

BEFORE THE GAMING CONTROL BOARD  
OF COMMONWEALTH OF PENNSYLVANIA

IN RE: APPLICATIONS OF VACATION CHARTERS LIMITED FOR A  
CATEGORY 3 SLOT MACHINE LICENSE, DOCKET NO. 19419

\* \* \* \* \*

BEFORE: MARY DIGIACOMO COLINS, Chairman  
Sanford Rivers, Member  
Gary A. Sojka, Member  
James Ginty, Member  
Kenneth T. McCabe, Member  
Jeffrey W. Coy, Member  
Raymond Angeli, Member

LOCATION: Keystone Building, Hearing Room 1  
400 North Street  
Harrisburg, PA

HEARING: Tuesday, October 16, 2007  
2:00 p.m.

WITNESSES: Charles Dickinson, David Godowsky

Reporter: KENNETH D. O'HEARN

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A P P E A R A N C E S

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I N D E X

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STATEMENT

By Kennard

6 - 8

TESTIMONY

By Dickinson

8 - 16

By Godowsky

17 - 21

By Mr. Moyer

23 - 24

QUESTIONS

By Board

25 - 42

CERTIFICATE

43

E X H I B I T S

1  
2  
3  
4  
5  
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25

<u>Number</u>	<u>Description</u>	<u>Page Offered</u>
One	Spiral Bound Information	9
Two	Split Rock Packet	10

P R O C E E D I N G S

1  
2  
3  
4  
5  
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CHAIR:

Before you begin I just want to  
officially reconvene and call the meeting to order.  
And we'll begin the hearing for Vacation Charters.  
This will be conducted the same way as the previous  
hearing, and you've all been --- is there anyone  
speaking that has not been sworn? Sir, would you  
state your name for the record?

MR. GODOWSKY:

David Godowsky.

CHAIR:

Repeat it, sir.

MR. GODOWSKY:

David Godowsky.

CHAIR:

All right. Would you administer an oath  
to Mr. Godowsky?

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DAVID GODOWSKY, HAVING FIRST BEEN DULY SWORN,  
TESTIFIED AS FOLLOWS:

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CHAIR:

All right. Counsel, what is your name

1 again, sir?

2 ATTORNEY KENNARD:

3 Norman Kennard.

4 CHAIR:

5 Kennard?

6 ATTORNEY KENNARD:

7 K-E-N-N-A-R-D.

8 CHAIR:

9 Thank you. Would you proceed?

10 ATTORNEY KENNARD:

11 Thank you. Good afternoon, Chairman,  
12 Board members. I'm pleased to be here today to  
13 address the qualifications of Vacation Charters, the  
14 corporate entity, the Applicant for a Category 3  
15 license who owns two resorts in the Pocono's. One  
16 called Split Rock Resort and the other called Mountain  
17 Laurel Resort and Spa.

18 Vacation Charters meets all the  
19 qualifications of a Category 3 license. It has not  
20 applied for, it is not seeking a Category 1 or  
21 Category 2 license. It is well-established. It has  
22 been in operation as a resort/hotel since 1941. This  
23 resort/hotel, Split Rock Resort, is well known as a  
24 destination resort, offers a wide variety of amenities  
25 and a total guest leisurely and recreational

1 experience.

2           Split Rock has no fewer than 275 guest  
3 rooms under common ownership. There are 467 guest  
4 rooms directly owned by Vacation Charters at the Split  
5 Rock Resort that qualify as a guest room under the  
6 statutory definition. Moreover, there are 255 rooms  
7 at the sister facility, Mount Laurel, located four  
8 miles down the road, which is also owned directly by  
9 Vacation Charters that meets the requirements of guest  
10 rooms as well. There are no ownership issues here.  
11 The Applicant is the owner of the resort, the owner of  
12 the guest rooms and all the amenities and has been  
13 since 1981. Having substantial year round amenities  
14 at the resort, Split Rock Resort, offers a multitude  
15 of amenities that comes with a wide variety of sports,  
16 entertainment, dining and activity programs. These  
17 are all onsite at the resort, they are all owned by  
18 Vacation Charters. These facilities are not located  
19 in a Keystone opportunity zone.

20           Vacation Charters has proposed a casino  
21 admittance policy and has pledged to finalize the  
22 policy to the Board's satisfaction prior to its  
23 licensure. And finally, Split Rock Resort is not  
24 within 15 linear miles of another licensed facility.  
25 Licensed facility under the Act is the slot machine

1 site, and by legislative amendment in the Fall of 2006  
2 does not include the associated areas or continuous  
3 property. Vacation Charters proposes a casino site  
4 that's not clearly within the 15 miles required under  
5 law from both the Mohegan Sun facility and the Mount  
6 Airy facility.

7                   We have prepared a legal memorandum in  
8 the binders before you that addresses the legal  
9 definitions and issues in this proceeding. We have  
10 then set forth behind that the testimony of Mr.  
11 Dickinson and the testimony of Mr. Godowsky. Mr.  
12 Dickinson is a special projects manager, an employee  
13 of Vacation Charters. Mr. Godowsky is a professional  
14 engineer obtained by Vacation Charters to take the  
15 surveying of the linear distances necessary to meet  
16 1305(b). And then behind that we have various  
17 exhibits that our witnesses will proffer for your  
18 consideration. The first exhibit being that rather  
19 large, approximately, 18 by 11 spiral bound  
20 information, photographs of the resort. With that, I  
21 would ask Mr. Dickinson to address himself to the  
22 Board.

23                   MR. DICKINSON:

24                   Good afternoon, again, Chair Colins and  
25 the members of the Pennsylvania Gaming and Control

1 Board. Thank you again for the opportunity to make  
2 this brief presentation to you. My name, again, is  
3 Charles Dickinson. I'm the director of special  
4 projects for Vacation Charters Limited, the owner and  
5 operator of Split Rock Resort and Mountain Laurel  
6 Resort and Spa in the mountains of northeast, PA.  
7 I've worked for the company for the last 13 years. My  
8 background includes having helped open and again later  
9 operate as director of room operations at the  
10 Tropicana Hotel Casino in Atlantic City, so I am  
11 familiar with trials and tribulations of the start-up  
12 of gaming.

13                   The purpose of my testimony is to address  
14 Vacation Charters' eligibility as an Applicant for a  
15 Category 3 slot machine license. Vacation Charters or  
16 any associated company has not applied for, been  
17 approved or issued a Category 1 or 2 license. Issue  
18 number one, is Split Rock a well-established  
19 resort/hotel? Indeed. Split Rock is well-  
20 established, having been continuously operated and  
21 successfully expanded under the current owners since  
22 1981 and under former owners beginning in 1941. The  
23 colored brochure of the Split Rock facility has been  
24 distributed to the Board as shown separately in  
25 Exhibit One. Outside of our binder which includes

1 other exhibits. They're tabbed for your convenience.

2 Further the description of business calls  
3 for any application process as appendix one also  
4 describes both the length and breadth of resort  
5 operations shown in our Exhibit Two. As this shows in  
6 detail, Split Rock is both well-established and a  
7 resort/hotel.

8 Issue two, does Split Rock possess no  
9 fewer than 275 guest rooms under the common ownership  
10 of Vacation Charters? There currently are and at the  
11 time of application were a total of 467 rooms located  
12 at Split Rock Resort that are directly owned in fee  
13 simple by Vacation Charters. Ninety (90) units at the  
14 resort are deeded to others which are excluded from  
15 this total.

16 Vacation Charters is, and was at the time  
17 of application, the 100 percent owner of Split Rock  
18 Resort, and the 467 guest rooms as well as substantial  
19 on premise amenities and the proposed site of the  
20 casino, which is the Galleria. Vacation Charters is  
21 the direct holder of the interest and there are no  
22 intermediary entities holding title. The deeds  
23 demonstrating Vacation Charters' ownership have been  
24 previously submitted to the Board as appendix 31 for  
25 the application and are public information. The

1 corporate bureau documents have been previously  
2 submitted to the Board as appendix 17 in our  
3 application, and they are also public documents.

4           These accommodations include at the  
5 resort a --- at Split Rock Resort, a rustic Bavarian  
6 style lodge with standard hotel rooms overlooking  
7 beautiful Lake Harmony, small cottages with  
8 fireplaces, two bedroom suites with hot tubs and  
9 fireplaces as well as two bedroom villas. In Exhibit  
10 Three we have a spreadsheet breaking down the room  
11 types and the reservation system used. 382 of these  
12 rooms are rented under both a traditional hotel or on  
13 a right-to-use basis or a RTU as it's sometimes  
14 referred to. It's a timeshare licensed basis, as the  
15 guests request. Rooms booked under either form of  
16 reservation, will change from week to week depending  
17 upon public demand. RTU is simply a different form of  
18 reservation type for guest rooms.

19           Under the RTU timeshare reservation a  
20 guest reserves the right to occupy an available, but  
21 not a particular, guest suite for one week or more per  
22 year over a multiple year period. The traditional  
23 reservation guest may book an available room for a  
24 different period than a week and may not have a future  
25 expectation of occupancy, but frequently do make a

1 reservation year after year. Both forms of these  
2 reservations are open and available to the public at  
3 large. The RTU timeshare guest possesses no greater  
4 or lesser property rights than a guest making a  
5 traditional one time or repeat reservation. An RT  
6 guest does not have rights to any particular room, but  
7 is assigned to a room on an as-available basis. The  
8 terms of occupancy and access to amenities are the  
9 same.

10           Vacation Charters pays and has paid for  
11 many years the hotel occupancy tax to the Commonwealth  
12 Department of Revenue for all of its accommodations  
13 including those that are reserved as right-to-use. As  
14 set forth in the separate memorandums submitted by our  
15 Counsel, all 467 guest rooms owned by Vacation  
16 Charters qualify under the Gaming Act. However, it  
17 may be worth noting that historically the hotel  
18 reservation count has exceeded 275 rooms on average.  
19 By that I mean, in 2006 Vacation Charters had  
20 available for traditional hotel reservations a total  
21 of 308 rooms on average for 365 days that year. In  
22 2007 that number, through September 30th, is 310 rooms  
23 on average available per night. 467 guest rooms will  
24 continue to expand.

25           Vacation Charters is currently

1 constructing and in the Summer of 2008 we will open a  
2 new building adding 24 additional two bedroom suites  
3 into our inventory for 48 keys to both hotel and  
4 right-to-use usage at our Willowbrook suites. Another  
5 nine buildings are planned in this development and are  
6 already approved by Kidder Township for additional  
7 suites.

8                   Vacation Charters also holds the title to  
9 nearby Mountain Laurel Resort and Spa. The resort is  
10 located at the intersection of Interstate 80 and the  
11 northeast extension of the Pennsylvania Turnpike and  
12 is approximately four and a half miles between Mount  
13 Laurel and the Split Rock Resort entrance. There are  
14 255 additional rooms at Mount Laurel under Vacation  
15 Charters common ownership. If the Board allows the  
16 Split Rock Casino to recognize Mount Laurel guests  
17 then Vacation Charters qualifying rooms increase to  
18 722 total.

19                   Issue three, does Split Rock offer  
20 substantial year round recreational guest amenities?  
21 Numerous leisure time activities can be found year  
22 round at Split Rock including, and this is a long  
23 list, 27 holes of championship golf, an 18-hole  
24 championship miniature golf course, two indoor pools,  
25 one outdoor pool, the swimming lagoon, three indoor

1 surface tennis courts, six outdoor clay, two outdoor  
2 hard tennis courts, racquetball, archery, Bocce ball,  
3 shuffleboard, softball, volleyball, fully equipped  
4 fitness center, massage center, whirlpool, steam room,  
5 video arcade, billiards room, bowling alley with eight  
6 lanes, a first run movie theater, a gift shop, video  
7 rentals, fishing, paddle boats, outdoor barbecues,  
8 hiking and biking, all onsite at the resort. A list  
9 of those amenities and some of those rates have been  
10 included and submitted in appendix 30 to the  
11 application and is included as Exhibit Four in your  
12 binder.

13                   The resort also features three  
14 restaurants including Galleria restaurant, Bellago at  
15 the Lodge and Sunset Greens at our new golf clubhouse,  
16 thereby offering a wide variety of continental cuisine  
17 in its restaurants. In addition, the resort offers a  
18 pizza parlor, an old-fashioned ice cream parlor, a  
19 coffee shop, movie theater and entertainment at two of  
20 its five bars. Each year the resort hosts events such  
21 as the Annual Great Tastes of Pennsylvania Wine and  
22 Food Festival, which is held in June. It includes  
23 wine tastings, wine and food seminars, music and  
24 entertainment all with Pennsylvania wines. The latest  
25 vintages from those wineries can be purchased by the

1 bottle or by the case. The resort also hosts the  
2 annual Great Brews of America Classic Beer Festival in  
3 November, next month, and the Annual Great Brews from  
4 Around the World International Beer Festival in April.

5 Conference facilities are offered through 23 meeting  
6 rooms including two grand ballrooms, accommodating up  
7 to 2,500 people. A total 77,000 square foot of  
8 meeting spaces and exhibit space is available, the  
9 largest in the Poconos.

10 Split Rock has an assortment of private  
11 banquet rooms and features extensive buffet and sit  
12 down menus, and furthermore Split Rock is currently  
13 constructing a 48,000 square foot indoor water park,  
14 which is scheduled to open in the Spring of 2008. The  
15 color floor plan of the water park is also included in  
16 Exhibit One in the colored binder. All of our Mount  
17 Laurel guests also, by the way, may use the amenities  
18 at Split Rock. Issue number four, has Vacation  
19 Charters addressed --- has and will Vacation Charters  
20 address the casino admittance issue? Vacation  
21 Charters has previously submitted as appendix 34 to  
22 its application a set of specific procedures designed  
23 to prevent individuals from entering the casino area  
24 who are neither a resort guest, nor a patron of the  
25 amenities. Vacation Charters restates its pledge to

1 cooperate with the Board to implement the admittance  
2 procedures that are acceptable to the PGCB.

3 Issue five, has the Applicant held public  
4 office within one year? No owner, officer or  
5 executive of Vacation Charters has held public office  
6 or an executive level public office within one year of  
7 filing the application or right now. And issue six,  
8 is Split Rock a Keystone opportunity zone? These  
9 provisions do not apply as neither Split Rock nor  
10 Mount Laurel are located in a Keystone opportunity  
11 zone. Last but not least, issue seven, is Split Rock  
12 within 15 linear miles of another facility? Vacation  
13 Charters ascertained the services of a licensed  
14 surveyor and is prepared to testify today that the  
15 proposed Split Rock building facility is not within 15  
16 linear miles of another licensed facility.

17 And in conclusion, Vacation Charters  
18 meets all the requirements and is fully qualified to  
19 apply and be awarded a Category 3 slot machine  
20 license. I appreciate your time. Thank you. I'd be  
21 happy to answer any questions when the time is  
22 appropriate.

23 CHAIR:

24 All right. Thank you.

25 ATTORNEY KENNARD:

1                   Mr. Godowsky will now testify. Chairman,  
2 we would like to ask you to qualify this expert.  
3 We're prepared to introduce him, go through his  
4 Curriculum Vitae briefly and then we'll ask for him to  
5 be qualified.

6                   CHAIR:

7                   All right. Very good. Thank you.

8                   MR. GODOWSKY:

9                   Good afternoon. Thank you for allowing  
10 me this opportunity to speak on behalf of Split Rock  
11 Resort. I am David Godowsky, head of the survey  
12 section at Quad Three Group, Inc., Wilkes-Barre. I've  
13 been employed by Quad Three Group for almost 20 years,  
14 and during my course of employment my responsibilities  
15 have grown from a rod man position to my current  
16 status of managing field crews, project management,  
17 budgeting and scheduling.

18                   The purpose of my testimony is to address  
19 the issue of whether the proposed facility at Split  
20 Rock is within 15 linear miles of another licensed  
21 facility.

22                   I graduated from the Pennsylvania State  
23 University with an Associate's degree in Survey  
24 Technology in 1983 with additional studies at Wilkes  
25 College, now Wilkes University. I received my

1 professional land surveyor license in the Commonwealth  
2 of Pennsylvania in 1990, and have been a member of the  
3 Pennsylvania Society of Land Surveyors, Northeast  
4 Chapter for well over 20 years. During that time I've  
5 held several chapter office positions. I've been  
6 involved with different size projects ranging from  
7 small residential lot surveys to very large industrial  
8 parks.

9 Various types of surveys include  
10 ALTA/ACSM land title surveys, flood plain elevation  
11 surveys, topographic and boundary surveys,  
12 construction stake out and route surveys extending  
13 over 18 miles of land.

14 ATTORNEY KENNARD:

15 Chairman, we would ask that given his  
16 extensive credentials and experience he be accepted by  
17 this Board as an expert in the field of surveying  
18 since his opinion expressed of those of an expert.

19 CHAIR:

20 Well, we accept his testimony now as an  
21 expert who does do measurements and we'll offer the  
22 results of his testimony. Thank you.

23 ATTORNEY KENNARD:

24 Thank you.

25 MR. GODOWSKY:

1            Issue six, is Split Rock within 15 linear  
2 miles of another facility? In my professional opinion  
3 linear distance is the shortest distance between two  
4 points measured on a horizontal straight line. Formal  
5 definitions of the term lineal distance are  
6 consistent. According to Black's Law Dictionary,  
7 sixth edition, lineal is defined in part as that which  
8 comes in a line, especially a direct line. Black's  
9 Law also defines distance as a straight line on a  
10 horizontal plane from point to point, and it's  
11 measured from the point nearest point of one place to  
12 the nearest point of another.

13            The Surveying Handbook, second edition,  
14 chapter four, entitled Lineal Measurements states to a  
15 surveyor the word distance usually refers to the  
16 horizontal length between two points projected onto a  
17 horizontal plane. Elementary Surveying, tenth  
18 edition, by Paul Wolf and Charles Ghilani, chapter six  
19 entitled Distance Measurement states, in plane  
20 surveying the distance between two points means the  
21 horizontal distance. If the points are at different  
22 elevations the distance is the horizontal length  
23 between the two vertical lines at the points.

24            I followed the following procedures in  
25 measuring the distances between the proposed site of

1 the casino at Split Rock and the facilities already  
2 licensed by the Board at Mohegan Sun and Mount Airy  
3 Lodge. The most recent seven and a half minute series  
4 U.S.G.S. topographical map was reviewed to determine  
5 the latitude and longitude for each of the three  
6 sites. Terrain Navigator Pro software was used to  
7 view and identify the latitude and longitude. I  
8 picked a point inside the building image for each of  
9 the three sites.

10 U.S. Army Corp of engineer software,  
11 Corpscon Version 6.0.1 was used to convert the  
12 latitude and longitude of each point in the State  
13 Plane Coordinates, Pennsylvania North Zone, NAD 83.  
14 These coordinate values were imported into AutoCAD  
15 2007. Distances between the points were measured and  
16 labeled using AutoCAD. It's in your handouts.

17 For visual reference, the most recent  
18 1:100000 scale metric U.S.G.S. Mapping was exported  
19 from the Terrain Navigator Pro software and imported  
20 into AutoCAD. This process automatically  
21 geo-references the location of the mapping. Terrain  
22 Navigator software was used to check the results  
23 directly without using the Corpscon or AutoCAD  
24 software. Distances were matched with reasonable  
25 accuracy.

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ATTORNEY KENNARD:

Mr. Godowsky, did you prepare a report at request of Vacation Charters?

MR. GODOWSKY:

Yes, I did.

ATTORNEY KENNARD:

Is that shown as Exhibit Five in the booklet?

MR. GODOWSKY:

Yes, it is. In my professional expert opinion and to a high degree of certainty using the standards of my profession and the methodology described, the distance from Split Rock Lodge to Mohegan Sun is 17.61 miles, more or less, and the distance from Split Rock Lodge to Mount Airy Lodge is 15.75 miles, more or less. And has an accuracy of 100 feet per point, so you're looking at about 0.038 miles for total calculated variations. Thank you.

CHAIR:

Thank you.

ATTORNEY KENNARD:

That concludes our direct presentation for Vacation Charters. It's a very short. Shorter than the last one, obviously. We'd like the statements and exhibits to be accepted into the record

1 at this time as well as the various appendices and the  
2 application which we did not replicate today, assuming  
3 the Board already has them. Specifically those are  
4 the appendices 31, 32, 34, 17 --- and 17.

5 CHAIR:

6 Thank you very much. All right. Now,  
7 Mr. Moyer, if you would come up, sir, and offer  
8 testimony?

9 MR. MOYER:

10 Thank you, Chairman. I don't know if you  
11 --- do you want me to go through the whole thing or  
12 get right down to the result? It's up to you guys.

13 CHAIR:

14 I'm comfortable with you going right to  
15 the results as long as you quantify for us right now  
16 to use this same methodology, the same exact  
17 process ---

18 MR. MOYER:

19 Yes.

20 CHAIR:

21 --- as you did for the ---

22 MR. MOYER:

23 Valley Forge.

24 CHAIR:

25 --- Valley Forge.

1                   MR. MOYER:

2                   Yes, it's the same methodology and  
3 everything else.

4                   CHAIR:

5                   All right. Then why don't you go to your  
6 results?

7                   MR. MOYER:

8                   Okay. The results for Split Rock Mount  
9 Airy. Number one, two closest points on property  
10 boundaries, 14.2 miles. Two, front entrance to front  
11 entrance, 15.9 miles. Two closest points on the  
12 gaming floor, 15.9 miles. Two closest points on  
13 building out on the gaming floor 15.2, not 15.9 miles.  
14 And the fifth one, primary roadway entrance to primary  
15 roadway entrance, 15.7 miles. Split Rock to Mohegan  
16 Sun, number one, two closest points on property  
17 boundaries, 15.7 miles. Front entrance to front  
18 entrance, 17.6 miles. Two closest points on gaming  
19 floors, 17.5 miles. Four, two closest points on  
20 building out on the gaming floor, 17.4 miles. Primary  
21 roadway entrance to primary roadway entrance, 17.2  
22 miles.

23                   In closing, using a straight line  
24 measurements on the Pennsylvania State Plan coordinate  
25 system. Split Rock is more than 15 miles away from

1 all currently or pending licensed facilities with one  
2 exception. When the two closest property boundaries  
3 are used for the basis of measurement Split Rock was  
4 less than 15 miles away from Mount Airy number one,  
5 LLC. Thank you.

6 CHAIR:

7 All right. Thank you very much. Before  
8 we go to the other interested parties who are going to  
9 offer comments, is there anything further from  
10 Vacation?

11 ATTORNEY KENNARD:

12 No, Chairman.

13 CHAIR:

14 All right. Then let's go right to ---  
15 Mr. Sherman tells me Valley Forge indicated that they  
16 are not going to present evidence today, but they're  
17 going to submit a supplemental brief.

18 ATTORNEY UNDERWOOD:

19 I'm Amy Underwood with Valley Forge.  
20 That is correct.

21 CHAIR:

22 I'm sorry. Your name again?

23 ATTORNEY UNDERWOOD:

24 Amy Underwood.

25 CHAIR:

1                   Okay. Great. Thank you.

2                   ATTORNEY KENNARD:

3                   Just reserving objection to that  
4 procedure, failure to appear here today to be sworn  
5 and present evidence. I reserve, obviously, our  
6 rights relative to whatever Valley Forge Partners may  
7 decide at some point to produce.

8                   CHAIR:

9                   Okay. Very good. Thank you. All right.  
10 That being the case, do you have any closing  
11 statement?

12                   ATTORNEY KENNARD:

13                   No, Your Honor, other than it is my  
14 obligation, this tribunal requires, I have to say that  
15 I think Valley Forge is one of the most qualified  
16 candidates that you will hear over these next two  
17 days.

18                   CHAIR:

19                   Okay. Great. Are there any questions?  
20 We'll start with Commissioner Angeli.

21                   MR. ANGELI:

22                   I just want to clarify the rooms. The  
23 way that you presented it and the way I'm reading it  
24 here, on any given day there will be 275 rooms  
25 available as --- hotel room that someone can call up

1 and say, I want to stay there?

2 ATTORNEY KENNARD:

3 Yes, sir, in the sense of that.

4 MR. ANGELI:

5 At least 275?

6 ATTORNEY KENNARD:

7 Yes, sir.

8 MR. ANGELI:

9 And those aren't owned by anyone else but  
10 owned by Vacation Charters?

11 ATTORNEY KENNARD:

12 That is correct.

13 MR. ANGELI:

14 The Mount Laurel Resort, this is more of  
15 a future thing that you will add on? You're not  
16 looking at incorporating that into the proposal that  
17 we have on the table here?

18 ATTORNEY KENNARD:

19 When it comes down to Vacation Charters  
20 owning both facilities. We are hopeful that the Board  
21 would lend consideration to the guests that Mountain  
22 Laurel having the same participation to be able to  
23 enter the casinos where as opposed to being one of the  
24 non-participation as the day guests would.

25 MR. ANGELI:

1                   Do you need Mount Laurel at all to make  
2 this application complete?

3                   ATTORNEY KENNARD:

4                   No, sir, we do not.

5                   MR. ANGELI:

6                   Thank you. No further questions.

7                   CHAIR:

8                   Commissioner Coy?

9                   MR. COY:

10                   Just one brief question. Somewhere in  
11 our briefing books there was a reference made to at  
12 least a previous ownership of property on the west  
13 coast of Florida. Can you talk about that just a  
14 little bit?

15                   MR. DICKINSON:

16                   Yes, sir, I may. We no longer hold  
17 interest in that facility.

18                   MR. COY:

19                   Was it --- was this speculation or was  
20 there a resort there, or ---?

21                   MR. DICKINSON:

22                   It was owned by Vacation Charters  
23 Limited. It was on the west coast of Florida, as you  
24 had mentioned. And I can't remember the dates on it,  
25 but it's no longer part of our company.

1                   MR. COY:

2                   Thank you.

3                   MR. DICKINSON:

4                   You're welcome.

5                   MR. MCCABE:

6                   I have a question for our expert. As  
7 follow up to the brilliant question that Commissioner  
8 Sojka asked earlier. We all agreed at lunchtime that  
9 it was a brilliant question. I don't want to say  
10 margin of error, but when you're figuring out these  
11 distances what is the accepted barriers? I see here  
12 in their report, accuracy is plus or minus 108. What  
13 is the --- is there accepted barriers and if there ---  
14 in the surveying business? And if there is, how much  
15 is it, you know?

16                   MR. MOYER:

17                   It all depends on what you're locating,  
18 what you're doing. If you're doing columnize, you're  
19 certing for a column. We're looking down to an eighth  
20 of an inch or less. If you're doing a rough stake out  
21 for a road of rough terrain you might be plus or minus  
22 three, four inches. It all depends what you're  
23 surveying for as to what kind of accuracy you're  
24 looking for.

25                   For example, we use GPS backpack for the

1 majority of our work, which is plus or minus two feet,  
2 plus or minus. Plus or minus two feet, so you could  
3 be locating a point on the corner of this podium here,  
4 but that point could be actually here, locating the  
5 field or here. We have plus, minus. Maybe a  
6 four-foot thickness.

7           For the front door locations of the  
8 existing facilities we could get out there and shoot  
9 the actual front door location. So you're looking at  
10 plus or minus basically about four feet. Some  
11 property corners --- we found some property corners  
12 out there and we shot those. You're looking at plus  
13 or minus four feet on the property corner. The  
14 closest one for Mohegan Sun, the closest one to Split  
15 Rock we can find with the time limitation we basically  
16 interpolate that in there with calculations. I would  
17 say within plus or minus 250 feet of that location.

18           So you're looking for that. I mean, if  
19 we were real close we would tighten that up a little  
20 bit more, but because of time restraints, once we got  
21 the notice to proceed to do this, we did some --- you  
22 know, absent 250 feet plus or minus, we're looking at  
23 .05 miles basically, accuracy we're looking at. So if  
24 it's 17.2 miles we're showing it could be actually  
25 17.15 miles. So that what's we're looking at on

1 certain cases.

2 MR. MCCABE:

3 Thank you, sir. The discrepancy isn't  
4 --- you're not looking at miles?

5 MR. MOYER:

6 We're not looking at miles at all. Worse  
7 case scenario 250 feet --- and actually even --- I'm  
8 saying worse case scenario where we couldn't locate  
9 the property Split Rock the one easterly side of their  
10 corner. Charles Dickinson pointed out to our survey  
11 crew, well, I think this is our easterly-most property  
12 line around here, but they own the roads in Split  
13 Rock. So what we did is we located that. We also  
14 overlaid the TIS map in front of it from Carbon County  
15 and looked at that, and we saw there was a point more  
16 easterly towards Mount Airy. So we went up there and  
17 located a rough point roughly where that is. But  
18 because of time restraints of getting it to the Board  
19 we just --- we couldn't go out there and spend hours  
20 just looking for the actual property corner, but we  
21 got a place that I --- my professional opinion we're  
22 close to minus 250 feet of that location.

23 MR. MCCABE:

24 Thank you.

25 CHAIR:

1 Thank you. Commissioner?

2 MR. SOJKA:

3 Can I try three completely unrelated  
4 questions, and some of these have been asked in one  
5 form or another. It's just I need the help. In the  
6 case of your contract timeshare people, in the  
7 unlikely worse case scenario that every single person  
8 having that right to occupancy would choose the same  
9 night to come, how many rooms would you have left not  
10 counting Mountain Laurel?

11 MR. DICKINSON:

12 They could choose to request them, but  
13 they can't choose to come on the same night.

14 MR. SOJKA:

15 Okay. So you could push them out, it's  
16 not a guarantee?

17 MR. DICKINSON:

18 So unlike --- typically in the Caribbean  
19 you'll see a week, available weeks 34. That's what  
20 that ---.

21 MR. SOJKA:

22 So you have the capacity to protect it?

23 MR. DICKINSON:

24 We have floating times, which determine  
25 that.

1                   MR. SOJKA:

2                   On the non-hotel guest amenity use, could  
3 you give us a rough ballpark figure counting all the  
4 different things that you offer, since you offer so  
5 many, how many people are out there who are using your  
6 amenities who aren't guests of your hotel?

7                   MR. DICKINSON:

8                   That's a very good question. We really  
9 don't have a tabulating format to be able to handle  
10 that, while we certainly can look at revenues that are  
11 generated by non-hotel guests and try to equate a  
12 number to that the difficulty that you have in trying  
13 to determine a number like that is you have to  
14 separate the amenities. Golf as an example, which is  
15 probably one of the higher priced ones eliminating the  
16 food and beverage equation of it. We could equate a  
17 golf number as an example, because an outside golf  
18 individual versus an inside golf individual being  
19 hotel guest, we would have the difference. So to  
20 equate that to the movie theater to the bowling alley  
21 to the tennis courts, if you give me a few weeks I  
22 could probably come up with a number.

23                   MR. SOJKA:

24                   I think it's fair to say that we will be  
25 interested in an issue like that because that'll have

1 something to say ---.

2 MR. DICKINSON:

3 We'll pursue that.

4 MR. SOJKA:

5 Right. And my third totally unrelated  
6 question, first of all, I take comfort from the fact  
7 that two different technical people using essentially  
8 two different methods get --- assuming that you go to  
9 the middle of a building and when you measure to the  
10 middle of the building you're within a hair of each  
11 other. But again, I go back to the issue --- I'm not  
12 interested particularly, Mr. Moyer, in the plus, minus  
13 accuracy, but I was curious about that elevation  
14 issue. I realize that the Pocono's are not that high  
15 and that these points are only approximately 15 miles  
16 apart. But is that calculated in this difference?

17 MR. MOYER:

18 Yes, that elevation is. Yes. Everything  
19 is brought down to a plane. Everything is brought  
20 down to a plane, State Plan Coordinate System. So if  
21 you're at an elevation of 1,000, elevation 100, both  
22 of them are brought down to a plane surface and you're  
23 measuring then from point A to point B.

24 MR. SOJKA:

25 Well, that's the part that to me is

1 troubling, because I know you do that. But that can  
2 change the definition, I think, we heard about what is  
3 the distance between two points.

4 MR. MOYER:

5 Horizontal line, yes, between two points.

6 MR. SOJKA:

7 Okay. And you're satisfied that you just  
8 brought them both down and you factored that out? You  
9 essentially say elevation no longer matters because  
10 they're on the same level?

11 MR. MOYER:

12 They were factored in. They were  
13 factored --- elevation was factored in. You bring it  
14 a point down from there.

15 MR. SOJKA:

16 Okay.

17 MR. MOYER:

18 This elevation --- you're bringing it  
19 down, you're multiplying it by ---

20 MR. SOJKA:

21 Got you.

22 MR. MOYER:

23 --- a different scale.

24 MR. SOJKA:

25 Okay. And with that --- and given that,

1 you're still within 250 feet?

2 MR. MOYER:

3 Yes.

4 MR. SOJKA:

5 Thank you.

6 MR. MOYER:

7 Yes.

8 MR. SOJKA:

9 That's great.

10 MR. GINTY:

11 A couple of questions on timeshare  
12 issues. Are these the type of timeshares that people  
13 --- and I forget the names of the ---.

14 MR. DICKINSON:

15 Yes, sir. The people who hold timeshare  
16 have the ability to exchange them, exchange, yes.

17 MR. GINTY:

18 Can they sell their timeshares? Is there  
19 a contract they have with you, it's not an equitable  
20 or option for them?

21 MR. DICKINSON:

22 We do not do resales of timeshares for  
23 individuals. If they chose to sell --- I'd have to  
24 check legally what --- you know, what rights they have  
25 to be able to sell or they could sell them.

1                   MR. GINTY:

2                   Okay. It's not a renewal or contract  
3 once they purchase the right to have a week in  
4 November, they have that ---?

5                   MR. DICKINSON:

6                   Yes and no, because they would not select  
7 November because November falls within a time period.  
8 As an example our red time spans a six-month period,  
9 and they're buying floating time within that six-month  
10 period.

11                   MR. GINTY:

12                   Okay. You heard the question that Mr.  
13 Rivers had on the Valley Forge people in terms of  
14 occupancy rates, and if they differed during the  
15 seasons, the average length of stay. I'm sure there's  
16 other data out there that you look at in the business  
17 and it you could provide that. It would certainly  
18 give us a point of reference.

19                   MR. DICKINSON:

20                   Certainly. We have probably 15 years  
21 worth of records indicating each level of occupancy of  
22 our --- social guests of our group guests which we  
23 have a slightly different interpretation of who a  
24 leisure guest is and who isn't.

25                   MR. GINTY:

1 I think we're all trying --- struggling  
2 to find a resort/hotel, and so you're providing us  
3 with your data, and that would be a point of  
4 reference.

5 MR. DICKINSON:

6 We'd be pleased to do that.

7 MR. GINTY:

8 Your position is that this measurement is  
9 from facility where the machines are to be placed to  
10 facility --- the other facility?

11 MR. DICKINSON:

12 We used --- and if you referenced in the  
13 very first entry in our binder, the last paragraph on  
14 page eight. We used the Gaming Board's definition.  
15 And if you turn to that paragraph you can locate that,  
16 second sentence. The term, quote, licensed facility  
17 is defined under the Gaming Act as, quote, the  
18 physical land based location at which a licensed  
19 gaming entity is authorized to place and operate slot  
20 machines. So we did not look at the property line in  
21 the woods or adjacent to the lake which Mr. Moyer had  
22 referenced. We've looked at the way the Gaming Board  
23 --- excuse me, the legislation has it described.

24 ATTORNEY KENNARD:

25 In fact, Mr. Ginty, if you look at the

1 prior legislation it actually included a phrase called  
2 the associated areas that was stripped out in the Fall  
3 of 2006 amendments. And even amendment to proffer  
4 continuous land property was also, and if you look at  
5 the surveyor's maps you'll see that we're not --- even  
6 on the Mount Airy side of the measurement --- we're on  
7 Mount Airy, there's something that Mount Airy owns  
8 that used to be somebody else's resort. That happens  
9 to be in the common ownership, but if you were driving  
10 by I don't think you would perceive that as even being  
11 part of the Mount Airy Lodge.

12                   And the measurement on the corner at  
13 Split Rock is off a road in an area that is owned by  
14 individually deeded property owners. So it's, again,  
15 a slippery slope when we start going by property lines  
16 that indeed is applied for the license happens to own  
17 it's somewhat contiguous or nearby. We think the  
18 facility is the best way to go and obviously for that  
19 definition.

20                   MR. DICKINSON:

21                   If I could further confuse the issue just  
22 a little bit more, hopefully not to confuse you.  
23 There are individual homeowners, as Mr. Kennard  
24 referred to, that own homes within the Split Rock  
25 community. And the point in which Mr. Moyer's team

1 measured from is an area where there is just single-  
2 family homes. The only thing that Vacation Charters  
3 technically own --- we don't own that spot of land  
4 that Mr. Smith's home is on, we own the road and the  
5 right-of-way that runs out through that section of the  
6 property.

7 MR. GINTY:

8 Mount Laurel, is that closer to or  
9 further from the other two facilities?

10 MR. DICKINSON:

11 It is west four and a half miles, which  
12 would put it further from Mount Airy and at least  
13 approximate, if not the same distance.

14 MR. GINTY:

15 One other question. We're still at this  
16 point of having to define in terms from the statute,  
17 it would be helpful when you provide your submission  
18 that you take a look at the distance issue, if you  
19 would, in terms of --- I have no further questions.

20 CHAIR:

21 Thank you. I have a couple of questions.  
22 Are you asking us, Mr. Kennard, to consider the Mount  
23 Laurel property in terms of eligibility issues?

24 ATTORNEY KENNARD:

25 No, Chairman, we are not. We are

1 standing on Split Rock Resorts rooms for the Board's  
2 decision in its regulations to expressly include right  
3 to use timeshares. I don't think there's any issue  
4 with respect to Split Rock's eligibility. What we are  
5 suggesting is we move into the definition of who our  
6 guests ---

7 CHAIR:

8 Patron ---.

9 ATTORNEY KENNARD:

10 --- qualify. Right.

11 CHAIR:

12 So this would be an issue that you would  
13 raise later on in the proceedings?

14 ATTORNEY KENNARD:

15 That's absolutely correct.

16 CHAIR:

17 Okay.

18 ATTORNEY KENNARD:

19 In order to enhance as much traffic as we  
20 could at the casino, we would like to include Mount  
21 Laurel, but our eligibility does not stand on Mount  
22 Laurel.

23 CHAIR:

24 I'm sorry. Say that ---.

25 ATTORNEY KENNARD:

1                   Our eligibility does not stand on Mount  
2 Laurel qualifications.

3                   CHAIR:

4                   Okay. Then I won't ask you any questions  
5 about it. Thank you. Any other questions?

6                   MR. GINTY:

7                   Just so I'm clear. I guess I don't  
8 really need this, but just so that I'm clear on the  
9 request. Tourism, increasing tourism, is clearly one  
10 of the intentions of the Act. So I appreciate your  
11 addressing that as well.

12                   ATTORNEY KENNARD:

13                   We'll do.

14                   CHAIR:

15                   All right. Thank you very much.

16                   ATTORNEY KENNARD:

17                   With the Board's indulgence, Jack Kalins  
18 is here. He's the owner and has come to attend. I  
19 just wanted to ask if he could stand up so the Board  
20 could preliminarily meet the gentleman. Jack Kalins  
21 owns Split Rock and has owned it since 1981.

22                   CHAIR:

23                   Great. Thank you very much.

24                   ATTORNEY KENNARD:

25                   Just one final procedural matter. Your

1 Honor, we would ask --- re-ask for the admittance of  
2 our exhibits and the appendices that I mentioned  
3 previously as well as the statements.

4 CHAIR:

5 All right. They're all accepted. Thank  
6 you. All right. So we'll adjourn. We'll reconvene  
7 tomorrow at 9:00 a.m. where we'll begin with CE  
8 Palace. Thank you very much.

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10 \* \* \* \* \*

11 HEARING CONCLUDED AT 2:43 P.M.

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