

PENNSYLVANIA GAMING CONTROL BOARD

CATEGORY 3 ELIGIBILITY CRITERIA HEARING  
FERNWOOD RESORT & CASINO  
BUSHKILL GROUP

OCTOBER 17, 2007, 11:34 A.M.

KEYSTONE BUILDING  
PUC HEARING ROOM 1  
HARRISBURG, PENNSYLVANIA

BEFORE:

MARY DiGIACOMO COLINS, CHAIRMAN  
RAYMOND ANGELI  
JEFFREY COY  
JAMES GINTY  
KENNETH McCABE  
SANFORD RIVERS  
GARY SOJKA

APPEARANCES:

FOX ROTHSCHILD, LLP  
BY: MARIE J. JONES, ESQUIRE

FOR - BUSHKILL GROUP

HILLARY M. HAZLETT, REPORTER  
NOTARY PUBLIC

I N D E X

1		
2	WITNESS	PAGE
3	Marie Jones	3
4	Andrew Worthington	5
5	Eric Orndorff	15
6	Ricky Moyer	18
7	Adrian King	22
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1                   CHAIRMAN DiGIACOMO COLINS: They're going  
2 to hand out hard copies. Mickey, can you grab those  
3 please.

4                   MS. JONES: All right. We just need to  
5 change the cord.

6                   CHAIRMAN DiGIACOMO COLINS: We're ready  
7 when you are. Just let us know. Whenever you're  
8 ready, just begin.

9                   MS. JONES: We will be, Chairman, as soon  
10 as we get the PowerPoint up.

11                  CHAIRMAN DiGIACOMO COLINS: Okay. Good.  
12 Just stand up and start talking, and I'll look up.

13                  MS. JONES: We're ready. Good afternoon,  
14 Chairman Colins, Board members. Marie Jones from Fox  
15 Rothschild here on behalf of the Bushkill Group.

16                  I would first like to thank the Board for  
17 providing us with this opportunity to present  
18 evidence establishing our eligibility under Section  
19 1305 of the Act.

20                  Present from the Bushkill Group today is  
21 Andrew Worthington, President and Chief Executive  
22 Officer, who you will hear from today. Mark Turner,  
23 Vice President and Chief Operating Officer and Gina  
24 Bertucci, Vice President of Marketing, Holly Freeman,  
25 Director of Special Project and in charge of our

1 PowerPoint and Bruce Flint, Director of New Media.

2 CHAIRMAN DiGIACOMO COLINS: They are going  
3 to testify.

4 MS. JONES: Yes.

5 CHAIRMAN DiGIACOMO COLINS: Whoever is  
6 going to testify, please stand to be sworn.

7 MS. JONES: I'm sorry. And Eric Orndorff,  
8 the professional land surveyor.

9 (Witnesses sworn en masse.)

10 MS. JONES: Bushkill clearly meets the  
11 eligibility requirements under the Act. We will  
12 presenting additional information regarding certain  
13 criteria, however, to eliminate certain items, we  
14 briefly want to say to the Board that Bushkill Group  
15 is not associated in any way with Category 1 or  
16 Category 2 licensee.

17 The Bushkill facility is not located in any  
18 improvement zone, an applicant is not a public  
19 official or executive level public employee.

20 The other criteria under Section 1305(a) of  
21 the Act requires that the facility be a  
22 well-established resort hotel, having no fewer than  
23 275 guest rooms under common ownership and having  
24 substantial year-round guest amenities. I believe  
25 that is the last time I will say that today.

1                   To establish this criteria, we will first  
2 show a two and a half minute video presentation of  
3 the facility.

4                   (Video played.)

5                   MS. JONES: As you can clearly see from the  
6 video presentation, Bushkill Group is a  
7 well-established hotel having substantial amenities.

8                   I would now like to introduce Andrew  
9 Worthington to review this issue and other criteria.  
10 Thank you.

11                   MR. WORTHINGTON: Good afternoon, Chairman  
12 Colins and Commissioners. As Marie said, I'm Andy  
13 Worthington. Now, that you have seen our short  
14 video, I would just like to go through a few slides  
15 to give you an idea of the size and scope of the  
16 current amenities existing in Fernwood.

17                   This first slide in the red circle is the  
18 events center, or special events center that we would  
19 propose to convert to a casino. It's a standing  
20 building, currently hosting concerts.

21                   We do comedy. We had Bill Cosby there a  
22 few years ago. We do professional wrestling on a  
23 regular basis. We do boxing, including we held the  
24 regional Olympic trials there for the last Olympics  
25 on boxing venue.

1           We also have a boxing training center  
2 there, which at any given time has numerous  
3 professional fighters training in that facility --  
4 that is proposed to be converted into a casino.

5           In addition to those amenities, here is a  
6 close-up of it. It will show you that the building  
7 is connected to one of the three buildings on the  
8 property that we house hotel rooms in. It's adjacent  
9 across the way from our hotel lobby, our restaurants,  
10 and our meeting space.

11           So, we'll go back to this and now we'll  
12 show you some of the locations of some of the other  
13 amenities.

14           We have a winter fun center and snow tubing  
15 park. We have 18 hole Par 71 golf course. We have 8  
16 indoor and outdoor pools. We have paddle bumper  
17 boats on one of our lakes.

18           We have horseback riding year-round. We  
19 have canoeing and rafting on the premises. We have a  
20 paintball field on the premises. We have a large  
21 game zone and a large fitness center.

22           We have a miniature golf course. We have  
23 outdoor tennis and basketball. All of those  
24 amenities are currently existing and currently in  
25 use.

1           In addition to those amenities, and the  
2 ones that we have shown on the video, we have also  
3 three lakes on the property. We have a sand  
4 volleyball court. We have various picnic areas.

5           We have a full-time recreational staff that  
6 conducts daily activities for our guest. We have a  
7 separate golf practice hole that is about 150, 180  
8 yard hole with a full tee box, full green, sand traps  
9 that is not part of the 18 hole golf course. All of  
10 these amenities are on-site and operational.

11           Fernwood Hotel and Resort is a real resort  
12 offering substantial year-round amenities. I would  
13 liken a true resort to a cruise ship, a cruise ship  
14 on land.

15           You can park your car when you arrive and  
16 never leave the resort until your vacation is over.  
17 We like to think of Fernwood that you can find  
18 everything you need for your vacation on our  
19 property.

20           I would also like to add, with respect to  
21 the issue of substantial amenities and the resort --  
22 the resort hotel designation that Fernwood Hotel and  
23 Resort is located in a resort district in the Middle  
24 Smithfield Township.

25           Next, we will go on to the 275 rooms under

1 common ownership issue. As I showed in the previous  
2 slide of the property, Fernwood has 212 hotel rooms  
3 in three buildings and on the same side of the street  
4 as the proposed casino. They are designated there.

5 We also have 436 Tree Tops, right-to-use  
6 rooms for a total of 648 rental rooms that we own and  
7 control.

8 We have not counted the 246 deeded time  
9 share villas that we also own some interest in in  
10 this calculation. So the 648 total rentable rooms is  
11 only rooms that we fully own and control.

12 The Tree Tops time share is right-to-use,  
13 as I have said. Right-to-use time share is the sale  
14 of a license. It's a right to occupy a week of  
15 accommodations in a given season for a term of years.  
16 There is no conveyance of a further interest besides  
17 a license.

18 We also control our right-to-use occupancy  
19 in such a manner that under no circumstances could  
20 there ever be a night where Fernwood would have fewer  
21 than 275 rooms for general public rental guests.

22 The next slide is in response to some of  
23 the questions from the Commissioners yesterday, just  
24 a couple of brief statistics.

25 Annually, we service about 540,000 guests



1 on an overnight basis. We have additional day guest  
2 visits of 65,000. The average length of stay at our  
3 resort is 3.8 days. Our average daily rate is \$120  
4 per night.

5 As to seasonal occupancy, we're like most  
6 of the Pocono resorts, we're very busy in the summer,  
7 as full as we can be. We're busy during ski season  
8 and holidays and much less busier during the shoulder  
9 seasons, fall and winter, aside from when the leaves  
10 are turning.

11 One of the things that we view as  
12 significant in our application is that we market  
13 almost exclusively to out-of-state guests.

14 So, our understanding of the intent of this  
15 legislation is bringing out-of-state dollars into  
16 Pennsylvania. That's what we do pretty well.

17 I have listed there for you, 40 percent of  
18 our guests are from the New York State, 34 percent  
19 are from states other than New York, New Jersey, or  
20 Pennsylvania. That's primarily New England states.  
21 We do a lot of marketing in the Baltimore and  
22 Washington D.C. area. Then 16 percent of our guests  
23 are from New Jersey.

24 Only 10 percent of the overnight guests at  
25 our resort are originally from the State of

1 Pennsylvania or originate in the State of  
2 Pennsylvania.

3 Ownership of the Bushkill Group, I would  
4 like to get through that briefly. Bushkill Group is  
5 the applicant. We own both HaRa Corp. and HRP Corp.  
6 HaRa Corp. is the more significant for the  
7 application purposes because, they are 100 percent  
8 owner of Fernwood Hotel and Resort and the Villas at  
9 Tree Tops. That's where the proposed casino and all  
10 of the rooms exist. HRP Corp. controls the deeded  
11 time share units through the Villas at Fairway.

12 Restricted access to the casino floor is  
13 also a significant issue. It is one we have studied  
14 in some detail. This is just a relisting of the  
15 requirements under the Act.

16 The next slide will show what we have  
17 proposed to do about it. All of our overnight guests  
18 are currently registered through the resort's  
19 reservation system. They will continue to be done  
20 so. All of their information will be in our  
21 reservation system.

22 We also have an existing point-of-sale  
23 system that will record all payments by patrons of  
24 any of our resort amenities from golf to restaurants.  
25 That information is immediately available to the

1 staffers at the player's desk.

2           So, anybody who believes they are eligible,  
3 any overnight guest, any patron will be directed to  
4 the player desk. They will then be identified; and  
5 if they are, in fact, eligible both through either  
6 being an overnight guest, from paying the di minimus,  
7 and from having being older than 21, then they will  
8 receive an access pass.

9           After they receive that access pass, they  
10 will need to show that access pass to the security  
11 personnel, who will be at the single controlled entry  
12 point to the casino floor.

13           Then, once on the floor, the play can be  
14 tracked through use of the issued player cards, if we  
15 need to do so.

16           This is just an outline of the proposed  
17 casino layout. The outline in red is the casino  
18 floor and the indications you see at the top of that  
19 red mark is the single control point of entry. It's  
20 adjacent -- immediately adjacent to the player desk  
21 so there can be no question whether or not someone is  
22 eligible and able to go onto the floor. Here is a  
23 close-up of that. The next slide should show you an  
24 artist's rendering of that. I think that's it.  
25 Thank you very much.

1                   CHAIRMAN DiGIACOMO COLINS: Thank you.

2                   MS. JONES: I will just adjust this. The  
3 next criteria under 1305(b) is the requirement that  
4 no Category 3 licensee shall be located by the Board  
5 within 15 linear miles of another licensed facility.

6                   Licensed facility is clearly defined under  
7 the Act as the physical land base location on which a  
8 licensed gaming entity is authorized to operate slot  
9 machines.

10                  The location that the Board authorizes for  
11 the placement and operation of a slot machines is not  
12 the entire facility of the licensee but the casino  
13 floor area and any modifications to that approved  
14 location must be approved by the Board.

15                  The Board does not license an entity to  
16 operate machines anywhere on its property. We  
17 couldn't put one on our golf course even though  
18 someone may suggest that at some point.

19                  Further, the original Pennsylvania  
20 Racehorse Development and Gaming Act had the  
21 additional phrase of and associated areas in the  
22 definition of licensed facility.

23                  This was removed as part of Senate Bill  
24 862. The clear intent by the removal of the  
25 associated area language was to define the licensed

1 facility as a location where the slot machines are  
2 located.

3           If the intent was to have that remain a  
4 broad definition, associated areas would have  
5 remained in the definition.

6           Based on the wording, it is clear 15 linear  
7 miles from the licensed facility means that a  
8 measurement should be from the gaming floor to the  
9 gaming floor.

10           The slide up here shows the -- is an  
11 excerpt from the Board's engineer's proximity report.  
12 It shows that Bushkill Group is over 15 linear miles  
13 from Mount Airy.

14           The Board's expert only found one exception  
15 in which the Bushkill Group is less than 15 miles  
16 from Mount Airy and that is if the Board utilizes  
17 property line to property line.

18           As can be seen from the next slide,  
19 Bushkill Group is over a half mile, Mount Airy is  
20 over one and a half miles for a total of 2 miles.  
21 These properties are spread out, and they tend not to  
22 be, you know, a condensed area.

23           If the Board utilizes the property line to  
24 property line measurement, only one applicant would  
25 meet the 15 linear mileage requirement and as that is

1 of the fact that they are not a resort hotel but a  
2 convention center.

3 Further, the Board should consider the fact  
4 that if the interpretation is property line to  
5 property line, this would be a moving target, as a  
6 Category 1 or 2 licensee could merely purchase  
7 additional property closer to the Category 3  
8 applicant and remove that applicant from eligibility.

9 In fact, you could have not at licensing  
10 but in two years from now, somebody buy a piece of  
11 property and then you're within the 15 miles. It  
12 should be as the statute says, licensed gaming  
13 facility.

14 To review the specific areas and mileage  
15 issues, I would like to introduce Eric Orndorff, who  
16 is a professional land surveyor and regional service  
17 group manager with Herbert, Rowland and Grubic.

18 Mr. Orndorff's curriculum vitae was  
19 provided as part of the pre-hearing memorandum and I  
20 would ask that he be qualified as an expert in the  
21 land surveying field.

22 CHAIRMAN DiGIACOMO COLINS: Would you just  
23 briefly surmise it.

24 MS. JONES: I will actually ask him to do  
25 so.

1                   CHAIRMAN DiGIACOMO COLINS: Just come up  
2 and summarize it.

3                   MR. ORNDORFF: Good morning. My name is  
4 Eric Orndorff and I work here in Harrisburg with  
5 Herbert, Rowland and Grubic. I have a Bachelors of  
6 Science Degree in Geography from Penn State.

7                   I have a Masters of Science Degree in  
8 surveying and mapping from the University of Florida  
9 and I am a licensed land surveyor here in the  
10 Commonwealth of Pennsylvania as well as the State of  
11 Maryland.

12                   I did review the Board's engineer proximity  
13 report --

14                   CHAIRMAN DiGIACOMO COLINS: Hold on. He's  
15 accepted as an expert. He can go on.

16                   MS. JONES: Thank you.

17                   MR. ORNDORFF: I was asked by the Bushkill  
18 Group to review the engineer's proximity report and I  
19 do agree that the closest existing casino facility,  
20 Mount Airy, is outside of a 15-mile radius from  
21 Fernwood's facility.

22                   We went on to verify that by performing  
23 distances from specific points of reference. I would  
24 like to just go over those points of reference with  
25 you, as well as our methodology for making those

1 measurements.

2           The orthophotography that you see here is  
3 derived from a PA Map Program, which is a program  
4 under the administration of DCNR through a grant at  
5 Penn State.

6           They fly to parts of the Commonwealth  
7 periodically to drive this orthophotography. It is  
8 produced to be at a horizontal scale from 1 inch to  
9 200 feet.

10           The horizontal positional accuracy  
11 tolerance of the orthophotography to be within 6.67  
12 feet. That is why we actually chose to make our  
13 measurements in miles to the nearest hundredths of a  
14 mile. The nearest hundredth of a mile states that we  
15 are plus or minus 52.8 feet with our measurements  
16 with regards to the precision of those measurements.

17           If we try to go to the nearest thousandths  
18 of a mile, we would then actually be saying that our  
19 measurement are far more precise actually within 5.82  
20 feet, which is a greater tolerance than the actual  
21 horizontal accuracy that the orthophotography was  
22 produced at.

23           The points of reference that we looked at,  
24 you can see the Fernwood casino site here, the main  
25 entrance building is labeled there, as well as the



1 center of the casino floor in the existing events  
2 center, and the closest building to Mount Airy is the  
3 eastern most corner.

4           You can see that there is over a half a  
5 mile between the facility and its western most  
6 corner, which is closest to Mount Airy. The parcel  
7 boundary was derived from Monroe County GIS  
8 Geographic Information System Department, their  
9 parcel layer for the county.

10           Similarly, Mount Airy, we had points of  
11 reference there on the casino building. You can see  
12 their eastern most corner is well over a mile and a  
13 half from the facility and closer to the Fernwood  
14 site.

15           On a linear distance point to point from  
16 the Fernwood casino floor to the Mount Airy casino  
17 floor is 15.57 miles. The casino door to casino door  
18 is 15.57 miles. So we concur with the Board's  
19 proximity report.

20           We also did a radial search around to the  
21 next nearest applicants, as well as existing  
22 facilities. They are well beyond the 15-mile radius.

23           CHAIRMAN DiGIACOMO COLINS: Thank you.

24           MS. JONES: As you can see from our  
25 presentation, Bushkill has established that we meet

1 the requirements under 1305 of the Act. It is  
2 clearly a well-established resort hotel with  
3 substantial year-round amenities and more than 275  
4 guest rooms under common ownership.

5           Bushkill's licensed facility will be more  
6 than 15 linear miles from Mount Airy's licensed  
7 facility. It is not associated with a Category 1 or  
8 2 licensee, not within an improvement zone, and it is  
9 not a public official or executive level public  
10 employee.

11           We would be happy to address any questions  
12 the Board may have.

13           CHAIRMAN DiGIACOMO COLINS: Thank you.  
14 Now, I'll ask Mr. Moyer to come forward.

15           MR. MOYER: Good afternoon. Would you like  
16 me to go through the methodology? It's a little bit  
17 different --

18           CHAIRMAN DiGIACOMO COLINS: Yes.

19           MR. MOYER: Okay. Again, my name is Rick  
20 Moyer. I'm the chief of surveyors for McTish, Kunkle  
21 and Associates (MK). I have over 14 years of  
22 surveying experience.

23           We provide professional consulting  
24 engineering, surveying, environmental, and  
25 construction management services for various

1 governmental and private clients.

2 I am a professional engineer and a  
3 professional land surveyor in the State of  
4 Pennsylvania.

5 Some of my responsibilities as a chief of  
6 surveys is to process and review the survey data,  
7 calculate property boundaries, and to oversee and  
8 coordinate the survey crews.

9 The issue being Statute 4 Pa.C.S. 1305  
10 reads, facilities located in Pennsylvania that could  
11 qualify for a Category 3 gaming operator's license  
12 cannot be located within 15 linear miles of any other  
13 licensed slot machine casino.

14 MK was hired by the Pennsylvania Gaming  
15 Control Board to measure the straight line distances  
16 between facilities for these five scenarios:

17 One, closest points on property boundaries.

18 Two, front entrance to front entrance.

19 Three, two closest points on gaming floors.

20 Four, two closest points on buildings  
21 housing the gaming floor.

22 Five, primary roadway entrance to primary  
23 roadway entrance.

24 All of the measurements were taken on the  
25 Pennsylvania State Plane Coordinate System,

1 topographic mapping, and aerial photography were  
2 obtained from the Pennsylvania Spatial Data Access  
3 website and were also relayed on to the State Plane  
4 Coordinate System, land development or site plans or  
5 solicited from the currently or pending licensed  
6 facility along with the applicant.

7 From the plans provided a series of points  
8 in the closest direction to the opposing facilities  
9 were identified for field verification.

10 MK surveyors, under my direction, utilized  
11 a Trimble ProXH GPS backpacking unit with an accuracy  
12 of 2 feet in either direction and located where  
13 possible property corners, corners of buildings, and  
14 front door locations. Locations which could not be  
15 obtained by GPS were interpellated from the plans  
16 provided.

17 The calculation, by having all of the data  
18 on the same coordinating system, the northern and  
19 eastern coordinates could be obtained and the  
20 horizontal calculated by inverse and between points.

21 From the calculations the results are as  
22 follows: Fernwood to Mount Airy, two closest points  
23 on property boundaries 13.2 miles.

24 Second, front entrance to front entrance,  
25 15.6.

1           Three, two closest points on the gaming  
2 floors, 15.5.

3           Four, two closest points on buildings  
4 housing gaming floor, 15.5 miles.

5           The fifth one, primary roadway entrance to  
6 primary roadway entrance, 15.7 miles.

7           Our conclusion, Fernwood using straight  
8 line measurements on the Pennsylvania State Plane  
9 Coordinate System, Fernwood is more than 15 miles  
10 away from all currently or pending licensed  
11 facilities, less one exception.

12           When the two closest property corners are  
13 used for the basis of measurement, Fernwood is less  
14 than 15 miles from Mount Airy.

15           MR. DONAGHUE: Chairman Colins, I would  
16 like to move that report.

17           CHAIRMAN DiGIACOMO COLINS: Any objection?

18           MS. JONES: No objection. I do want to  
19 note though on his PowerPoint presentation, he had  
20 the quote from Section 1305(b) slightly wrong.

21           CHAIRMAN DiGIACOMO COLINS: All right.

22           MR. DONAGHUE: And also with regard to  
23 yesterday's hearings, I would like to move  
24 Mr. Moyer's reports in and I would note that counsel  
25 are present in this room.

1                   CHAIRMAN DiGIACOMO COLINS: The reports are  
2 accepted and the statute speaks for itself. Where  
3 are we now? We're up to the other applicant, I  
4 think, Valley Forge. Valley Forge is going to make a  
5 comment from counsel.

6                   MR. KING: Good afternoon, Madam  
7 Chairwoman, members of the Board, I'm Adrian King,  
8 here on behalf of the Valley Forge Convention  
9 Partners.

10                   At this point in time, we will not be  
11 presenting any evidence with respect to our notice to  
12 test eligibility. We've been developing and looking  
13 at the evidence.

14                   If we do decide that there's a good faith  
15 basis to proceed, we will file such within the 15-day  
16 period that has been established by the Board.

17                   CHAIRMAN DiGIACOMO COLINS: Very good.  
18 Thank you, sir.

19                   Miss Jones, do you have anything further on  
20 behalf of your client?

21                   MS. JONES: I would just like to move  
22 certain items into evidence. Exhibit 1 would be the  
23 application of Bushkill Group; Exhibit 2, the  
24 supplements thereto; Exhibit 3, the PowerPoint and  
25 video presentation seen today; and Exhibit 4, the

1 prehearing memorandum.

2 CHAIRMAN DiGIACOMO COLINS: All right. Any  
3 objection, Mr. Donaghue?

4 MR. DONAGHUE: No objection.

5 CHAIRMAN DiGIACOMO COLINS: Thank you.

6 It's accepted. That concludes this hearing.

7 COMMISSIONER RIVERS: Any questions?

8 CHAIRMAN DiGIACOMO COLINS: Oh, I'm sorry.

9 Commissioner Ginty, any questions?

10 COMMISSIONER GINTY: Just one.

11 Did you calculate the driving distance from  
12 the resort?

13 MR. WORTHINGTON: We did through Mapquest,  
14 if that counts; and it's 25 miles shortest driving  
15 route.

16 COMMISSIONER GINTY: Thank you. No further  
17 questions.

18 CHAIRMAN DiGIACOMO COLINS: Commissioner  
19 Sojka?

20 COMMISSIONER SOJKA: I had just a couple of  
21 quick questions, again, about our favorite subject,  
22 the time shares. I did hear you say that those are  
23 deeded properties; is that correct?

24 MR. WORTHINGTON: No. Those that we are  
25 including in the count for 275 rooms are right-to-use

1     only. We have an additional 246 deeded villas that  
2     we did not count anywhere, other than the footnote  
3     that they are not included in the 648 total rentable  
4     rooms.

5                 COMMISSIONER SOJKA: So that slide that you  
6     provided that had --

7                 MR. WORTHINGTON: The guest rooms under  
8     common ownership, that slide?

9                 COMMISSIONER SOJKA: Yeah.

10                MR. WORTHINGTON: We have -- in terms of  
11     rental keys on the property -- I don't want to  
12     confuse the situation by counting the deeded time  
13     shares. We have 906 keys on the room.

14                We have only counted those that are not  
15     part of the deeded time share regime. Even those  
16     nights that we own on the deeded villas, we have not  
17     counted. Once when we got to 648, we figured we had  
18     plenty and we're just going to stay out of the deeded  
19     side.

20                COMMISSIONER SOJKA: These right-to-use  
21     guests don't have any specific building associated --

22                MR. WORTHINGTON: That is correct. They  
23     have the ability to come in and make a reservation  
24     when we have availability within a specific season.

25                COMMISSIONER SOJKA: Right. I also noted,



1 you were somewhat unusual in providing your average  
2 daily rate.

3 MR. WORTHINGTON: It was asked for  
4 yesterday so --

5 COMMISSIONER SOJKA: That I assume is the  
6 room only, does not include food?

7 MR. WORTHINGTON: That is correct.

8 COMMISSIONER SOJKA: When you do that, how  
9 do you calculate the right-to-use villas?

10 MR. WORTHINGTON: They rent sometimes for  
11 more than your standard hotel room because some of  
12 them are two bedrooms, you know, two and a half  
13 bathrooms. Our marketing department establishes  
14 rates seasonally.

15 COMMISSIONER SOJKA: They're not figured in  
16 this number?

17 MR. WORTHINGTON: Oh, no, they are. That's  
18 an average calculation. That's a blended calculation  
19 of both hotel rooms and villas.

20 COMMISSIONER SOJKA: I have no more  
21 questions.

22 CHAIRMAN DiGIACOMO COLINS: Commissioner  
23 Rivers?

24 COMMISSIONER RIVERS: No.

25 CHAIRMAN DiGIACOMO COLINS: Commissioner

1 McCabe?

2 COMMISSIONER McCABE: No questions.

3 CHAIRMAN DiGIACOMO COLINS: Commissioner  
4 Coy?

5 COMMISSIONER COY: No questions.

6 CHAIRMAN DiGIACOMO COLINS: Commissioner  
7 Angeli?

8 COMMISSIONER ANGELI: Just one. On  
9 ownership, why is it HaRa Corporation -- why aren't  
10 they on the application?

11 MS. JONES: Why HaRa was not the applicant,  
12 as the owner of the facility -- I'm actually going to  
13 the chart.

14 We found it was appropriate for Bushkill  
15 Group, Inc. to be the applicant as they own not only  
16 the HaRa but the HRP facility. As such, they own the  
17 entire facility even though we are not counting the  
18 Villas at Fairway for the deeded properties.  
19 Bushkill Group is a wholly owned subsidiary of  
20 Resorts Group.

21 COMMISSIONER ANGELI: I don't have anything  
22 further.

23 CHAIRMAN DiGIACOMO COLINS: I have nothing  
24 further. I'm going to adjourn the hearing if there  
25 are no further questions, and thank all of the

1 applicants of these past two days that have come to  
2 present evidence. We will take a recess. I'll let  
3 you know how long in about two minutes. Excuse me.

4 MS. JONES: Thank you.

5 CHAIRMAN DiGIACOMO COLINS: We're going to  
6 take just a 15-minute recess and come back and do the  
7 public meeting.

8 (The hearing concluded at 12:49 p.m.)

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1           I hereby certify that the proceedings and  
2 evidence are contained fully and accurately in the  
3 notes taken by me on the within proceedings and that  
4 this is a correct transcript of the same.

5

6

7

Hillary M. Hazlett, Reporter  
Notary Public

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25