow the member and one guest to enter the gaming floor at any time as long as the guest is accompanied by the individual owning or holding the membership. The board shall base its approval of a membership on all of the following:

- (i) The duration of the membership.
- (ii) The amenity covered by the membership.
- (iii) Whether the fee charged for the membership represents the fair market value for the use of the amenity.



President & CEO

Michael Bowman



New Membership Program

The New Membership Program is Needed to address two (2) Important Issues at Valley Forge Casino Resort:

1. Improving Customer Experience; and
2. Increasing Visitation and Spend of our Non-Gaming Amenities

VFCR Card System



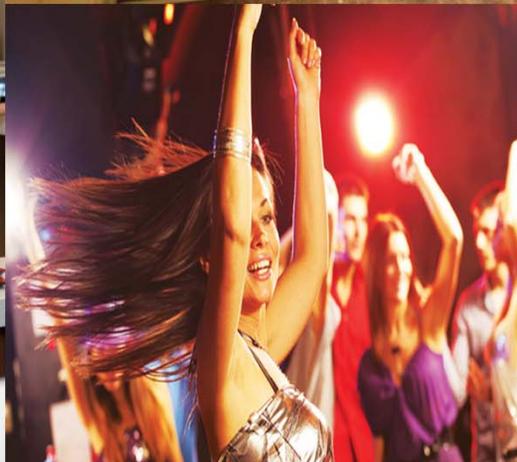
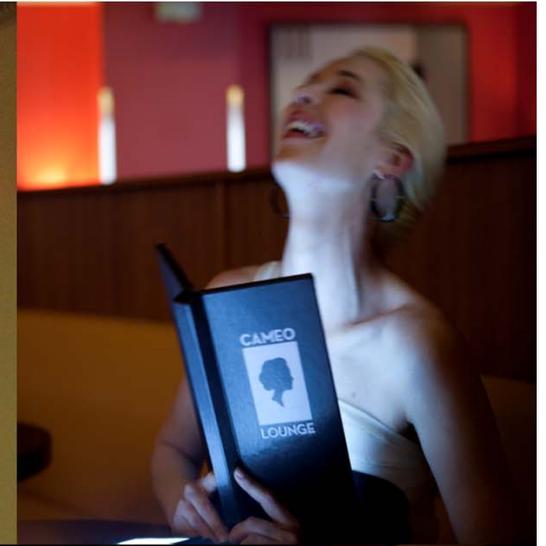


Approved Membership Offerings

- Seasonal Dining
 - 10% off every meal
 - Invitations to exclusive Food & Beverage events
- Seasonal Entertainment
 - No cover charge to enter nightclub during membership
 - 10% off all headline entertainment acts
- Annual Dining
 - 10% off every meal
 - One free meal at any of our owned restaurants.
 - Invitations to exclusive Food & Beverage events
- Annual Entertainment
 - No cover charge to enter nightclub during membership
 - One free headline entertainment act
 - 10% off all headline entertainment acts



\$5 Million Investment in Non-Gaming Amenities

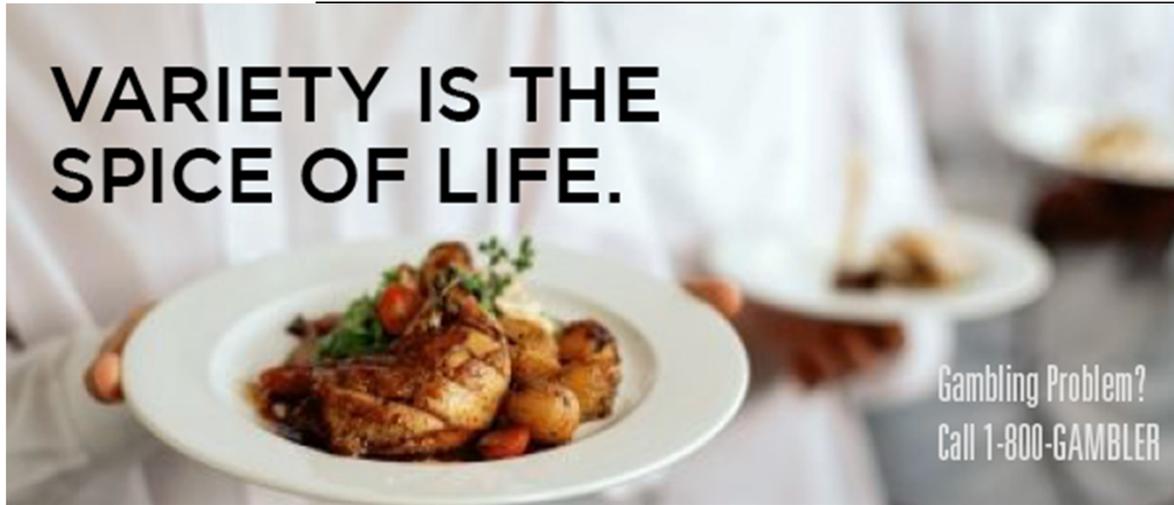




Director of Marketing Strategy

Lauren Feiner

Marketing Existing Memberships: Dining



**VARIETY IS THE
SPICE OF LIFE.**

Gambling Problem?
Call 1-800-GAMBLER

7 DIVERSE RESTAURANTS OPENING SOON



**VALLEY FORGE CASINO
RESORT**

NOW OPEN

vfcasino.com



PACIFIC PRIME
SEAFOOD & STEAK

DINING IN THE VALLEY IS REDEFINED.

Gambling Problem? Call 1-800-GAMBLER



**VALLEY FORGE CASINO
RESORT**

vfcasino.com



Marketing Existing Memberships: Entertainment



CHRIS MANN
JULY 20



BETTER THAN EZRA
AUGUST 10



VALLEY FORGE CASINO
RESORT

vfcasino.com

Gambling Problem? Call 1-800-GAMBLER



**SUMMER
IN THE
VALLEY**

BOYZ II MEN
JUNE 29

vfcasino.com

Gambling Problem? Call 1-800-GAMBLER



VALLEY FORGE CASINO
RESORT



Membership Redemption as of 11/15/12

Membership Utilization





Customer Feedback

"I saw in the newspaper and on the news before your opening that a \$10 dining receipt from one of your restaurants could be used to gain access to the casino. Now I see from your website that the lowest price to gain access is a \$20 membership. There are a lot of people not happy about this."

-Roseanne S., Norristown, PA

"Tonight, after buying two weeks ago what I thought was a membership, I showed up tonight ready to play some Craps with \$300. It would have been my second visit. After being rejected because my membership was expired I went to the services desk where I was very insultingly told that my \$10 last time only bought me a 24 hour membership. I asked how much to play tonight and was sneeringly told another \$10. I thought about paying it and then decided I didn't need to be talked to that way and threw my cards on the counter. So not a question. I go to Vegas, AC and Hollywood casinos, and like to play Craps. I don't need to be treated that way and won't be back. I had a membership for myself and my daughter, my wife has yet to play at VF. Of course, she never will now."

-Erik H., Cumberland, MD



New Resort Membership Program

Micro/Food Court Restaurants Offerings

- 10% discount on any purchase
- Purchase one (1) meal and get one (1) meal of equal or lesser value free
- Purchase one (1) meal and get 50% discount on second meal of equal or lesser value
- One (1) free beverage with any purchase

Casual Restaurants Offerings

- Purchase one (1) entrée and get one (1) entrée of equal or lesser value free
- 10% discount on any purchase
- One (1) free side order with any meal purchase

Gourmet Restaurants Offerings

- One (1) free dessert with purchase of one (1) entrée
- One (1) free appetizer with purchase of one (1) entrée
- Purchase one (1) entrée and get 50% discount on second entrée of equal or lesser value

Other Offerings

- \$10.00 discount on one (1) purchase of \$25.00 or more at any retail outlet
- \$20.00 discount on second night stay at one of the hotels
- 20% discount on admission to one (1) entertainment event.

Member Privileges

- Free Valet Parking at all times
- Free Room Upgrades (when available)
- Invitations to Exclusive Food & Beverage Events
- Receipt of “Member Only” promotional offers



Resort Membership Benefits Package



Benefits

For \$10, purchaser receives a discount package worth over \$400 in value at all of our non-gaming amenities.

Each page of the discount book has three offers that can be used for that month. Plus, receive three offers that can be used any month.

Privileges

- Membership card with your name
- Receive members only invitations
- Free valet parking
- Free room upgrades when available
- Receive members only promotional offers

JANUARY 2013

10% off any purchase at Asianoodle,
American Grill or Italian Market.



JANUARY 2013

Purchase 1 entrée and get 1 entrée of
equal or lesser value free at Nosh Deli
or Valley Tavern.



JANUARY 2013

1 free dessert with any entrée purchase
at Pacific Prime or Viviano.





Vice President of Finance

Alex Figueras



Current Program vs. New Program

Current Program

New Program

<ul style="list-style-type: none">• Free Meals/Free Tickets to Headline Events	<ul style="list-style-type: none">• No Free Meals/No Free Tickets
<ul style="list-style-type: none">• Flat 10% Discounts on all purchases	<ul style="list-style-type: none">• Targeted limited offer Discounts
<ul style="list-style-type: none">• No cover charge to Nightclub	<ul style="list-style-type: none">• Free Valet Parking at all times• Free Room Upgrades
<ul style="list-style-type: none">• Invitations to member only events	<ul style="list-style-type: none">• Invitations to member only events
<ul style="list-style-type: none">• One Member – One Discount	<ul style="list-style-type: none">• One member + Guest – Buy one, get one free



Additional Marketing Options

Incentivizing Patronage of Non-Gaming Amenities

- In an effort to further incentivize patronage at our non-gaming amenities, any patron who has spent \$100.00 or more in a single transaction at one of our non-gaming outlets will receive a Resort Member without further consideration.

Corporate/Group Sales Discounts

The corporate/group discount schedule will be as follows:

- 10% discount for purchases of 5 to 25 memberships;
- 15% discount for purchases of 26 to 100 memberships; and
- 20% discount for purchases of 100 or more memberships



Eric Siegel, MBA



Eric Siegel, MBA

- University of Pennsylvania, B.A./B.S.E.C., M.B.A.
- 32 years experience in advising growth companies, including casino operator.
- Accepted as expert in 15 court proceedings, many involving FMV.
- Adjunct Faculty (32 years) University Pennsylvania, Wharton School Business



CONCLUSION

Kevin C. Hayes, Esquire



Legislative Intent

- “The authorization of limited gaming is intended to enhance the further development of the tourism market throughout this Commonwealth, including, but not limited to, year-round recreational and tourism locations in this Commonwealth. ”
4 Pa. C.S. § 1102(6).
- “Category 3 slot machine licenses were designed to increase the flow of tourism at well-established resort hotels in the Commonwealth and, in turn, boost said businesses and related ancillary services.”

Reply Brief of Respondent in Greenwood Gaming and Entertainment, Inc. v. Pennsylvania Gaming Control Board, No. 106 MM 2009 (Pa.), at 15.