

September 12, 2004

Mr. Michael White, President
New Mexico Farm and Livestock Bureau
c/o Mr. John Wortman
P. O. Box 2004
Las Cruces, NM 88004

Dear President White and the New Mexico Farm and Livestock Bureau Board:

As you may know, Jemez Pueblo and Circle P are jointly working on an economic development project near Anthony, New Mexico which will potentially create more than 1,000 jobs when the project is fully phased-in. We recognize that the New Mexico Farm and Livestock Bureau is a prominent group in Dona County and we would like an opportunity to brief your Board about our project.

We would like to tell you a little about the principals involved in the project. The Jemez Pueblo is one of the 19 Pueblos in the State of New Mexico. The Pueblo characterizes itself as a traditional Pueblo which means that the Pueblo continues to practice and maintain its traditional and cultural practices that have been passed on by their ancestors for centuries. They run a traditional form of government. The Pueblo's demographics are similar to Anthony's. Many of the Pueblo's members are farmers raising chile, corn, vegetables, and alfalfa. One could characterize the Jemez farmers as subsistence farmers. Some of the tribal members have livestock and actively participate in their livestock association making improvements to their range lands to increase the forage for grazing. Circle P, the developer, also has an affinity for farming as a business and way of life since one of its affiliates owns interests in several ranches and an organic farm.

The proposed casino project has been designed to be a win-win-win situation for the entire area. The business plan and the supporting marketing studies show that the project will grow the economic pie for everyone.

The entire project is currently a little more than 100 acres—a small amount of land that will hardly impact the rural landscape of the overall county. Some of the land would be owned by the Pueblo and some of it would be owned by Circle P.

We are looking at the Anthony site because the project is designed around bringing new people—mostly Texans--into Dona County to spend their entertainment dollars. These are people who currently spend no money and no time in Dona Ana County.

The Anthony/Berino Economic Development Plan cited the area's proximity to the Texas border as one of the reasons the area has had difficulty attracting economic development. According to their plan, it has historically been difficult for Anthony to

compete with Texas for a number of reasons including Texas' more favorable tax structure. We want to take what has been identified by the Anthony/Berino Economic Development specialists as an unalterable disadvantage and use it to the community's advantage. We want to take a geographic lemon and make economic lemonade for Dona Ana County.

We picked a county that already embraces gaming, but one that is underserved for the demand. According to our marketing studies, the area is untapped for gaming. There are 2.2 million people in the area and only approximately 700 slot machines. In Albuquerque area there are 786,000 people and 7,200 slot machines.

There are three sources of patrons for the new project—Texans and Mexican Nationals who like to gamble, interstate travelers, and folks who plan vacations to gaming destinations. Dona Ana County has weather better than Florida and we think it could become a destination for people who enjoy playing poker and black jack and other games of skill and chance. This project would complement current race track as another reason for potential visitors to come and even extend their stay in the area.

We are contemplating showcasing Mesilla Valley agricultural products including the chiles, onions, pecans, pistachios, wine and numerous dairy products on our menus. We are excited about the many processed foods that also come from the area. For example, the various chile salsas, the coffees, and the chocolate covered pecans. This is another reason we would like to meet with you to explore the possibilities.

The new casino would generate its own customers and not take customers from the track, according to GVA Marquette Advisors, International Hospitality and Gaming Consultants, one of the most highly respected experts for this type of analysis. Independent of this report, time and again case studies have proven that if you have more than one choice for a certain activity in an area, the area attracts more customers than if there were only one choice. Horse racing offers another example. The crowd is bigger and the betting is heavier if there is more than one great horse in the race. Car dealers have proven this, fast food chains have proven this, movie theaters and bars have proven this. In addition to this well-documented phenomenon, we see significant opportunities for co-marketing with Sunland Park Race Track and Casino.

Since the customers at the casino will be predominately people who currently don't spend a dime in Dona Ana County, local restaurants, convenience stores and other retailers should welcome the casino. In fact, they are encouraged to meet with us to figure out ways to make this mutually beneficial.

We started the dialogue with the local community and Dona Ana County. Our expectation is to work with them to address as many issues of concern and resolve them to the satisfaction of all the parties. This is one of the reasons we would like to meet with your Board, discuss the project, understand any concerns and hopefully find a way to address them.

We would like to talk to the horsemen and understand their concerns. We are willing to show them the facts, and once they are informed , we would like to address their concerns.

In our preliminary agreements we have addressed gambling addiction as a problem for some people. This is not the intended audience for this project. The developers have made a commitment to utilize best practices regarding managing this problem and to support state-of-the-art research and local groups who run good treatment programs.

We noticed that recently Las Cruces Economic Development has started a \$3 million economic program to recruit companies whose workers would earn more than \$26,208, the city's average wage. Our business plan envisions jobs paying on average more than that with benefits. The average salary for our project is \$28,893—almost two thousand dollars higher than the target. Our total payroll is projected to be more than \$28 million a year. We also offer flexibility and the opportunity for advancement through on-the-job training. In addition, there are opportunities for people who speak only Spanish and people without college experience. The full report should be available for your review within the next ten days. We hope this project will be embraced by the people of Anthony, and by the New Mexico Farm and Livestock Bureau.

Please contact Joe Thompson to schedule a time convenient for a full briefing.

Sincerely,

Paul S. Chinana
Governor

Jerry Peters
Circle P