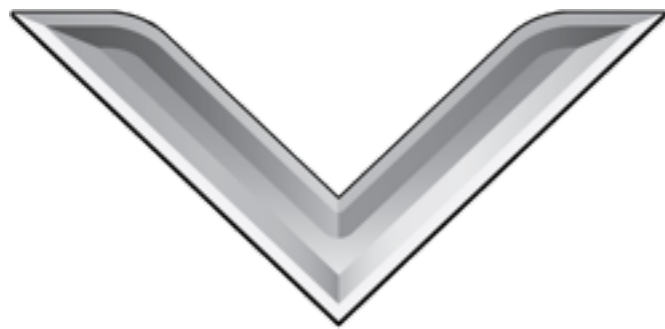


VALLEY FORGE CASINO RESORT



GAMING FLOOR ACCESS PLAN PETITION

September 2011



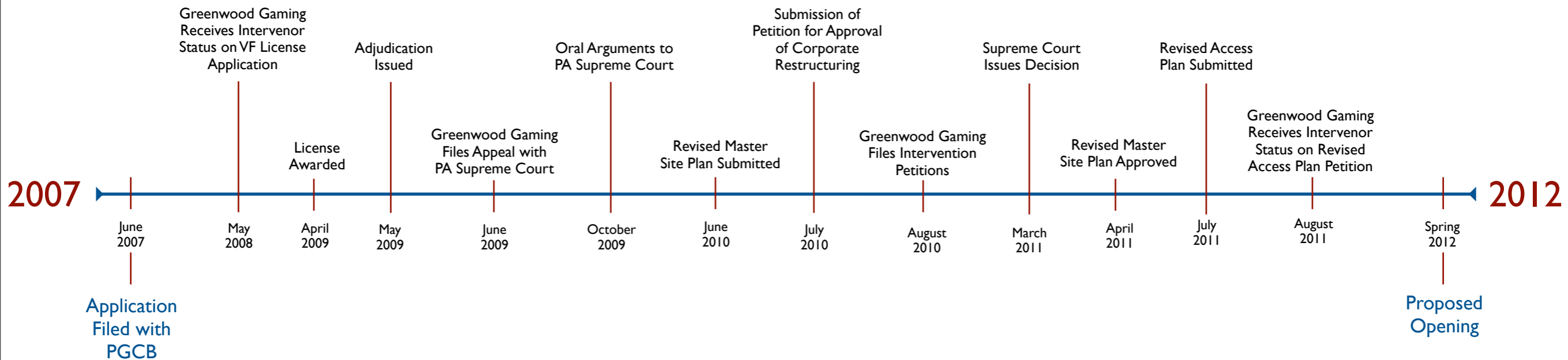
INTRODUCTION

ADRIAN R. KING, JR.

BALLARD SPAHR



VALLEY FORGE TIMELINE HIGHLIGHTS



INTENT OF THE GAMING ACT

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.

Access Restrictions for Category 3 Licensees

§ 1305. Category 3 slot machine license.

(a) Eligibility.--

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2

A Category 3 License may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

- (i) A registered overnight guest of the well-established resort hotel.
- (ii) A patron of one or more of the amenities provided by the well-established resort hotel.
- (iii) An authorized employee of the slot machine licensee, of a gaming service provider, of the board or of any regulatory, emergency response or law enforcement agency while engaged in the performance of the employee's duties.
- (iv) An individual holding a valid membership approved in accordance with paragraph (1.1) or a guest of such individual.

(1) 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.

(2) Notwithstanding section 1512(a) and (a.1) (relating to public official financial interest), if at the time of application an applicant has terminated public office or employment as an executive-level public employee within the last calendar year, the applicant shall be eligible to apply for a slot machine license under this section but may not be issued a license until one year following the date of

issued a license until one year following the date of
for a slot machine license under this section but may not be
issued a license until one year following the date of



VALLEY FORGE CASINO
RESORT

CATEGORY 3 RESORT CASINO

- ◆ Overall operational plan developed to support and improve operations of existing amenities at resort
- ◆ Goal to fulfill the requirements of the Gaming Act while emphasizing viability and enforcement
- ◆ Valley Forge must address additional category of access control, in addition to underage and excluded individuals
- ◆ Significant time and resources have been dedicated to developing a successful access plan
- ◆ Valley Forge and PGCB share same objective: develop a viable and successful resort casino





CASINO ACCESS PLAN

SAVERIO R. SCHERI, III

President & Chief Executive Officer
Valley Forge Casino Resort



VALLEY FORGE CASINO
RESORT

BIOGRAPHY

SAVERIO "SAL" R. SCHERI, III

PRESIDENT & CHIEF EXECUTIVE OFFICER
VALLEY FORGE CASINO RESORT

- ❖ More than 27 years of gaming & hospitality experience
- ❖ Founder & Managing Director, WhiteSand Gaming





VALLEY FORGE CASINO
RESORT

WHITESAND GAMING

- ◆ Firm services include market studies, technology solutions, marketing strategy, operational planning
- ◆ Clients included:
 - ◆ Mohegan Sun
 - ◆ Wynn Las Vegas
 - ◆ Borgata
 - ◆ Caesars Palace
 - ◆ Bellagio
 - ◆ Harrah's Entertainment
 - ◆ Isle of Capri Casinos
 - ◆ Foxwoods Resort & Casino
 - ◆ MGM Resorts
 - ◆ Boyd Gaming
 - ◆ Trump Entertainment Resorts





VALLEY FORGE CASINO
RESORT

SAVERIO "SAL" R. SCHERI, III

PRESIDENT & CHIEF EXECUTIVE OFFICER
VALLEY FORGE CASINO RESORT

- ❖ More than 27 years of gaming & hospitality experience
- ❖ Founder & Managing Director, WhiteSand Gaming
- ❖ Former Director, Gaming Practice, PricewaterhouseCoopers
- ❖ Former National Director, Gaming Consulting Practice, KPMG
- ❖ Executive positions held at Morongo Casino Resort, Aztar Resorts, Trump Taj Mahal, Showboat Atlantic City and Golden Nugget Atlantic City
- ❖ Author of The Casinos Most Valuable Chip: How Technology Transformed the Gaming Industry.





VALLEY FORGE CASINO
RESORT

ACCESS CONTROL SYSTEM

- ◆ Must fulfill requirements of the Gaming Act & Board regulations
- ◆ Must deliver an outstanding guest experience
- ◆ User friendly system encourages future patronage
- ◆ Access control system developed to integrate with point of sale system



CASINO ACCESS CARD & RESORT MEMBERSHIP CARD

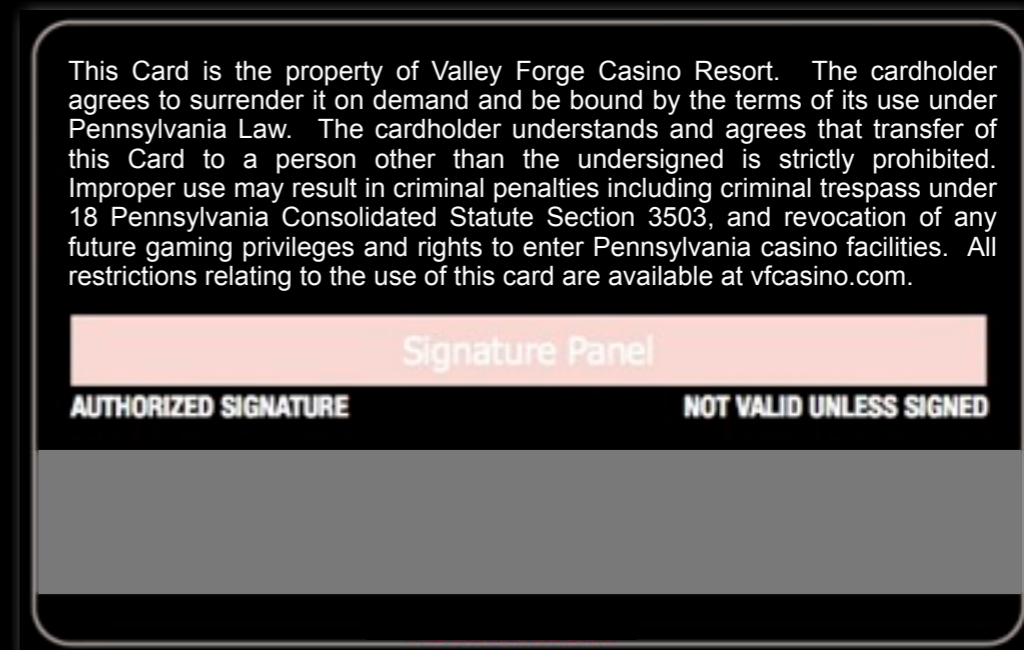


CASINO ACCESS CARD & RESORT MEMBERSHIP CARD

FRONT



BACK



RESORT
VALLEY FORGE CASINO

CASINO ACCESS CARD & RESORT MEMBERSHIP CARD

This Card is the property of Valley Forge Casino Resort. The cardholder agrees to surrender it on demand and be bound by the terms of its use under Pennsylvania Law. The cardholder understands and agrees that transfer of this Card to a person other than the undersigned is strictly prohibited. Improper use may result in criminal penalties including criminal trespass under 18 Pennsylvania Consolidated Statute Section 3503, and revocation of any future gaming privileges and rights to enter Pennsylvania casino facilities. All restrictions relating to the use of this card are available at vfcasino.com.

Signature Panel
John A. Guest

AUTHORIZED SIGNATURE

NOT VALID UNLESS SIGNED



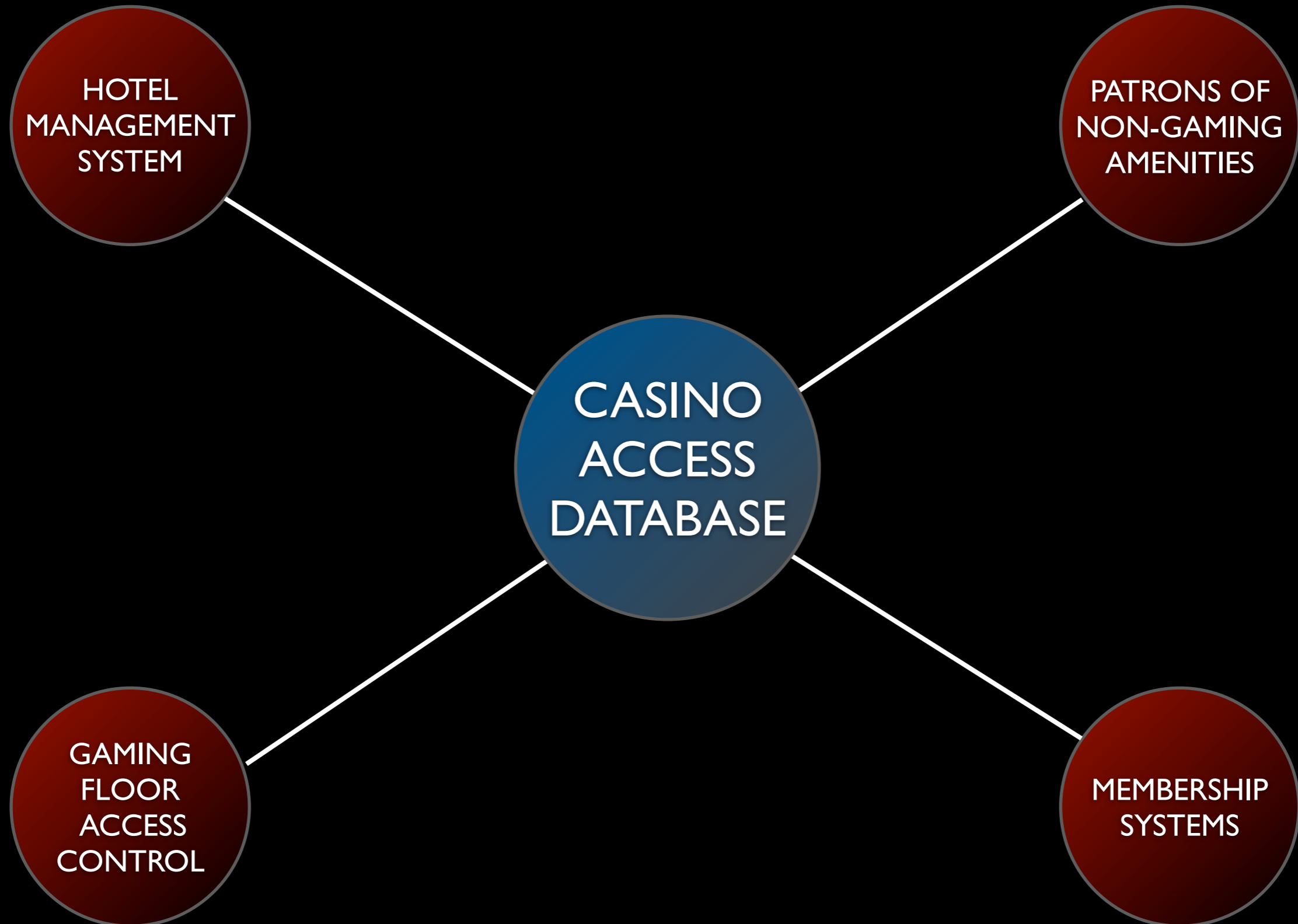
VALLEY FORGE CASINO
RESORT

ACCESS CONTROL SYSTEM

- ◆ Rules & restrictions posted at all entrances to gaming floors & other locations
- ◆ Individuals practicing unauthorized use will be subject to civil and/or criminal penalties
- ◆ Valley Forge can perform an audit of casino floor patrons at any time
- ◆ Partnership with Valley Forge, PGCB's Bureau of Casino Compliance and PSP's Gaming Enforcement Office to prevent unauthorized transfer of access cards



RESORT CASINO ACCESS SYSTEM

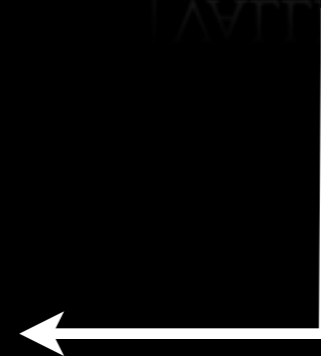


RESORT CASINO ACCESS SYSTEM

HOTEL
MANAGEMENT
SYSTEM



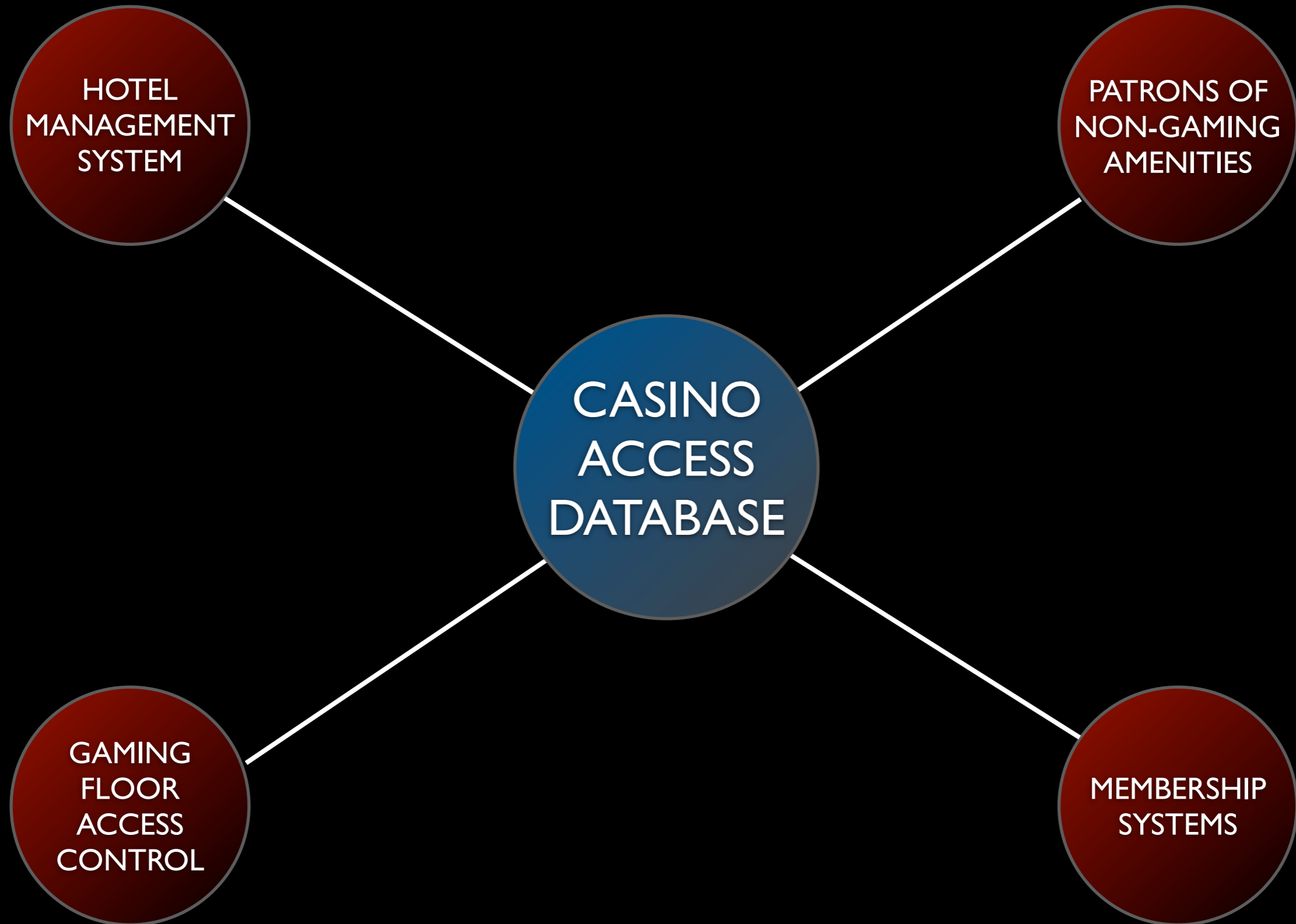
CASINO
ACCESS
DATABASE



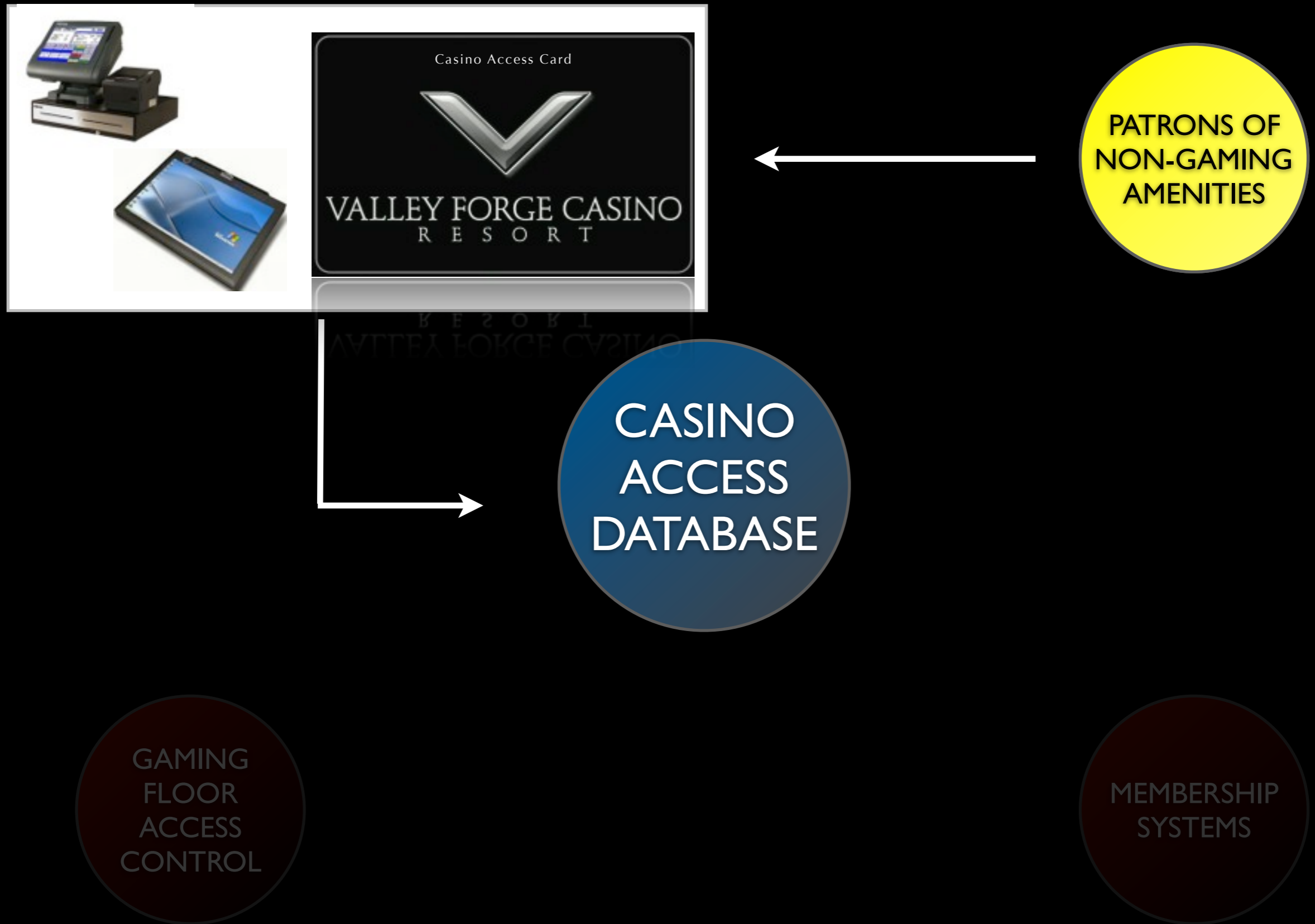
GAMING
FLOOR
ACCESS
CONTROL

MEMBERSHIP
SYSTEMS

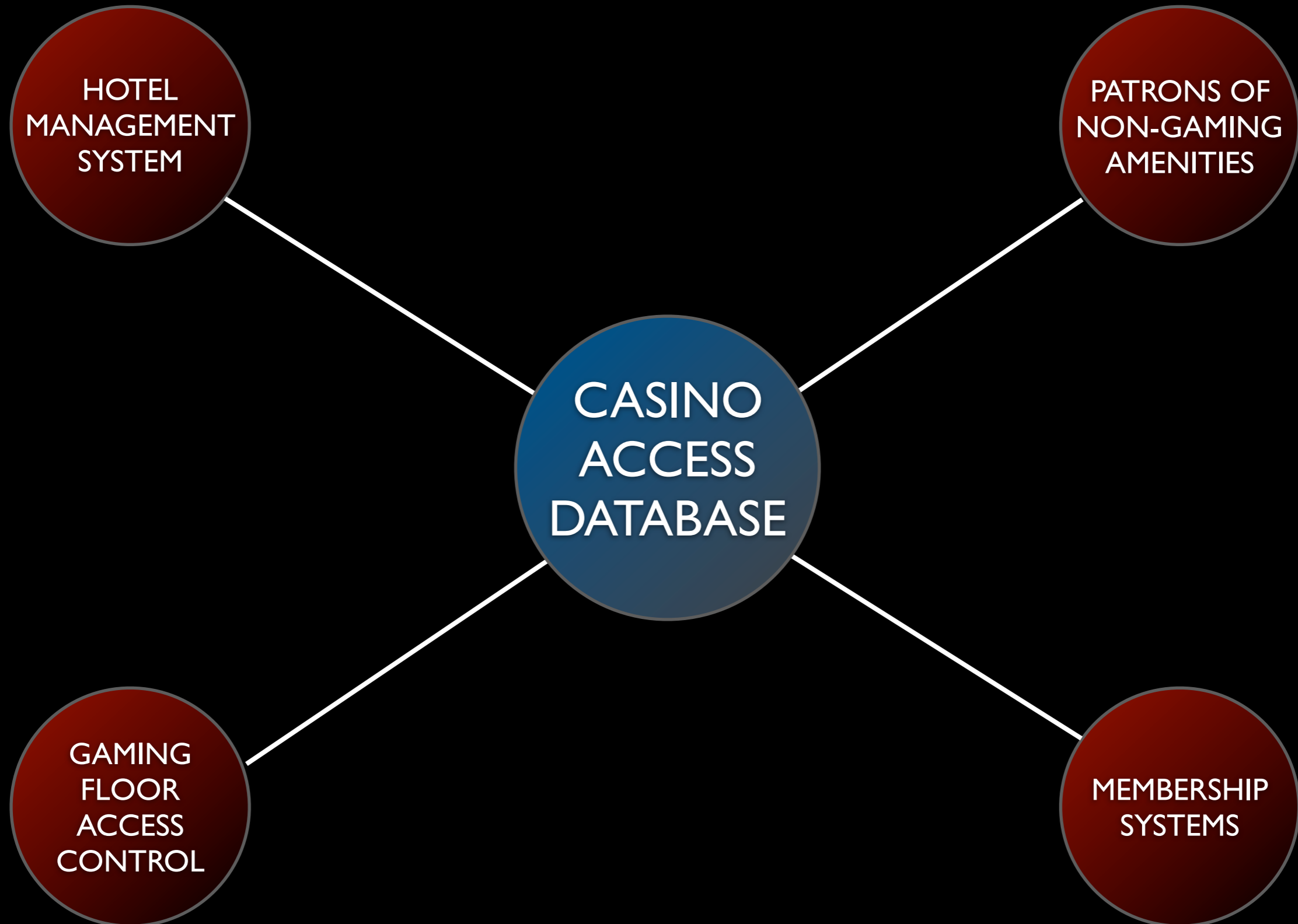
RESORT CASINO ACCESS SYSTEM



RESORT CASINO ACCESS SYSTEM



RESORT CASINO ACCESS SYSTEM



RESORT CASINO ACCESS SYSTEM

HOTEL
MANAGEMENT
SYSTEM

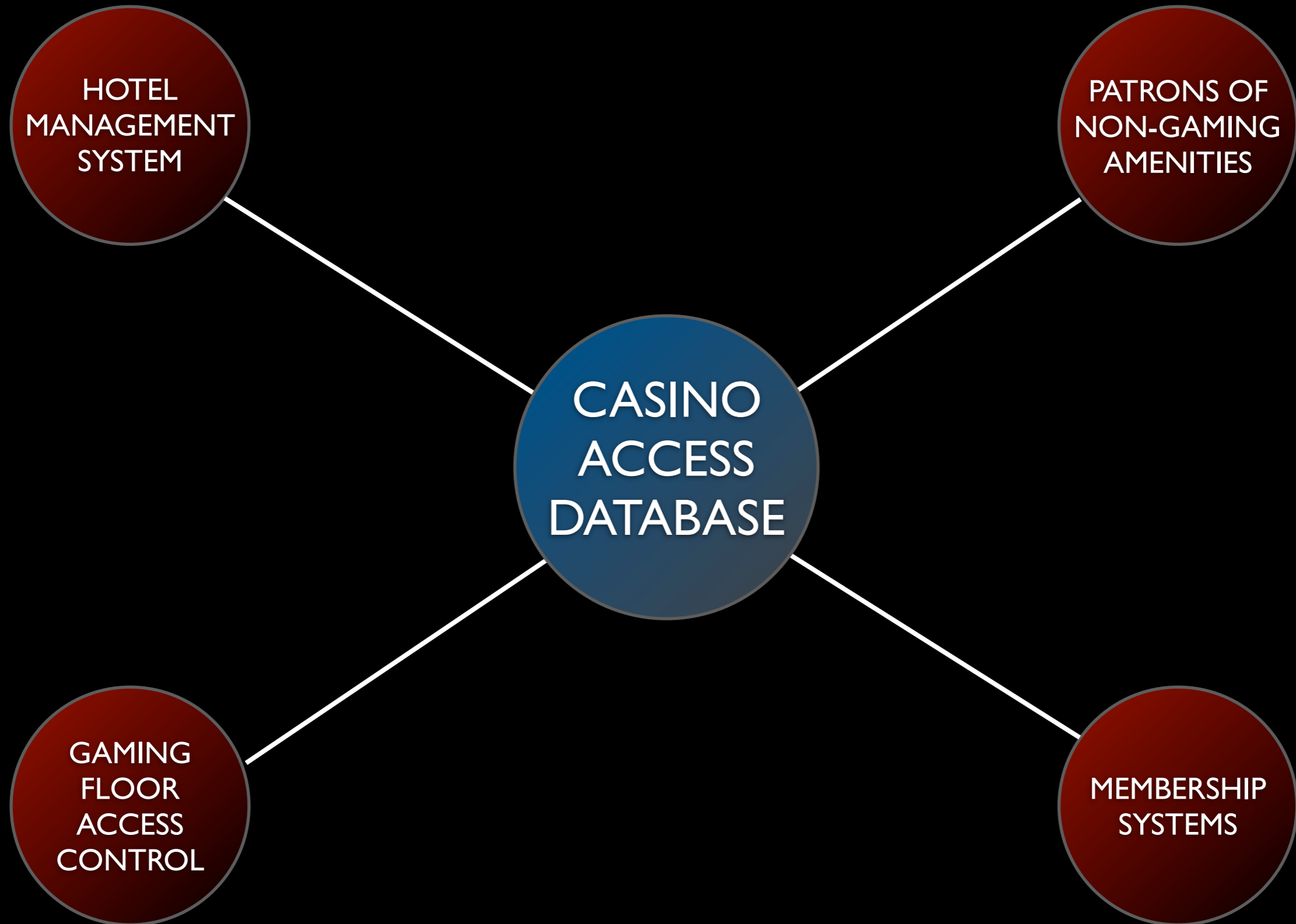
PATRONS OF
NON-GAMING
AMENITIES

CASINO
ACCESS
DATABASE

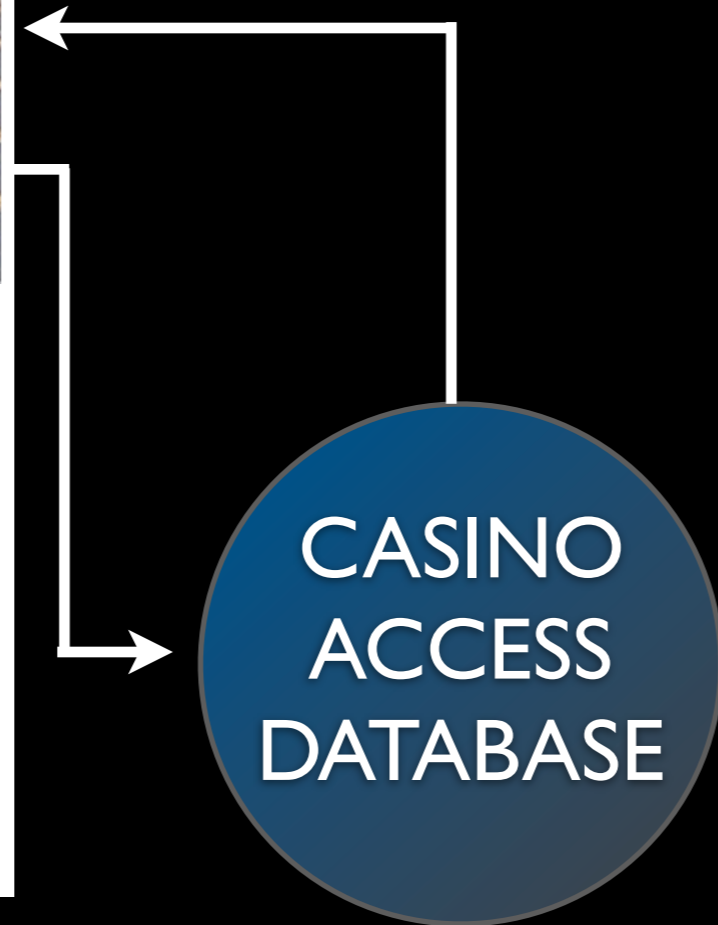
MEMBERSHIP
SYSTEMS



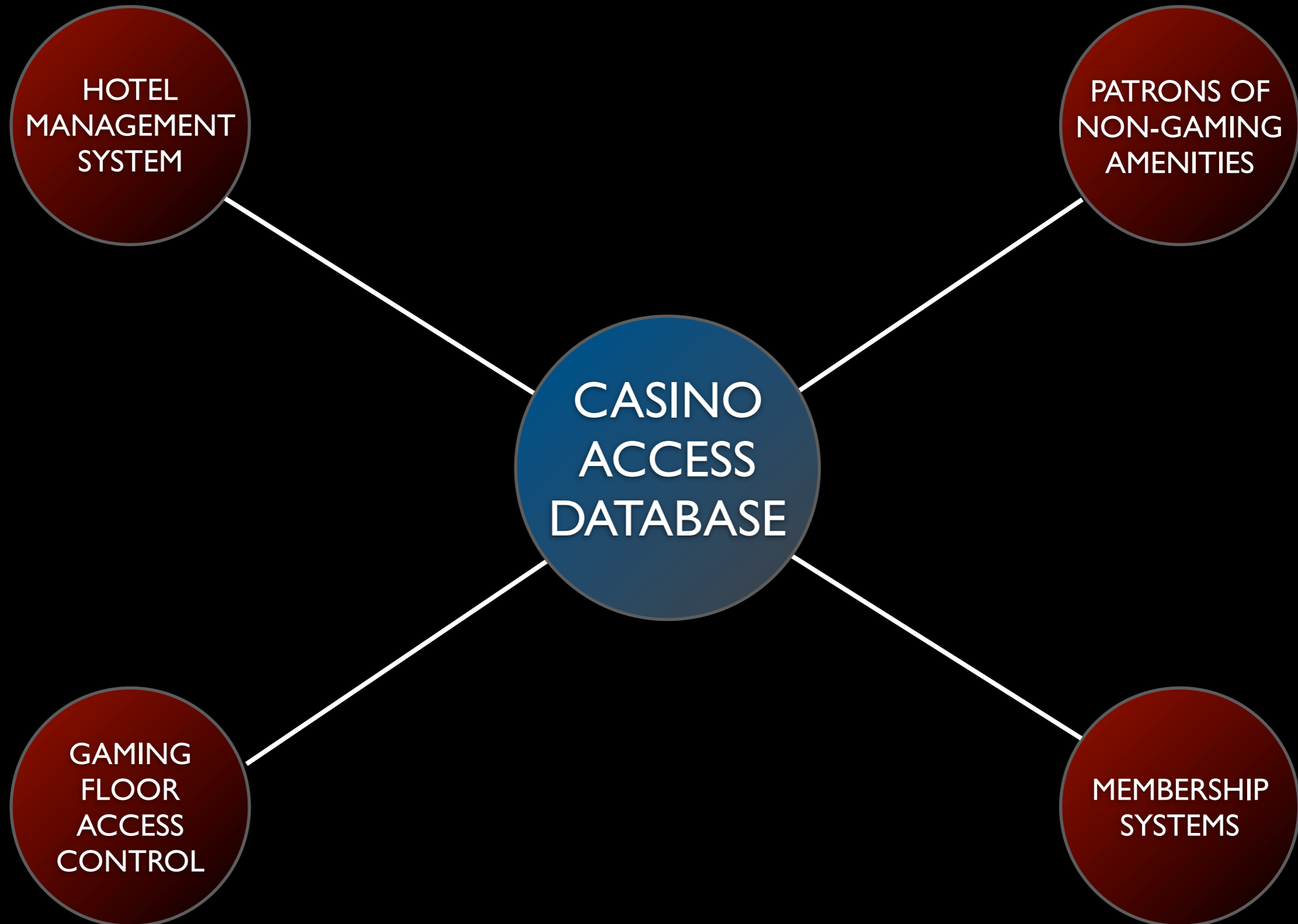
RESORT CASINO ACCESS SYSTEM



RESORT CASINO ACCESS SYSTEM



RESORT CASINO ACCESS SYSTEM





GAMING FLOOR ACCESS



KEVIN HAYES

DOHERTY HAYES

§ 1305. Category 3 slot machine license.

(a) Eligibility.--

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2 slot machine license and the person is seeking to locate a Category 3 licensed facility in a well-established resort hotel having no fewer than 275 guest rooms under common

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A Category 3 License may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

(i) A registered overnight guest of the well-established resort hotel.

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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.

(2) Notwithstanding section 1512(a) and (a.1) (relating to public official financial interest), if at the time of application an applicant has terminated public office or employment as an executive-level public employee within the last calendar year, the applicant shall be eligible to apply for a slot machine license under this section but may not be issued a license until one year following the date of



VALLEY FORGE CASINO
RESORT

REGISTERED OVERNIGHT GUESTS

- ◆ Hotel guests arrive and proceed to hotel check-in
- ◆ All guests who desire casino access will be required to register at the front desk
- ◆ Front desk agent confirms ID & proof of age for each guest wishing to visit the casino
- ◆ All guests wishing to visit the casino entered into the casino access system by front desk agent
- ◆ Casino access cards are activated, registered and must be signed in presence of front desk agent





VALLEY FORGE CASINO
RESORT

REGISTERED OVERNIGHT GUESTS

- ◆ Front desk agent explains appropriate procedures for admission to the casino, including:
 - ◆ Card must be swiped to obtain casino entrance
 - ◆ Card must be carried at all times
 - ◆ Guest must have valid photo ID at all times
 - ◆ Duration of casino access

- ◆ Card is deactivated 24 hours after the hotel guest first enters gaming floor after checkout or 72 hours after checkout, whichever occurs first.



§ 1305. Category 3 slot machine license.

(a) Eligibility.--

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2 slot machine license and the person is seeking to locate a Category 3 licensed facility in a well-established resort hotel having no fewer than 275 guest rooms under common ownership and having substantial year-round recreational guest amenities. The applicant must be the owner of the well-established resort hotel.

A Category 3 License may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

(ii) A patron of one or more of the amenities provided by the well-established resort hotel.

(1.1) A person who is a member of a membership organization that provides access to the amenities of 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.

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THE GAMING ACT

A PATRON OF THE AMENITIES IS DEFINED AS:

“Any individual who is a registered attendee of a convention, meeting or banquet event or a participant in a sport or recreational event or any other social, cultural or business event held at a resort hotel or who participates in one or more of the amenities provided to registered guests of the well-established resort hotel.”

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...or...

(2)...who participates in one or more of the amenities provided to registered guests of the well-established resort hotel.”

LEGISLATIVE INTENT

“We do further believe that it was not the intent of the General Assembly to apply the non de minimis monetary requirement to persons who were attending conferences, banquets, weddings and similar functions at the facility.”

-George Bedwick
Former Legislative Counsel to the House Majority Whip
Notes of Testimony 13:19-23 (3/27/2007)

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...or...

(2)...who participates in one or more of the amenities provided to registered guests of the well-established resort hotel.”



VALLEY FORGE CASINO
RESORT

PATRONS OF THE AMENITIES

1. Registered Event Attendees & Event Participants

- ◆ Including the following events:
 - ◆ Conventions or trade shows
 - ◆ Wedding receptions
 - ◆ Engagement, bridal & anniversary parties
 - ◆ Religious and secular festivities
 - ◆ Seminars
 - ◆ Conferences
 - ◆ Product Announcements
 - ◆ Retreats
 - ◆ Networking and team building events
 - ◆ Client appreciation events
 - ◆ Shareholder and/or board meetings





VALLEY FORGE CASINO
RESORT

PATRONS OF THE AMENITIES

1. Registered Event Attendees & Event Participants

- ◆ For registered attendees, a Valley Forge representative will confirm registration and verify ID
- ◆ For non-registered event participants, participant must register with a Valley Forge associate and provide ID





PATRONS OF THE AMENITIES

1. Registered Event Attendees & Event Participants

- ◆ Valley Forge representative will activate casino access card, which must be read & signed by the guest
- ◆ Casino Access Card will be valid for the duration of the event and for one 24 hour period within 72 hours of the conclusion of the event.
- ◆ Valley Forge representative explains appropriate procedures for admission to the casino, including:
 - ◆ Card must be swiped to obtain casino entrance
 - ◆ Card must be carried at all times
 - ◆ Guest must have valid photo ID at all times
 - ◆ Duration of allowed casino access



THE GAMING ACT

A PATRON OF THE AMENITIES IS DEFINED AS:

“Any individual...

(1)...who is a registered attendee of a convention, meeting or banquet event or a participant in a sport or recreational event or any other social, cultural or business event held at a resort hotel...

...or...

(2)...who participates in one or more of the amenities provided to registered guests of the well-established resort hotel.”

THE GAMING ACT

The Gaming Act defines “Amenities” as:

“any ancillary activities, services or facilities in which a registered guest or the transient public, in return for non-de minimis consideration as defined by Board regulation, may participate at a well-established resort hotel..”

4 Pa. C.S. § 1305(e)

The Board has defined “Non-de minimis” consideration as:

“A payment of fair market value of at least \$10 per patron paid to the resort hotel for use of one or more amenities.”

58 Pa Code § 441a.1



VALLEY FORGE CASINO
RESORT

PATRONS OF THE AMENITIES

2. Participants in Amenities Requiring Non-De Minimis Consideration





VALLEY FORGE CASINO
RESORT

AMENITIES REQUIRING NON-DE MINIMUS CONSIDERATION

- ◆ Food & Beverage Facilities
 - ◆ Blue Grotto Italian Bistro
 - ◆ Chumley's Steakhouse
 - ◆ Cafe Soleil
 - ◆ New Restaurant
 - ◆ New Food Court
- ◆ Entertainment Facilities & Events
 - ◆ ICE Nightclub
 - ◆ Concerts, comedy and other events
- ◆ Retail Outlets
- ◆ New Spa





AMENITIES REQUIRING NON-DE MINIMUS CONSIDERATION

FOOD & BEVERAGE AMENITIES



Cafe Soleil

ENTERTAINMENT AMENITIES



ICE Nightclub



AMENITIES REQUIRING NON-DE MINIMUS CONSIDERATION

NEW SPA





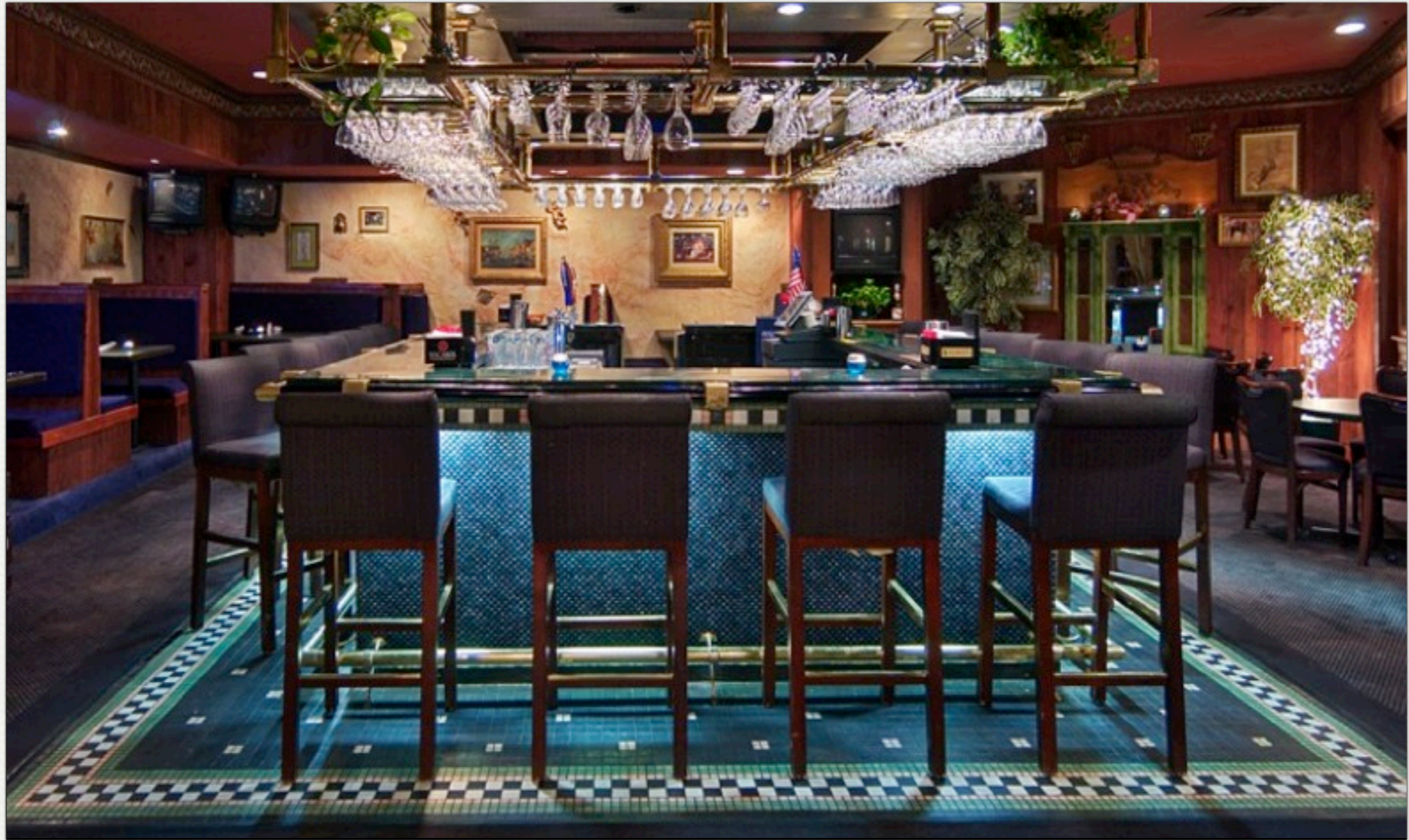
AMENITIES REQUIRING NON-DE MINIMUS CONSIDERATION

FOOD & BEVERAGE AMENITIES



Chumley's Steakhouse

FOOD & BEVERAGE AMENITIES



Blue Grotto Italian Bistro

MEMBERSHIPS



MEMBERSHIPS

The Gaming Act provides:

“The Board may approve seasonal or year-round memberships that allow 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 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.”



VALLEY FORGE CASINO
RESORT

RESORT MEMBERSHIPS

- ◆ Valley Forge proposes 3 membership categories, each including annual and seasonal options





VALLEY FORGE CASINO
RESORT

ANNUAL MEMBERSHIPS

Membership	Dining Club	Entertainment Club	Health & Fitness Club
Term	1 year	1 year	1 year
Benefits	<p>One (1) free meal at any of Valley Forge's restaurants</p> <p>10% discount on all meals at any of Valley Forge's restaurants</p> <p>Invitation to exclusive food & beverage events</p>	<p>Free Admission to one (1) headline entertainment show at Valley Forge</p> <p>No cover charge to enter ICE Nightclub</p> <p>10% discount on all headline entertainment shows at Valley Forge</p>	<p>One (1) free treatment at Valley Forge's spa</p> <p>10% discount on all treatments at Valley Forge's spa</p> <p>Unlimited access to Valley Forge's fitness center</p> <p>Unlimited access to Valley Forge's pool for member and one (1) guest</p>
Member Price	\$59.00	\$69.00	\$64.00





VALLEY FORGE CASINO
RESORT

SEASONAL MEMBERSHIPS

Membership	Dining Club	Entertainment Club	Health & Fitness Club
Term	3 months	3 months	3 months
Benefits	<p>10% discount on all meals at any of Valley Forge's restaurants</p> <p>Invitation to exclusive food & beverage events</p>	<p>No cover charge to enter ICE Nightclub</p> <p>10% discount on all headline entertainment shows at Valley Forge</p>	<p>10% discount on all treatments at Valley Forge's spa</p> <p>Unlimited access to Valley Forge's fitness center</p> <p>Unlimited access to Valley Forge's pool for member and one (1) guest</p>
Member Price	\$20.00	\$30.00	\$25.00





MEMBERSHIPS

RAYMOND QUAGLIA

BALLARD SPAHR

ERIC SIEGEL

SIEGEL MANAGEMENT COMPANY



VALLEY FORGE CASINO
RESORT

BIOGRAPHY

ERIC SIEGEL

CHIEF EXECUTIVE OFFICER
SIEGEL MANAGEMENT COMPANY

- ❖ Formed Siegel Management Company in 1983 and Juno Management Partners in 2010
- ❖ Consultant to companies including Caesars Entertainment (formerly Harrah's Entertainment) in developing business plans and revenue streams that complement their core business
- ❖ Served as expert witness, regularly offering opinions on fair market value
- ❖ Adjunct Faculty Member at Wharton School of Business since 1981
- ❖ B.A., B.S.Ec., MBA, University of Pennsylvania



MEMBERSHIPS





VALLEY FORGE CASINO
RESORT

ISSUING RESORT MEMBERSHIP CARDS

1. Obtain membership at a customer service center
 - ◆ Service representative explains membership package options to guest
 - ◆ Guest must supply photo ID and proof of age, acknowledges rules & restrictions
 - ◆ Guest information inputted to Casino Access System
 - ◆ Guest information cross-referenced with excluded & self excluded lists
 - ◆ Resort Membership Card printed
 - ◆ Valley Forge employee asks guests to sign Resort Membership Card
 - ◆ Valley Forge associate explains that Card must be swiped to obtain casino entrance, must be carried at all times, and that guest must have valid photo ID at all times





VALLEY FORGE CASINO
RESORT

ISSUING RESORT MEMBERSHIP CARDS

1. Obtain membership at a customer service center
2. Visit self-service membership centers located outside of gaming floor
 - ◆ Guest chooses membership type at self-service center
 - ◆ Patron acknowledges e-disclaimer
 - ◆ Patron must swipe driver's license and provide a method of payment
 - ◆ Patron information is cross-referenced with excluded and self-excluded lists
 - ◆ Casino Access System prints, encodes & activates Resort Membership Card with Patron's name
 - ◆ Guest is instructed to read and sign card, and that guest must maintain card at all times on gaming floor





VALLEY FORGE CASINO
RESORT

GAMING FLOOR ACCESS FOR MEMBERSHIP HOLDERS & THEIR GUESTS

- ◆ Membership holders granted unlimited access during membership term
- ◆ Membership holders may bring 1 guest onto gaming floor at any time
 - ◆ Member must be present with guest when entering gaming floor
 - ◆ Guest cannot regain access without an accompanying member
 - ◆ No more than 1 guest of a single member may be on the gaming floor at any time



ACCESSING & SECURING THE GAMING FLOOR





VALLEY FORGE CASINO
RESORT

GAMING FLOOR ACCESS CONTROLS





THE CASINO COMPLEX

