



FINANCE
COMMISSIONER ENRIQUE ZUNIGA

PRESENTATION

CATEGORY 1 – RESORT CASINO – REGION C

APRIL, 2016



APPLICANT SUMMARY – MG&E

Mass Gaming & Entertainment, LLC (“MG&E”)

- Owned by Mass Gaming Holdings, LLC which is owned by Brockton Gaming, LLC and Sweeney Investments, LLC.
- Brockton Gaming, LLC is owned by various Neil Bluhm affiliated entities and Sweeney Investment, LLC is owned by George and Laetitia Carney.
- Rush Street Gaming, LLC (also owned by various Neil Bluhm affiliated entities) is the proposed manager of the gaming facility.
- Rush Street Gaming, LLC operates the following casinos:
 - Rivers Casino Des Plaines - 1,024 slots, 52 tables and \$ [redacted] gaming revenue (2015).
 - Rivers Casino Pittsburgh – 2,981 slots, 125 tables and \$ [redacted] gaming revenue (2015).
 - SugarHouse Casino Pittsburgh – 3,285 slots, 173 tables and \$ [redacted] gaming revenue (2015).
 - Rivers Casino Schenectady (Planned Opening - in Q1 2017) – \$330 million (project cost) casino development with 1,150 slots and 78 tables.



APPLICANT- WHAT THEY ARE PROPOSING

Category 1 Applications- Project Summaries			
Applicant	Springfield/ MGM*	Everett/ Wynn*	Brockton/ MG&E
Name	MGM Springfield	The Wynn Resort in Everett	Brockton Casino
Location	Springfield	Everett	Brockton
Development Period	51 months	48-52 months	38-41 months
Opening Date	Sep-18	Q4 2018	May-19
Gaming			
Slots	3,000	3,080	2,100
Table Games	75	250**	100
Poker Tables	25	n.a.	24
Area (sf)	126,262	190,461	91,900
Non-Gaming			
Number of F&B Outlets	8	10	6
Total Seats	2,165	1,160	770
Hotel (rooms)	250	629	250
Entertainment	Bowling Alley, Cinema, 54 Residential Units	1,000 seat multi-purpose venue, 500 seat outdoor amphitheatre	15,600 sf multipurpose space (same as below)
Exhibition/Meeting Space (sf)	21,105	37,068	15,600
Retail	26,000 sf of retail space	52,632 sf retail	1,000 sf retail
Parking (spaces)	3,375	3,736 (2,936 on-site)	3,003

Source: HLT Advisory Inc. based on Applicant's sub missions.
 *Based on MGC's 2015 annual report.
 **Everett/Wynn table games includes poker tables.
 n.a.-Not available



APPLICATION- BACKGROUND FINANCE SECTION

- Application document organized under four broad areas:
 - Financial and Capital Structure.
 - Maximize Revenues to the Commonwealth.
 - Realize Maximum Capital Investment.
 - Offer Highest and Best Value to Create a Secure and Robust Gaming Market.
- 38 detailed questions in Finance Section:
 - Questions 2-13, 2-14, 2-15, 2-16, 2-17 and 2-33 not rated
 - Additional information ascertained from Economic Development and Building and Site Design sections.
- The broad areas and detailed questions relate to the Commission's vision for expanded gaming in the State that is rooted in the State's gaming legislation ("objectives").



STATE GAMING OBJECTIVES

- 18 interrelated objectives in total
- Key objectives that directly relate to the Finance Section:
 - Maximize capital investment (exclusive of land and infrastructure)
 - Recapture out-of-state gaming expenditures
 - Maximize revenues to State
 - Highest and best value to create a secure and robust gaming market
- These objectives were viewed in terms of the State's implementation plan ("casino model"):
 - Limited number of licenses
 - Low tax rate and minimum investment threshold



FRAMEWORK- FINANCE TEAM APPROACH

The assessment was undertaken under four interrelated areas:

1. Financial Capability

- I. Ability to obtain project capital
- II. Current financial strength of Applicants
- III. Expected project returns

2. Investment Plan

- I. Commitment to spend required capital
- II. Timing of Development
- III. Consistency between quality/scope of facility, expected market penetration and financial results

3. Market Assessment

- I. Gaming revenue projections and market share without a Taunton casino
- II. Gaming revenue projections and market share with a Taunton casino

4. Operations Plan

- I. Understanding of internal controls
- II. Consistency of business plan with expected financial returns
- III. Financial projection analysis



FINANCE – TEAM OF ADVISORS



Rob Scarpelli



Katia Muro



Matthew Klas



1. FINANCIAL CAPABILITY

The focus of this component was on assessing the financial capabilities of the Applicant to develop (construct and open) and operate the proposed Category 1 facility.

Specific assessment areas included:

- I. Applicant's ability to obtain project capital
- II. Current financial strength of Applicant
- III. Applicant's expected project returns over the 15 year term of the license



1.1 ABILITY TO OBTAIN PROJECT CAPITAL

Expectations of Applicant:

- Evidence of access to and availability of capital required to fund project cost as submitted

Assessment Approach:

- Reviewed financing plan as submitted by Applicant
- Reviewed accompanying background materials (commitment letters, promissory notes, credit facilities, net worth statements, financial statements, as well as Phase 1 Suitability Reports)



1.1 ABILITY TO OBTAIN PROJECT CAPITAL

Applicant's proposed funding plans:

Financing Structure (\$Million)			
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E
Capital Required*	\$950.0	\$1,700.0	\$677.5
Third Party Debt**	\$475.0-\$712.5	\$1,053.0	\$505.0
Equity**	\$237.5-\$475.0	\$647.0	\$172.5
Total	\$950.0	\$1,700.0	\$677.5
Project Financed by Debt**	50%-75%	62%	75%
Project Financed by Equity**	25%-50%	38%	25%
Total	100%	100%	100%
<p><i>Source: HLT Advisory Inc. based on Applicant's submission.</i></p> <p><i>* Springfield/MGM and Everett/Wynn capital required as reported in MGC's 2015 annual report.</i></p> <p><i>** Springfield/MGM and Everett/Wynn amounts financed by debt and equity assumed based on debt/equity ratios submitted in the application</i></p>			



1.1 ABILITY TO OBTAIN PROJECT CAPITAL

Brockton/MG&E's funding plan:

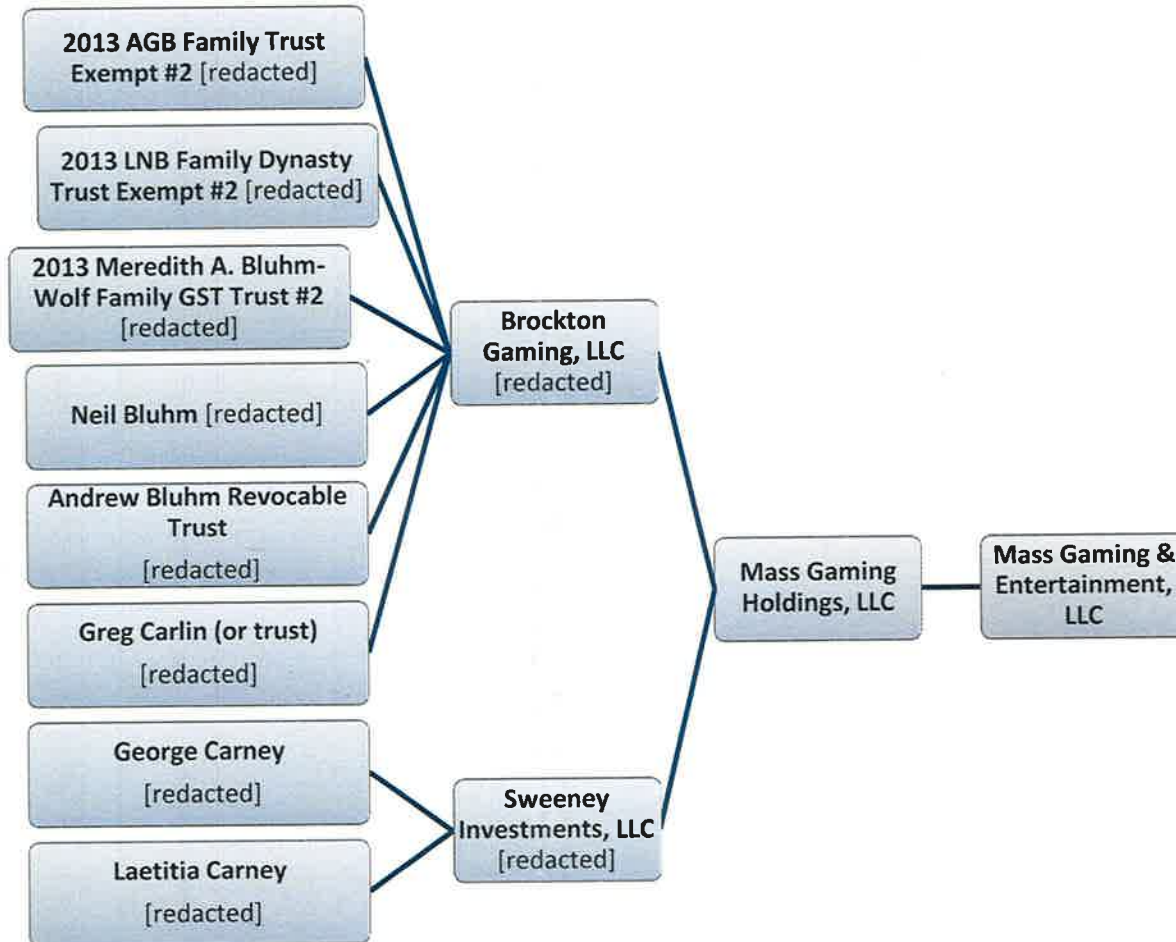
- Brockton Gaming, LLC is also the holder of Preferred and Excess Preferred Equity. Sweeney Investment, LLC has certain rights to participate in Preferred and Excess Preferred Equity.

Brockton/MG&E - Funding Plan (\$Million)	
Source of Equity/Financing	Total
<u>Equity</u>	
<u>Common Equity</u>	
Brockton Gaming, LLC	\$90.0
Sweeney Investments, LLC	\$10.0
Preferred Equity [REDACTED]	\$55.0
Excess Preferred Equity [REDACTED]	\$17.5
Total Equity	\$172.5
<u>Debt</u>	
Bank Financing	\$505.0
Total Debt	\$505.0
Total	\$677.5
<i>Source: HLT Advisory Inc. based on information from Applicant's submission.</i>	



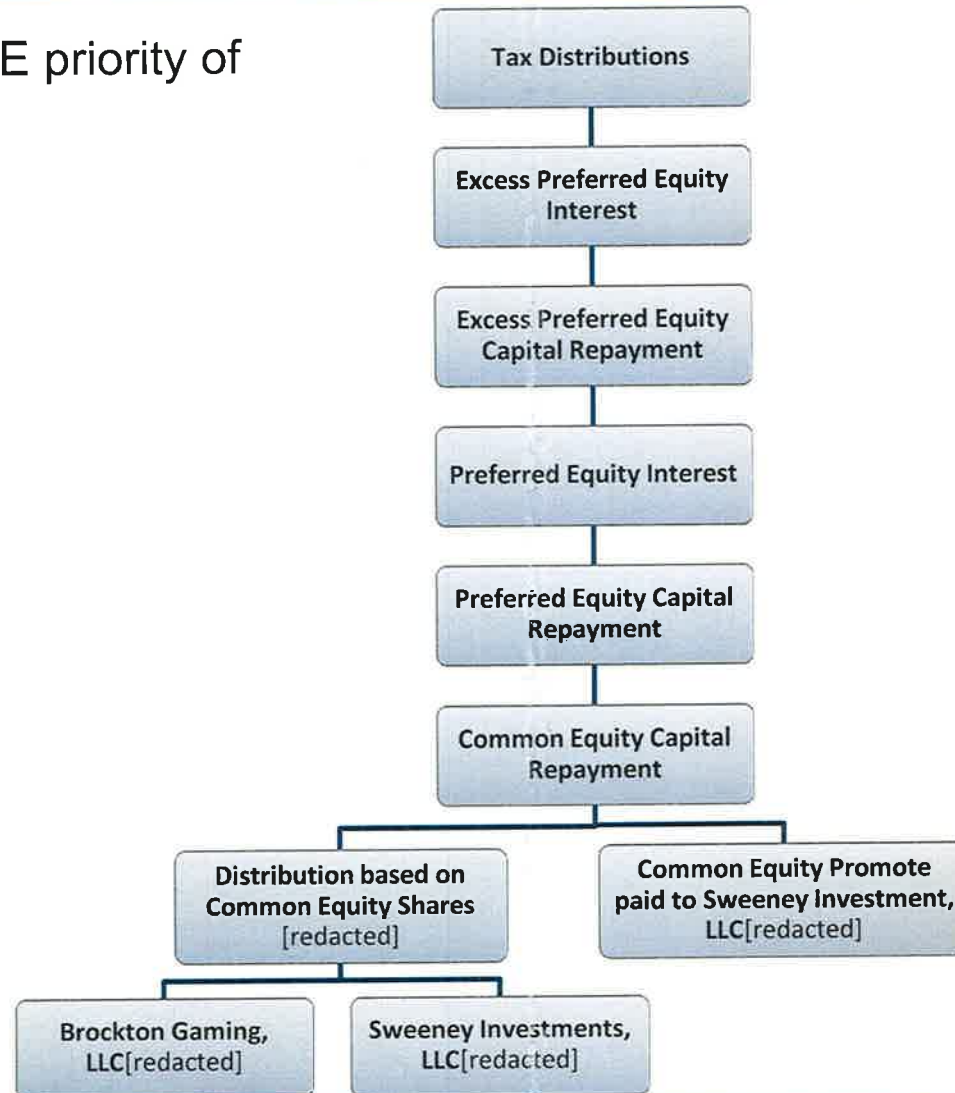
1.1 ABILITY TO OBTAIN PROJECT CAPITAL

Brockton/MG&E's ownership structure:



1.1 ABILITY TO OBTAIN PROJECT CAPITAL

Brockton/MG&E priority of distributions:



1.1 ABILITY TO OBTAIN PROJECT CAPITAL

Assessment Results

Brockton/MG&E

Outstanding

- Net worth of entities and related entities (over \$[redacted]) of Brockton Gaming, LLC demonstrate the ability to fund the equity component of the project.
- While the majority of assets are non-liquid, the Applicant provided a bank letter indicating access to a credit facility with over \$ [redacted]of undrawn funds available (at time of financial suitability).
- Highly confident letters from three banks.

1.2 CURRENT FINANCIAL STRENGTH

Expectations of Applicant:

- To ensure existing operations of Applicant would not negatively impact Massachusetts casino operation. Provide evidence of a strong balance sheet, reasonable levels of existing debt and positive operating results.

Assessment Approach:

- Reviewed financial statements (where applicable) submitted by the Applicant and performed financial ratio analyses to assess financial strength.

Note: While Neil Bluhm affiliated entities have significant (i.e. controlling) ownership interests in Rivers Casino Pittsburgh, Rivers Casino Des Plaines, and Sugarhouse Casino Philadelphia, these casinos are not being used by Brockton/MG&E to directly support project financing and as such an analysis of these casinos is not being used to demonstrate the financial strength of Brockton/MG&E. That said, a financial ratio analysis was completed for these three casino projects.

1.2 CURRENT FINANCIAL STRENGTH

Financial Ratios, Publically Traded Gaming Companies (2015 year end results)

	Financial Ratios - Publically Traded Gaming Companies							
	Capital Assets > \$4 billion				Capital Assets < \$4 billion			
	Las Vegas Sands Corp.	Wynn Resorts Ltd.*	MGM Resorts International*	Caesars Entertainment Corporation	Mohegan Tribal Gaming Authority	Boyd Gaming Corporation	Pinnacle Entertainment, Inc.	Station Casinos LLC
Current Assets (\$Million)	\$3,609	\$2,506	\$2,409	\$1,771	\$156	\$257	\$234	\$210
Current Liabilities (\$Million)	\$2,464	\$1,110	\$2,238	\$1,819	\$187	\$325	\$315	\$173
Current Ratio	1.46	2.26	1.08	0.97	0.83	0.79	0.74	1.21
Total Capital Assets (Net Book Value) (\$Million)	\$15,732	\$7,477	\$15,372	\$7,598	\$1,352	\$2,225	\$2,856	\$2,110
Net Revenue (\$Million)	\$11,688	\$5,434	\$9,190	\$4,654	\$1,292	\$2,701	\$2,292	\$1,352
Capital Asset Turnover	0.74	0.73	0.60	0.61	0.96	1.21	0.80	0.64
Long Term Debt (\$Million)	\$9,373	\$9,213	\$12,369	\$6,964	\$1,645	\$3,270	\$3,628	\$2,082
Total Shareholder Equity (\$Million)	\$6,817	-\$112	\$5,120	\$987	\$168	\$508	\$353	\$588
Debt Equity Ratio	1.37	N/M	2.42	N/M	9.79	6.44	10.27	3.54
EBITDA (excludes unusual items) (\$Million)	\$3,840	\$981	\$1,894	\$974	\$313	\$577	\$585	\$426
Investment (\$Million)**	\$16,189	\$9,101	\$17,489	\$7,951	\$1,813	\$3,778	\$3,981	\$2,670
Return on Investment	24%	11%	11%	12%	17%	15%	15%	16%
EBITDA (excludes unusual items) (\$Million)	\$3,840	\$981	\$1,894	\$974	\$313	\$577	\$585	\$426
Interest Expense (\$Million)	\$265	\$301	\$798	\$684	\$144	\$225	\$244	\$143
Times Interest Earned	14.48	3.26	2.37	1.42	2.18	2.57	2.39	2.98
Year End	12/31/2015	12/31/2015	12/31/2015	12/31/2015	9/30/2015	12/31/2015	12/31/2015	12/31/2015

Source: HLT Advisory Inc. based on most recent annual audited financial statements from gaming companies.

*Shareholder's equity excludes that amount attributable to non-controlling interests. EBITDA excludes that amount attributable to non-controlling interests.

**Investment is defined as long term debt plus shareholder's equity.

N/M-Not measurable.



1.2 CURRENT FINANCIAL STRENGTH

Assessment Results

Brockton/MG&E

Outstanding

- The financial strength of the Applicant is based upon the provider of equity to the project (Brockton Gaming, LLC). The net worth of entities and related entities of Brockton Gaming, LLC demonstrates financial strength.
- While Neil Bluhm affiliated entities have significant (i.e. controlling) ownership interests in Rivers Casino Pittsburgh, Rivers Casino Des Plaines, and Sugarhouse Casino Philadelphia, these casinos are not being used by Brockton/MG&E to directly support project financing and as such an analysis of these casinos is not being used to demonstrate the financial strength of Brockton/MG&E. That said, a financial ratio analysis was completed for these three casino projects and the resulting ratios demonstrate financial strength.



1.3 EXPECTED RETURNS

Expectations of Applicant:

- Earn a commercially reasonable return on investment and ability of Applicant to pay back development costs over term of license (15 years).

Assessment Approach:

- Return on investment calculation based on Applicant's submitted 15-year EBITDA. This calculated return was also assessed under a lower revenue total than what was estimated by the Applicant.



1.3 EXPECTED RETURNS

Applicant's expected project returns (15 years, length of license):

Internal Rate of Return based on the Applicant's submitted 15 year EBITDA.

	Springfield/ MGM	Everett/ Wynn	Brockton/MG&E (Without Taunton)	Brockton/MG&E (With Taunton)
ROI	20%	21%	21%	15%

If Brockton/MG&E were to achieve a Year 2 total revenue level of <\$250 million (down from \$377 million projected with Taunton) the project IRR would likely be <10% (below what would be considered a "commercially reasonable return").



1.3 EXPECTED RETURNS

Assessment Results

Brockton/MG&E

Very Good

- Plan produces commercially reasonable ROI.
- If revenue projections do not materialize (likely due to underestimation of the impact of a second casino in Region C) projected returns could be below what would be considered commercially reasonable, yet still positive.

2. INVESTMENT PLAN

The focus of this component was on assessing the suitability of the proposed physical facility plan to compete in the market over the term of the license.

Specific assessment areas included:

- I. Commitment to spend required capital
- II. Timing of total development
- III. Consistency between quality/scope of proposed facility and expected market penetration and financial results



2.1 REQUIRED CAPITAL

Expectations of Applicant:

- Provide evidence that capital budget includes eligible capital expenses of at least \$500 million.

Assessment Approach:

- Reviewed Applicant's submitted capital budgets and determined eligible and ineligible expenses.

2.1 REQUIRED CAPITAL – TOTAL COST

- Brockton/MG&E estimated \$505.4 million of eligible capital costs. Includes legal fees (related to financing) and contingency costs (both hard and soft). HLT interprets these costs as ineligible; total eligible capital costs are estimated at \$478.3 million.
- If Brockton/MG&E spends their full contingency amounts (\$22.1 million) on eligible items they will meet the \$500 million eligible capital threshold.

Brockton/MG&E Eligible Capital Costs			
	Submitted Budget	Eligible (E) vs. Ineligible (I)	
		Attachment 2-27-02	HLT Interpretation
Capital Investment			
Project Exterior Building Costs	\$223.3	E	E
Site Preparation and Improvements	\$13.9	E	E
Professional Fees	\$24.7	E	E
Off-Site Improvements	\$9.6	E	E
Contractors Soft Costs	\$17.1	E	E
Other Construction	\$11.1	E	E
Financing Costs - Capitalized Interest	\$59.3	E	E
Financing Costs- Deal Costs	\$10.3	E	E
Financing Costs- Legal	\$5.0	E	I
Owners' Hard Costs Contingency	\$17.9	E	I
Owners' Soft Costs Contingency	\$4.2	E	I
FF&E	\$107.2	E	E
Builders Risk Insurance	\$1.8	E	E
Initial Cage Cash	\$14.0	I	I
Interest Reserve	\$9.7	I	I
Initial Inventories and Supplies	\$3.3	I	I
Land	\$22.5	I	I
License Fee	\$85.0	I	I
Local Referendum Campaigns	\$2.0	I	I
Upfront Costs related to Problem Gambling Initiatives	\$1.0	I	I
Upfront HCA Costs	\$3.1	I	I
Community Contributions	\$1.0	I	I
MGC Costs	\$6.0	I	I
Pre-Opening Costs	\$14.9	I	I
Legal, Regulatory, Other	\$9.6	I	I
Total Eligible Capital (E)		\$505.4	\$478.3
Total Ineligible Capital (I)		\$172.1	\$199.2
Total Budget	\$677.5	\$677.5	\$677.5

Source: HLT Advisory Inc. based on Applicant's submission



2.1 REQUIRED CAPITAL

Assessment Results

Brockton/MG&E

**Meets Requirement -
With Conditions**

- Will meet the minimum eligible capital requirement if all budgeted contingency costs are spent on eligible capital items.



2.2 PROJECT TIMELINES

Expectations of Applicant:

- Provided a reasonable development timeline for opening the permanent facility.

Assessment Approach:

- Reviewed planned timelines. Note: Time to obtain necessary permits not considered.



2.2 PROJECT TIMELINES

- Brockton/MG&E anticipates construction to be completed 38-41 months after the license award.

Construction Schedule Comparison			
	Springfield/ MGM*	Everett/ Wynn*	Brockton/ MG&E
Category 1 License Awarded	June 2014	September 2014	Q1 2016
Development Period	51 months	48-51 months	38-41 months
Opening Date	September 2018	Q4 2018	May 2019**

Source: HLT Advisory Inc. based on Applicant's submission.

**Based on MGC's 2015 annual report.*

***MG&E believes they may be able to open by the end of 2018 if MassDot approvals proceed favorably.*



2.2 PROJECT TIMELINES

Assessment Results

Brockton/MG&E

Very Good

- Provided a reasonable timeline for the opening of the facility given the size and scope (complexity) of the development and the site location.

2.3 CONSISTENCY WITH FINANCIALS

Expectations of Applicant:

- Consistency between size and scope of facility and operating and financial plans.

Assessment Approach:

- Reviewed capital budget and building renderings in connection with operating and financial plans.



2.3 CONSISTENCY WITH FINANCIALS: PROPOSED FACILITIES SUITABILITY

	Brockton/MG&E
Site Location	Site of the Brockton Fairgrounds
Slots	2,100
Tables	124
Gaming Floor (sf)	91,900
Hotel Rooms	250
F&B Outlets (seats)	6 (770)
Parking Spaces	3,003
Entertainment/ Exhibition Space (sf)	15,600
Retail (sf)	1,000



2.3 CONSISTENCY WITH FINANCIALS: PROPOSED FACILITIES SUITABILITY

- Brockton/MG&E's gaming square footage is sufficient, although no expansion possible within existing footprint (without repurposing non-gaming space).
- Proposed F&B seats per position are reasonable.
- Proposed parking (on-site) spaces per position are reasonable.

Proposed Facility Suitability			
	Springfield/ MGM*	Everett/ Wynn*	Brockton/ MG&E
Slot Machines	3,000	3,080	2,100
Table Games**	100	250	125
Gaming Positions	3,600	4,580	2,850
Gaming Space Required:			
Slot Machine Square Footage***	90,000	92,400	63,000
Table Machine Square Footage***	30,000	75,000	37,500
Total Gaming Square Footage	120,000	167,400	100,500
Proposed Gaming Square Footage (sf)	126,262	190,641	91,900
Excess Space (Proposed minus Required)	6,262	23,241	-8,600
F&B Seats****	2,165	1,160	770
F&B Seats per Position	0.60	0.25	0.27
Total Parking Spaces	3,375	2,936	3,003
Total Parking per Position	0.94	0.64	1.05

Source: HLT Advisory Inc. based on Applicant's submissions and HLT estimates.

*Based on MGC's 2015 annual report.

**Assumes 6 positions per table game.

***Assumes 30 sf per slot machine and 300 sf per table game.

****Includes third party operated F&B at Everett/Wynn.



2.3 CONSISTENCY WITH FINANCIALS

Assessment Results

Brockton/MG&E

Sufficient/Very Good

- Proposed size and scope of facility is consistent with business and financial plans submitted.
- Casino positioned to penetrate the local market (attempts to complement awarded Region A casino proposal – “market differentiation”).

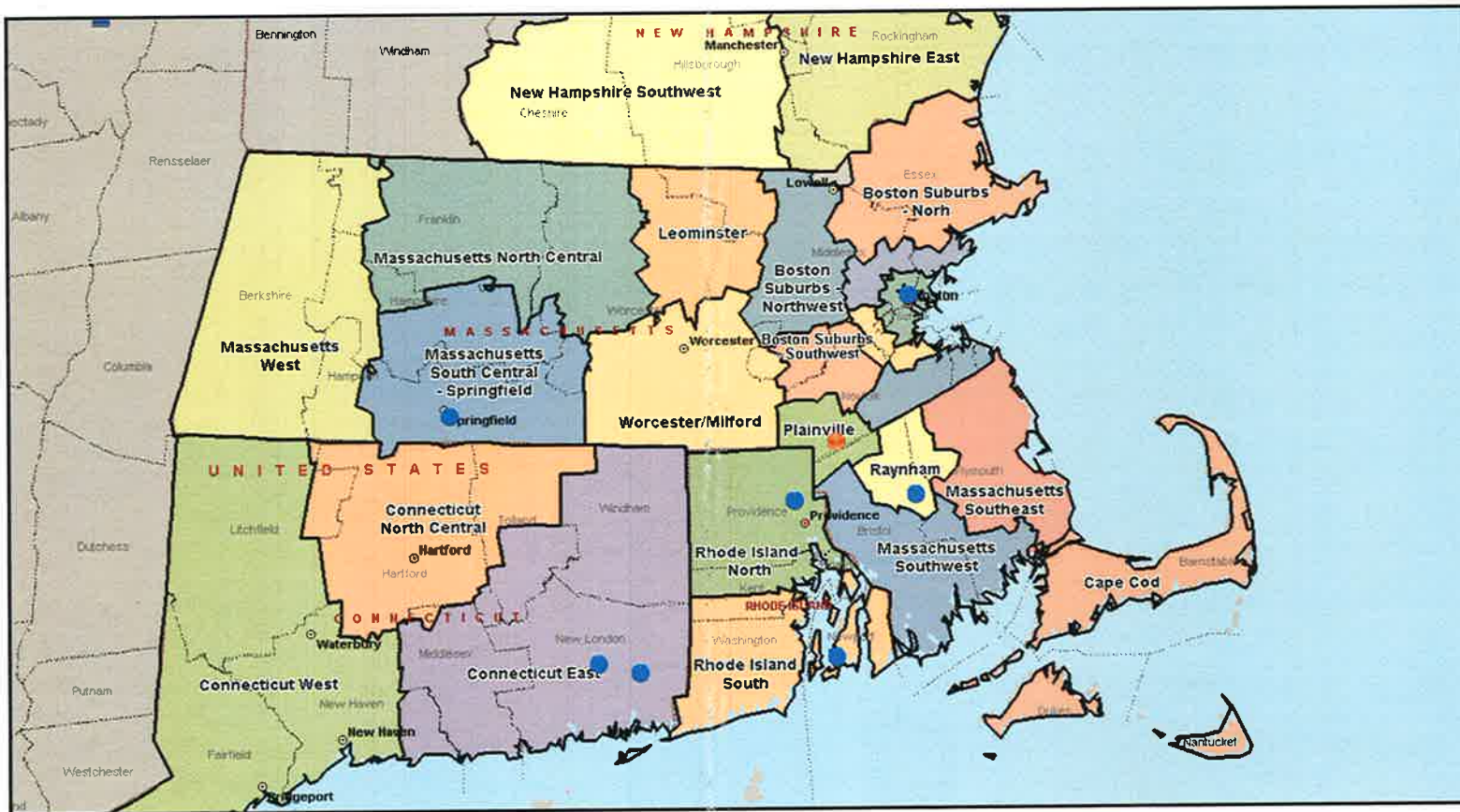
3. MARKET ASSESSMENT - METHODOLOGY

- HLT built a market assessment model (or framework) to assess the reasonableness of all casino applications (both Category 1 and 2 applications). This model was created at the time of the evaluation of Category 2 applications and was subsequently used to evaluate Category 1 Region B and Region A applications.
- Given market issues related to Region C, the framework was used to create two scenarios related to the potential of Region C containing two casinos.
- Key components of the model include:
 - Delineation of a market area
 - Size of the market (how many dollars are available in the defined market area)
 - Casino market shares (how many dollars will be captured by market area casinos)
- A number of assumptions were made to define/quantify these components – these assumptions are stated throughout the market assessment documents (background material). A key assumption to note for this presentation is timing (the model assumes a stabilized year of operations for each market area facility)



3. MARKET ASSESSMENT – MARKET AREA

Delineation of market area was based on typical distances that casinos generate the majority of their visitation from and the location of existing and future casinos– Massachusetts, Rhode Island, Connecticut and Southern New Hampshire.



3. MARKET ASSESSMENT – SIZE OF MARKET

- The size of market was based on market comparisons. Market comparison factors considered included:
 - Market area extent
 - Total adult population
 - Current performance of market area facilities (revenue by type of devices)
 - Supply of gaming devices in market area facilities
- A number of comparison markets were identified and assessed. Philadelphia and Pittsburg were profiled in documentation (Market Assessment Appendices) used as part of the Category 2, Region B and Region A deliberations.
- For Region C documentation, additional comparison markets were provided (Indianapolis, Cleveland, Chicago, Cincinnati, St Louis and Kansas City) and the broad region from Baltimore to Boston was profiled in terms of casino gaming trends.
- \$300 to \$350 spend per adult was used to estimate the size of the defined market area



3. MARKET ASSESSMENT – SIZE OF MARKET

The estimated size of market is calculated as follows:

- Adult population times spend per adult

Market Areas	Market Area Adult Population and Total GGR Potential				
	Adult Population	At \$300/Adult		At \$350/Adult	
		GGR/Adult	Total Market GGR	GGR/Adult	Total Market GGR
<u>Massachusetts Market Areas</u>					
Central Boston	781,625	\$300	\$234,487,500	\$350	\$273,568,750
Central Boston - North	386,575	\$300	\$115,972,500	\$350	\$135,301,250
Central Boston - South	228,442	\$300	\$68,532,600	\$350	\$79,954,700
Subtotal Central Boston	1,396,642	\$300	\$418,992,600	\$350	\$488,824,700
Boston Suburbs - North	506,576	\$300	\$151,972,800	\$350	\$177,301,600
Boston Suburbs - Northwest	315,355	\$300	\$94,606,500	\$350	\$110,374,250
Boston Suburbs - Southwest	187,800	\$300	\$56,340,000	\$350	\$65,730,000
Boston Suburbs - South	179,337	\$300	\$53,801,100	\$350	\$62,767,950
Subtotal Boston Suburbs	1,189,068	\$300	\$356,720,400	\$350	\$416,173,800
Raynham	144,658	\$300	\$43,397,400	\$350	\$50,630,300
Plainville	102,830	\$300	\$30,849,000	\$350	\$35,990,500
Massachusetts Southwest	317,485	\$300	\$95,245,500	\$350	\$111,119,750
Massachusetts Southeast	230,619	\$300	\$69,185,700	\$350	\$80,716,650
Cape Cod	194,390	\$300	\$58,317,000	\$350	\$68,036,500
Subtotal Southern Massachusetts	989,982	\$300	\$296,994,600	\$350	\$346,493,700
Leominster	150,114	\$300	\$45,034,200	\$350	\$52,539,900
Worcester/Milford	394,984	\$300	\$118,495,200	\$350	\$138,244,400
Massachusetts North Central	111,892	\$300	\$33,567,600	\$350	\$39,162,200
Massachusetts South Central - Springfield	435,035	\$300	\$130,510,500	\$350	\$152,262,250
Massachusetts West	109,573	\$300	\$32,871,900	\$350	\$38,350,550
Subtotal West & Central Massachusetts	1,201,598	\$300	\$360,479,400	\$350	\$420,559,300
Subtotal Massachusetts	4,777,290	\$300	\$1,433,187,000	\$350	\$1,672,051,500
<u>Neighbouring States Market Areas</u>					
New Hampshire Southwest	268,310	\$300	\$80,493,000	\$350	\$93,908,500
New Hampshire East	453,493	\$300	\$136,047,900	\$350	\$158,722,550
Subtotal New Hampshire Areas	721,803	\$300	\$216,540,900	\$350	\$252,631,050
Rhode Island North*	579,520	\$300	\$173,856,000	\$350	\$202,832,000
Rhode Island South*	189,311	\$300	\$56,793,300	\$350	\$66,258,850
Subtotal Rhode Island	768,831	\$300	\$230,649,300	\$350	\$269,090,850
Connecticut East	468,861	\$300	\$140,658,300	\$350	\$164,101,350
Connecticut North Central	734,366	\$300	\$220,309,800	\$350	\$257,028,100
Connecticut West	1,382,839	\$300	\$414,851,700	\$350	\$483,993,650
Subtotal Connecticut	2,586,066	\$300	\$775,819,800	\$350	\$905,123,100
Subtotal Neighbouring States	4,076,700	\$300	\$1,223,010,000	\$350	\$1,426,845,000
Total Market Area	8,853,990	\$300	\$2,656,197,000	\$350	\$3,098,896,500

Source: HLT Advisory Inc. estimates.

3. MARKET ASSESSMENT – MARKET SHARES

- The performance market area facilities (market shares) is dependent upon a number of interrelated factors:
 - Size and Scope of existing/proposed facilities.
 - Operating environment compared to competitive casinos (e.g., number of and type of gaming devices permitted including restrictions, tax rates, smoking policy, amenity facilities and use of the same to drive visitation, etc.).
 - Proximity to competitive facilities.
 - Proximity to market area population.
 - Facility capacity constraints (e.g. number of permitted gaming devices, parking, etc.).



3. MARKET ASSESSMENT – MARKET SHARES

The model assumed that all Category 1 casinos would be of the same size and scope (and quality) and could effectively compete with existing casinos in Connecticut.

	Proposed Category 1 and Competitive Casino Characteristics					Rhode Island		Connecticut	
	Massachusetts				Twin River	Newport	Mohegan Sun	Foxwoods	
	Region B Springfield/ MGM	Region A Everett/ Wynn	Region C Brockton/ MG&E	Category 2 Plainville/ Penn National					
Gaming Devices									
Slots*	3,000	3,080	2,100	1,250	4,264	1,097	5,138	4,559	
Tables	100	250	124		108		317	280	
F&B Facilities									
F&B Outlets	7	10	6	2	2	1	17	17	
Food Court	1	n/p	1	1	3		4	2	
Other Ancillary Facilities									
Entertainment Outlets		2	1	1	2	1	3	2	
Entertainment	To partner with existing centres (e.g., Mass Mutual & Symphony Hall/CityStage)	1,000 seat multi-purpose venue, 500 seat outdoor amphitheatre	15,600 sf multi-purpose space	< 100 seats	29,000 sf and 200 seats	400 seats	10,000 seats 400 seats 350 seats	4,000 seats 1,500 seats	
Additional Convention Space	21,105 sf	37,068 sf					100,000 sf	50,000 sf	
Hotel Rooms	1 Hotel (250 rooms)	1 Hotel (629 rooms)	1 Hotel (250 rooms)				1,200	2,205	
Retail	26,000 sf of retail space	52,632 sf retail	1,000 sf retail		2 retail outlets		39 retail outlets	24 retail outlets	
Other Characteristics									
Smoking Allowed	No	No	No	No	Yes	Yes	Yes	Yes	
Tax Rate	25% of total GGR	25% of total GGR	25% of total GGR	49% of slot revenue	60.8% of slot revenue 18% of table revenue		25%-30% of slot revenue		

Source: HLT Advisory Inc. Based on casino annual reports, state gaming commission reports, individual casino web sites and Applicants' submissions.
n/p: not provided.
* Connecticut and Rhode Island slot machines totals based on February 2016 as reported by the State of Connecticut and State of Rhode Island.



3. MARKET ASSESSMENT – MARKET SHARES

Market shares for all market area facilities (original analysis)

Market Areas	Massachusetts Gaming Facilities - Full Competition (%)									
	Category 2	Category 1 - Resort Casinos			Total	Rhode Island	Connecticut	Total	Uncaptured	Total
	Penn	Boston	Springfield	Taunton	Massachusetts			Captured		Market
Massachusetts Market Areas										
Central Boston	5.0%	75.0%	5.0%	5.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Central Boston - North	5.0%	75.0%	5.0%	5.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Central Boston - South	15.0%	50.0%	5.0%	15.0%	85.0%	5.0%	10.0%	100.0%	0.0%	100.0%
Subtotal Central Boston										
Boston Suburbs - North	0.0%	75.0%	5.0%	10.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Boston Suburbs - Northwest	5.0%	45.0%	15.0%	15.0%	80.0%	5.0%	15.0%	100.0%	0.0%	100.0%
Boston Suburbs - Southwest	25.0%	25.0%	15.0%	20.0%	85.0%	7.5%	7.5%	100.0%	0.0%	100.0%
Boston Suburbs - South	30.0%	20.0%	5.0%	25.0%	80.0%	7.5%	12.5%	100.0%	0.0%	100.0%
Subtotal Boston Suburbs										
Raynham	22.5%	10.0%	5.0%	47.5%	85.0%	10.0%	5.0%	100.0%	0.0%	100.0%
Plainville	40.0%	10.0%	5.0%	20.0%	75.0%	12.5%	12.5%	100.0%	0.0%	100.0%
Massachusetts Southwest	10.0%	5.0%	5.0%	50.0%	70.0%	15.0%	15.0%	100.0%	0.0%	100.0%
Massachusetts Southeast	15.0%	10.0%	5.0%	60.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Cape Cod	0.0%	10.0%	5.0%	60.0%	75.0%	15.0%	10.0%	100.0%	0.0%	100.0%
Subtotal Southern Massachusetts										
Leominster	5.0%	35.0%	25.0%	15.0%	80.0%	5.0%	15.0%	100.0%	0.0%	100.0%
Worcester/Milford	5.0%	25.0%	25.0%	15.0%	70.0%	15.0%	15.0%	100.0%	0.0%	100.0%
Massachusetts North Central	0.0%	5.0%	80.0%	5.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%
Massachusetts South Central - Springfield	0.0%	5.0%	80.0%	5.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%
Massachusetts West	0.0%	5.0%	80.0%	5.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%
Subtotal West & Central Massachusetts										
Subtotal Massachusetts										
Neighbouring States Market Areas										
New Hampshire Southwest	0.0%	35.0%	20.0%	5.0%	60.0%	0.0%	10.0%	70.0%	30.0%	100.0%
New Hampshire East	0.0%	50.0%	5.0%	10.0%	65.0%	5.0%	10.0%	80.0%	20.0%	100.0%
Subtotal New Hampshire Areas										
Rhode Island North	7.5%	5.0%	5.0%	10.0%	27.5%	52.5%	20.0%	100.0%	0.0%	100.0%
Rhode Island South	0.0%	5.0%	5.0%	10.0%	20.0%	60.0%	20.0%	100.0%	0.0%	100.0%
Subtotal Rhode Island										
Connecticut East	0.0%	5.0%	5.0%	5.0%	15.0%	5.0%	80.0%	100.0%	0.0%	100.0%
Connecticut North Central	0.0%	5.0%	30.0%	5.0%	40.0%	0.0%	60.0%	100.0%	0.0%	100.0%
Connecticut West	0.0%	5.0%	10.0%	5.0%	20.0%	0.0%	80.0%	100.0%	0.0%	100.0%
Subtotal Connecticut										
Subtotal Neighbouring States										

Source: HLT Advisory Inc. estimates.



3. MARKET ASSESSMENT – MARKET SHARES

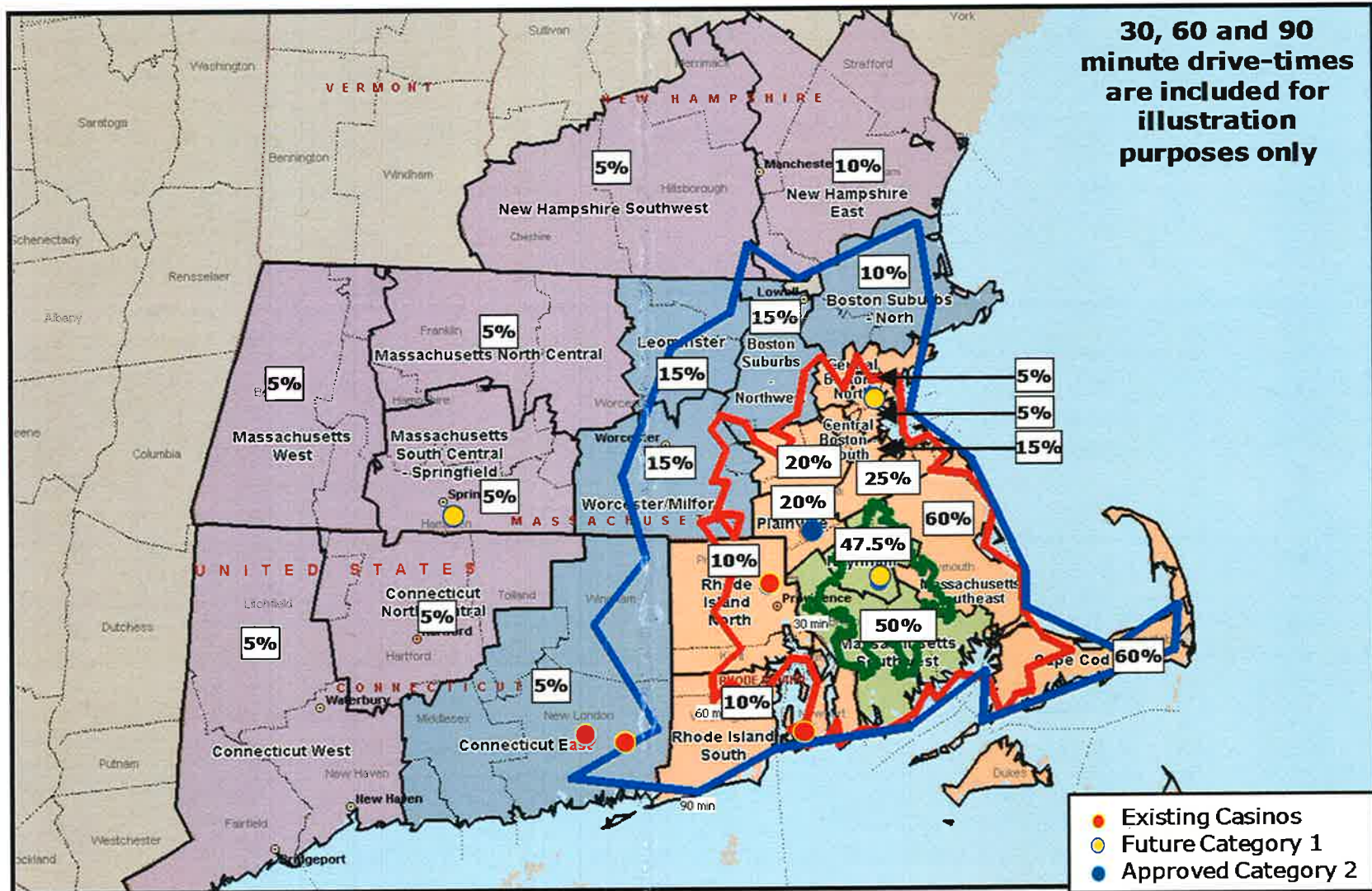
Results of market share analysis (original analysis – blended spend per adult)

Massachusetts Gaming Facilities - Full Competition with Blended GGR/Adult													
Market Areas	Adult Population	GGR/Adult	Total Market GGR	Category 2 Penn	Category 1 - Resort Casinos			Total Massachusetts	Rhode Island	Connecticut	Total Captured	Uncaptured	Total Market
					Boston	Springfield	Taunton		Rhode Island	Connecticut			
Massachusetts Market Areas													
Central Boston	781,625	\$375	\$293,109,375	\$14,655,469	\$219,832,031	\$14,655,469	\$14,655,469	\$263,798,438	\$14,655,469	\$14,655,469	\$293,109,375	\$0	\$293,109,375
Central Boston - North	386,575	\$325	\$125,636,875	\$6,281,844	\$94,227,656	\$6,281,844	\$6,281,844	\$113,073,188	\$6,281,844	\$6,281,844	\$125,636,875	\$0	\$125,636,875
Central Boston - South	228,442	\$325	\$74,243,650	\$11,136,548	\$37,121,825	\$3,712,183	\$11,136,548	\$63,107,103	\$3,712,183	\$7,424,365	\$74,243,650	\$0	\$74,243,650
Subtotal Central Boston	1,396,642	\$353	\$492,989,900	\$32,073,860	\$351,181,513	\$24,649,495	\$32,073,860	\$439,978,728	\$24,649,495	\$28,361,678	\$492,989,900	\$0	\$492,989,900
Boston Suburbs - North	506,576	\$275	\$139,308,400	\$0	\$104,481,300	\$6,965,420	\$13,930,840	\$125,377,560	\$6,965,420	\$6,965,420	\$139,308,400	\$0	\$139,308,400
Boston Suburbs - Northwest	315,355	\$275	\$86,722,625	\$4,336,131	\$39,025,181	\$13,008,394	\$13,008,394	\$69,378,100	\$4,336,131	\$13,008,394	\$86,722,625	\$0	\$86,722,625
Boston Suburbs - Southwest	187,800	\$325	\$61,035,000	\$15,258,750	\$15,258,750	\$9,155,250	\$12,207,000	\$51,879,750	\$4,577,625	\$4,577,625	\$61,035,000	\$0	\$61,035,000
Boston Suburbs - South	179,337	\$325	\$58,284,525	\$17,485,358	\$11,656,905	\$2,914,226	\$14,571,131	\$46,627,620	\$4,371,339	\$7,285,566	\$58,284,525	\$0	\$58,284,525
Subtotal Boston Suburbs	1,189,068	\$290	\$345,350,550	\$37,080,239	\$170,422,136	\$32,043,290	\$53,717,365	\$293,263,030	\$20,250,516	\$31,837,004	\$345,350,550	\$0	\$345,350,550
Raynham	144,658	\$375	\$54,246,750	\$12,205,519	\$5,424,675	\$2,712,338	\$25,767,206	\$46,109,738	\$5,424,675	\$2,712,338	\$54,246,750	\$0	\$54,246,750
Plainville	102,830	\$375	\$38,561,250	\$15,424,500	\$3,856,125	\$1,928,063	\$7,712,250	\$28,920,938	\$4,820,156	\$4,820,156	\$38,561,250	\$0	\$38,561,250
Massachusetts Southwest	317,485	\$325	\$103,182,625	\$10,318,263	\$5,159,131	\$5,159,131	\$51,591,313	\$72,227,838	\$15,477,394	\$15,477,394	\$103,182,625	\$0	\$103,182,625
Massachusetts Southeast	230,619	\$325	\$74,951,175	\$11,242,676	\$7,495,118	\$3,747,559	\$44,970,705	\$67,456,058	\$3,747,559	\$3,747,559	\$74,951,175	\$0	\$74,951,175
Cape Cod	194,390	\$275	\$53,457,250	\$0	\$5,345,725	\$2,672,863	\$32,074,350	\$40,092,938	\$8,018,588	\$5,345,725	\$53,457,250	\$0	\$53,457,250
Subtotal Southern Massachusetts	989,982	\$328	\$324,399,050	\$49,190,958	\$27,280,774	\$16,219,953	\$162,115,824	\$254,807,508	\$37,488,371	\$32,103,171	\$324,399,050	\$0	\$324,399,050
Leominster	150,114	\$275	\$41,281,350	\$2,064,068	\$14,448,473	\$10,320,338	\$6,192,203	\$33,025,080	\$2,064,068	\$6,192,203	\$41,281,350	\$0	\$41,281,350
Worcester/Milford	394,984	\$325	\$128,369,800	\$6,418,490	\$32,092,450	\$32,092,450	\$19,255,470	\$89,858,860	\$19,255,470	\$19,255,470	\$128,369,800	\$0	\$128,369,800
Massachusetts North Central	111,892	\$325	\$36,364,900	\$0	\$1,818,245	\$29,091,920	\$1,818,245	\$32,728,410	\$0	\$3,636,490	\$36,364,900	\$0	\$36,364,900
Massachusetts South Central - Springfield	435,035	\$375	\$163,138,125	\$0	\$8,156,906	\$130,510,500	\$8,156,906	\$146,824,313	\$0	\$16,313,813	\$163,138,125	\$0	\$163,138,125
Massachusetts West	109,573	\$275	\$30,132,575	\$0	\$1,506,629	\$24,106,060	\$1,506,629	\$27,119,318	\$0	\$3,013,258	\$30,132,575	\$0	\$30,132,575
Subtotal West & Central Massachusetts	1,201,598	\$332	\$399,286,750	\$8,482,558	\$58,022,703	\$226,121,268	\$36,929,453	\$329,555,980	\$21,319,538	\$48,411,233	\$399,286,750	\$0	\$399,286,750
Subtotal Massachusetts	4,777,290	\$327	\$1,562,026,250	\$126,827,614	\$606,907,125	\$299,034,005	\$284,836,501	\$1,317,605,245	\$103,707,919	\$140,713,086	\$1,562,026,250	\$0	\$1,562,026,250
Neighbouring States Market Areas													
New Hampshire Southwest	268,310	\$275	\$73,785,250	\$0	\$25,824,838	\$14,757,050	\$3,689,263	\$44,271,150	\$0	\$7,378,525	\$51,649,675	\$22,135,575	\$73,785,250
New Hampshire East	453,493	\$275	\$124,710,575	\$0	\$62,355,288	\$6,235,529	\$12,471,058	\$81,061,874	\$6,235,529	\$12,471,058	\$99,768,460	\$24,942,115	\$124,710,575
Subtotal New Hampshire Areas	721,803	\$275	\$198,495,825	\$0	\$88,180,125	\$20,992,579	\$16,160,320	\$125,333,024	\$6,235,529	\$19,849,583	\$151,418,135	\$47,077,690	\$198,495,825
Rhode Island North	579,520	\$375	\$217,320,000	\$16,299,000	\$10,866,000	\$10,866,000	\$21,732,000	\$59,763,000	\$114,093,000	\$43,464,000	\$217,320,000	\$0	\$217,320,000
Rhode Island South	189,311	\$375	\$70,991,625	\$0	\$3,549,581	\$3,549,581	\$7,099,163	\$14,198,325	\$42,594,975	\$14,198,325	\$70,991,625	\$0	\$70,991,625
Subtotal Rhode Island	768,831	\$375	\$288,311,625	\$16,299,000	\$14,415,581	\$14,415,581	\$28,831,163	\$73,961,325	\$156,687,975	\$57,662,325	\$288,311,625	\$0	\$288,311,625
Connecticut East	468,861	\$375	\$175,822,875	\$0	\$8,791,144	\$8,791,144	\$8,791,144	\$26,373,431	\$8,791,144	\$140,658,300	\$175,822,875	\$0	\$175,822,875
Connecticut North Central	734,366	\$325	\$238,668,950	\$0	\$11,933,448	\$71,600,685	\$11,933,448	\$95,467,580	\$0	\$143,201,370	\$238,668,950	\$0	\$238,668,950
Connecticut West	1,382,839	\$275	\$380,280,725	\$0	\$19,014,036	\$38,028,073	\$19,014,036	\$76,056,145	\$0	\$304,224,580	\$380,280,725	\$0	\$380,280,725
Subtotal Connecticut	2,586,066	\$307	\$794,772,550	\$0	\$39,738,628	\$118,419,901	\$39,738,628	\$197,897,156	\$8,791,144	\$588,084,250	\$794,772,550	\$0	\$794,772,550
Subtotal Neighbouring States	4,076,700	\$314	\$1,281,580,000	\$16,299,000	\$142,334,334	\$153,828,061	\$84,730,110	\$397,191,505	\$171,714,648	\$665,596,158	\$1,234,502,310	\$47,077,690	\$1,281,580,000
Total Market Area	8,853,990	\$321	\$2,843,606,250	\$143,126,614	\$749,241,459	\$452,862,066	\$369,566,611	\$1,714,796,750	\$275,422,567	\$806,309,243	\$2,796,528,560	\$47,077,690	\$2,843,606,250

Source: HLT Advisory Inc. estimates



3. MARKET ASSESSMENT – MARKET SHARES (ORIGINAL ANALYSIS - REGION C CASINO)



3. MARKET ASSESSMENT – MARKET SHARES (ORIGINAL ANALYSIS - REGION C CASINO)

Sub-market areas have been organized (generally) by drive times for illustration purposes only.

Taunton (Region C) Category 1 Casino - Summary of GGR Estimates				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Raynham	47.5%	\$20,613,765	\$25,767,206	\$24,049,393
Massachusetts Southwest	50.0%	\$47,622,750	\$51,591,313	\$55,559,875
Markets Within 0-30 Minutes		\$68,236,515	\$77,358,519	\$79,609,268
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	15.0%	\$10,279,890	\$11,136,548	\$11,993,205
Boston Suburbs - South	25.0%	\$13,450,275	\$14,571,131	\$15,691,988
Boston Suburbs - Southwest	20.0%	\$11,268,000	\$12,207,000	\$13,146,000
Plainville	20.0%	\$6,169,800	\$7,712,250	\$7,198,100
Massachusetts Southeast	60.0%	\$41,511,420	\$44,970,705	\$48,429,990
Cape Cod	60.0%	\$34,990,200	\$32,074,350	\$40,821,900
Rhode Island North	10.0%	\$17,385,600	\$21,732,000	\$20,283,200
Rhode Island South	10.0%	\$5,679,330	\$7,099,163	\$6,625,885
Markets Within 30-60 Minutes		\$158,257,515	\$172,440,459	\$184,633,768
Boston Suburbs - North	10.0%	\$15,197,280	\$13,930,840	\$17,730,160
Boston Suburbs - Northwest	15.0%	\$14,190,975	\$13,008,394	\$16,556,138
Leominster	15.0%	\$6,755,130	\$6,192,203	\$7,880,985
Worcester/Milford	15.0%	\$17,774,280	\$19,255,470	\$20,736,660
Connecticut East	5.0%	\$7,032,915	\$8,791,144	\$8,205,068
Markets Within 60-90 Minutes		\$60,950,580	\$61,178,050	\$71,109,010
New Hampshire East	10.0%	\$13,604,790	\$12,471,058	\$15,872,255
New Hampshire Southwest	5.0%	\$4,024,650	\$3,689,263	\$4,695,425
Massachusetts North Central	5.0%	\$1,678,380	\$1,818,245	\$1,958,110
Massachusetts South Central - Springfield	5.0%	\$6,525,525	\$8,156,906	\$7,613,113
Massachusetts West	5.0%	\$1,643,595	\$1,506,629	\$1,917,528
Connecticut North Central	5.0%	\$11,015,490	\$11,933,448	\$12,851,405
Connecticut West	5.0%	\$20,742,585	\$19,014,036	\$24,199,683
Markets Beyond 90-Minutes		\$59,235,015	\$58,589,584	\$69,107,518
Subtotal Market Area		\$346,679,625	\$369,566,611	\$404,459,563

Source: HLT Advisory Inc. estimates.



3. MARKET ASSESSMENT APPLICANT'S REVENUE PROJECTIONS

To assess the reasonableness of the Applicant's revenue projections, HLT focused on the geographic source (i.e. market area) of expected revenues and compared that to HLT's market assessment.

The source of the Applicant's revenue was based on specific geographic market area segments (total market area and sub-areas) as highlighted in the Applicant's third-party market assessment report. These market areas did not align completely with the HLT defined market area nor its defined sub-market areas.

To compare the Applicant's revenue projections to HLT's market assessment, HLT used information contained in the third-party market assessment report to estimate the portion of projected gaming revenues (Year 2 as contained in the Applicant's financials) that is likely to be generated from within the HLT defined market area.

HLT's market assessment acknowledged that Category 1 casinos could generate revenue from beyond the defined market area (termed "inflow") but did not provide estimates. The ability of each casino to generate inflow is based on the location and amount of competition in the area beyond the defined market area as well as casino specific targeted marketing programs.



3. MARKET ASSESSMENT APPLICANT'S REVENUE PROJECTIONS

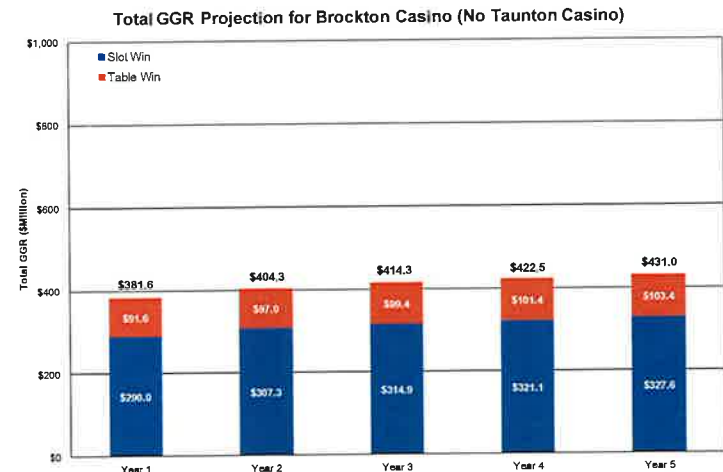
Brockton/MG&E Retained a third party to undertake their market assessment which represents the base case scenario in the Applicant's submission

Brockton/MG&E (No Taunton Casino)

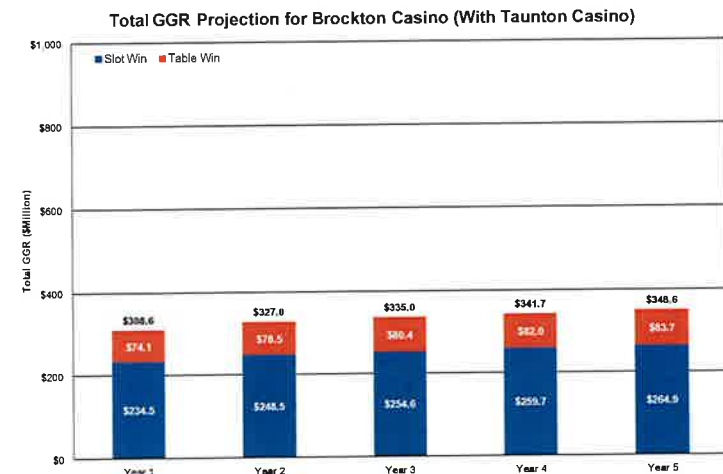
Start at \$381.6 million in GGR (year 1) and are normalized in year 2 at \$404.0 million.

Brockton/MG&E (With Taunton Casino)

Start at \$308.6 million in GGR (year 1) and are normalized in year 2 at \$327.0 million.



Source: HLT Advisory Inc. based on information from Mass Gaming and Entertainment's submission
 Note: GGR is net of free play
 Mass Gaming and Entertainment's projections are consistent with the market assessment estimates prepared by The Innovation Group

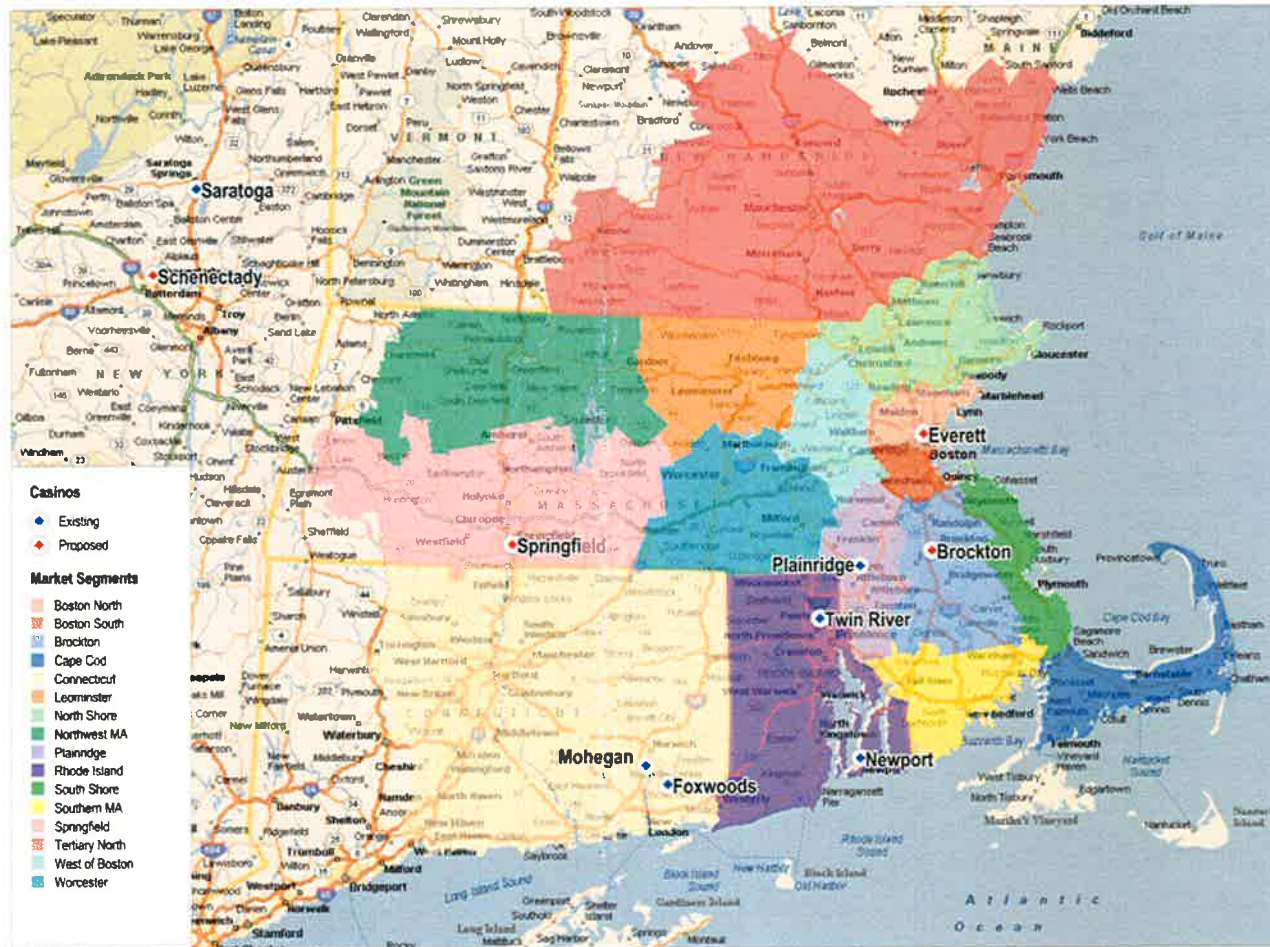


Source: HLT Advisory Inc. based on information from Mass Gaming and Entertainment's submission
 Note: GGR is net of free play
 Mass Gaming and Entertainment's projections are consistent with the market assessment estimates prepared by The Innovation Group



3. MARKET ASSESSMENT – BROCKTON/MG&E MARKET AREA EXTENT

Brockton Casino Market Area with Competitive Set



3. MARKET ASSESSMENT – BROCKTON/MG&E MARKET AREA PROJECTIONS

Projected GGR for One Region C Category 1 Casino HLT Estimates vs. MG&E Financial Projections					
Gaming Revenues by Areas	HLT Estimate			MG&E's Financial Projection	
	At \$300	Blended	At \$350	Year 2	% Dist.
HLT's Defined Market Area*	\$346.7	\$369.6	\$404.5	\$375.6	92.9%
Outside HLT's Defined Market Area*	Inflow Not Estimated by HLT			\$28.7	7.1%
Total GGR**				\$404.3	100.0%

Source: HLT Advisory Inc. based on information from Innovation Group Market Study and HLT estimates.

* Innovation Group's defined market area is largely consistent with HLT's defined market area. The biggest deviation is in Western Massachusetts and Connecticut where HLT includes the whole states of Massachusetts and Connecticut whereas Innovation Group's market area does not reach the New York State border. The difference in terms of win derived from this area is assumed to be minimal.



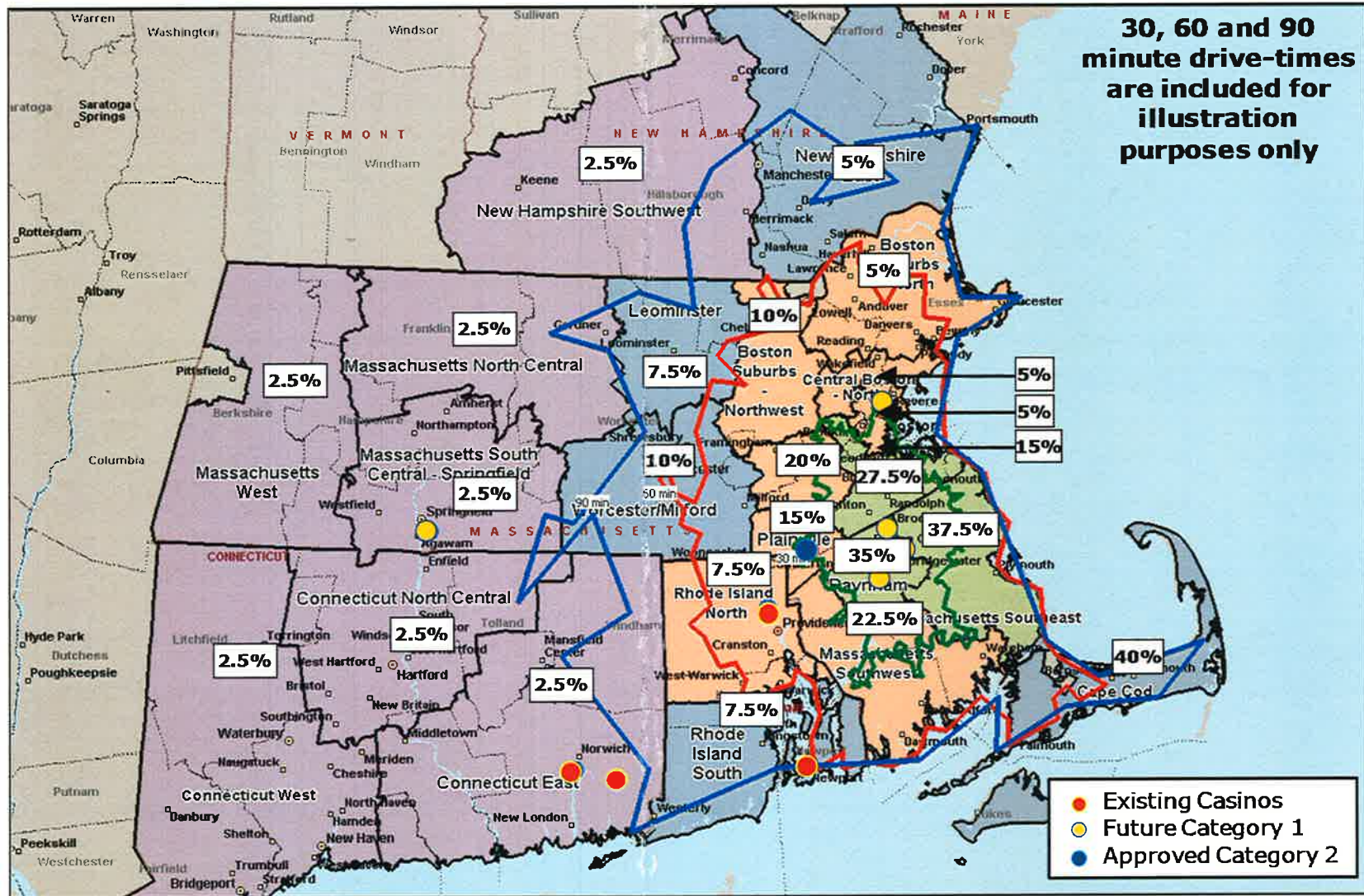
3. MARKET ASSESSMENT – MARKET SHARES (REGION C MARKET SCENARIOS)

For the purposes of the Region C market assessment, HLT developed two additional market scenarios (before March 15, 2016 Mashpee Presentation):

- Scenario 1 - Brockton and Taunton are the same size and quality (no competitive advantage due to either tax rate or marketing/facility investment).
- Scenario 2 – Taunton has a competitive advantage over Brockton due to no gaming tax and greater marketing and/or facility investment.



3. MARKET ASSESSMENT – MARKET SHARES (SCENARIO 1 - BROCKTON)



3. MARKET ASSESSMENT – MARKET SHARES (SCENARIO 1 - BROCKTON)

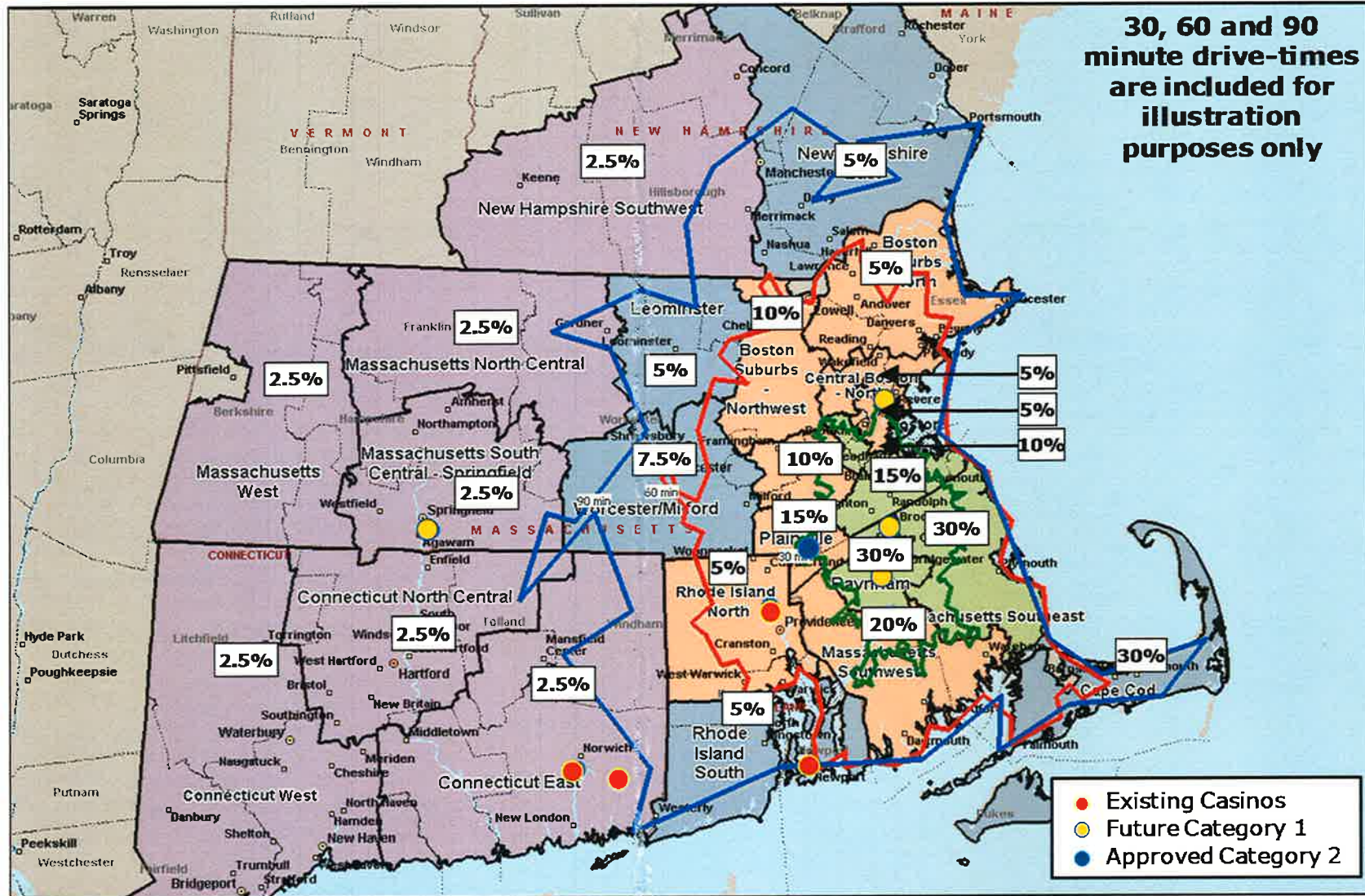
Sub-market areas have been organized (generally) by drive times for illustration purposes only.

Brockton/MG&E Category 1 Casino - Summary of GGR Estimates (Scenario 1)				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Raynham	35.0%	\$15,189,090	\$18,986,363	\$17,720,605
Massachusetts Southeast	37.5%	\$25,944,638	\$28,106,691	\$30,268,744
Boston Suburbs - South	27.5%	\$14,795,303	\$16,028,244	\$17,261,186
Markets Within 0-30 Minutes		\$55,929,030	\$63,121,298	\$65,250,535
Massachusetts Southwest	22.5%	\$21,430,238	\$23,216,091	\$25,001,944
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	15.0%	\$10,279,890	\$11,136,548	\$11,993,205
Boston Suburbs - North	5.0%	\$7,598,640	\$6,965,420	\$8,865,080
Boston Suburbs - Northwest	10.0%	\$9,460,650	\$8,672,263	\$11,037,425
Boston Suburbs - Southwest	20.0%	\$11,268,000	\$12,207,000	\$13,146,000
Plainville	15.0%	\$4,627,350	\$5,784,188	\$5,398,575
Rhode Island North	7.5%	\$13,039,200	\$16,299,000	\$15,212,400
Markets Within 30-60 Minutes		\$95,226,968	\$105,217,821	\$111,098,129
Rhode Island South	7.5%	\$4,259,498	\$5,324,372	\$4,969,414
Cape Cod	40.0%	\$23,326,800	\$21,382,900	\$27,214,600
Leominster	7.5%	\$3,377,565	\$3,096,101	\$3,940,493
Worcester/Milford	10.0%	\$11,849,520	\$12,836,980	\$13,824,440
New Hampshire East	5.0%	\$6,802,395	\$6,235,529	\$7,936,128
Markets Within 60-90 Minutes		\$49,615,778	\$48,875,882	\$57,885,074
New Hampshire Southwest	2.5%	\$2,012,325	\$1,844,631	\$2,347,713
Massachusetts North Central	2.5%	\$839,190	\$909,123	\$979,055
Massachusetts South Central - Springfield	2.5%	\$3,262,763	\$4,078,453	\$3,806,556
Massachusetts West	2.5%	\$821,798	\$753,314	\$958,764
Connecticut North Central	2.5%	\$5,507,745	\$5,966,724	\$6,425,703
Connecticut East	2.5%	\$3,516,458	\$4,395,572	\$4,102,534
Connecticut West	2.5%	\$10,371,293	\$9,507,018	\$12,099,841
Markets Beyond 90-Minutes		\$26,331,570	\$27,454,835	\$30,720,165
Subtotal Market Area		\$227,103,345	\$244,669,835	\$264,953,903

Source: HLT Advisory Inc. estimates.



3. MARKET ASSESSMENT – MARKET SHARES (SCENARIO 2 - BROCKTON)



3. MARKET ASSESSMENT – MARKET SHARES (SCENARIO 2 - BROCKTON)

Sub-market areas have been organized (generally) by drive times for illustration purposes only.

Brockton/MG&E Category 1 Casino - Summary of GGR Estimates (Scenario 2)				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Raynham	30.0%	\$13,019,220	\$16,274,025	\$15,189,090
Massachusetts Southeast	30.0%	\$20,755,710	\$22,485,353	\$24,214,995
Boston Suburbs - South	15.0%	\$8,070,165	\$8,742,679	\$9,415,193
Markets Within 0-30 Minutes		\$41,845,095	\$47,502,056	\$48,819,278
Massachusetts Southwest	20.0%	\$19,049,100	\$20,636,525	\$22,223,950
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	10.0%	\$6,853,260	\$7,424,365	\$7,995,470
Boston Suburbs - North	5.0%	\$7,598,640	\$6,965,420	\$8,865,080
Boston Suburbs - Northwest	10.0%	\$9,460,650	\$8,672,263	\$11,037,425
Boston Suburbs - Southwest	10.0%	\$5,634,000	\$6,103,500	\$6,573,000
Plainville	15.0%	\$4,627,350	\$5,784,188	\$5,398,575
Rhode Island North	5.0%	\$8,692,800	\$10,866,000	\$10,141,600
Markets Within 30-60 Minutes		\$79,438,800	\$87,389,573	\$92,678,600
Rhode Island South	5.0%	\$2,839,665	\$3,549,581	\$3,312,943
Cape Cod	30.0%	\$17,495,100	\$16,037,175	\$20,410,950
Leominster	5.0%	\$2,251,710	\$2,064,068	\$2,626,995
Worcester/Milford	7.5%	\$8,887,140	\$9,627,735	\$10,368,330
New Hampshire East	5.0%	\$6,802,395	\$6,235,529	\$7,936,128
Markets Within 60-90 Minutes		\$38,276,010	\$37,514,088	\$44,655,345
New Hampshire Southwest	2.5%	\$2,012,325	\$1,844,631	\$2,347,713
Massachusetts North Central	2.5%	\$839,190	\$909,123	\$979,055
Massachusetts South Central - Springfield	2.5%	\$3,262,763	\$4,078,453	\$3,806,556
Massachusetts West	2.5%	\$821,798	\$753,314	\$958,764
Connecticut North Central	2.5%	\$5,507,745	\$5,966,724	\$6,425,703
Connecticut East	2.5%	\$3,516,458	\$4,395,572	\$4,102,534
Connecticut West	2.5%	\$10,371,293	\$9,507,018	\$12,099,841
Markets Beyond 90-Minutes		\$26,331,570	\$27,454,835	\$30,720,165
Subtotal Market Area		\$185,891,475	\$199,860,551	\$216,873,388

Source: HLT Advisory Inc. estimates.



3. MARKET ASSESSMENT – BROCKTON/MG&E MARKET AREA PROJECTIONS

Comparison of HLT's and IG's Scenarios for Mass Gaming Market								
Column Index	A	B	C	D	E	(C-A)	(D-A)	(E-B)
	Full Competition		2 Region C Casinos			Impact of Adding 2nd Casino		
	HLT*	IG**	HLT Scenario 1*	HLT Scenario 2*	IG**	HLT Scenario 1*	HLT Scenario 2*	IG**
Facilities								
Category 2: Plainville	\$143.1	\$165.0	\$101.2	\$97.8	\$158.0	-\$42.0	-\$45.4	-\$7.0
Category 1: Boston	\$749.2	\$706.0	\$732.0	\$728.6	\$680.0	-\$17.2	-\$20.6	-\$26.0
Category 1: Springfield	\$452.9	\$375.0	\$446.6	\$446.6	\$369.0	-\$6.3	-\$6.3	-\$6.0
Category 1: Taunton	\$369.6	n.a.	\$236.0	\$305.5	\$253.0	-\$133.6	-\$64.0	\$253.0
Category 1: Brockton	n.a.	\$404.0	\$244.7	\$199.9	\$327.0	\$244.7	\$199.9	-\$77.0
Total	\$1,714.8	\$1,650.0	\$1,760.4	\$1,778.4	\$1,787.0	\$45.7	\$63.6	\$137.0

Source: HLT Advisory Inc. estimates and Applicant's submission.

n.a. - Not applicable.

*HLT estimates exclude Massachusetts West and Connecticut West (to approximate IG's market area). HLT numbers also exclude inflows.

** IG's estimates include inflow from outside market area.



3. MARKET ASSESSMENT – STATE GAMING TAX

State gaming taxes under full competition (prior to inflow) in the original analysis and Scenarios 1 and 2. Note: Given the different facility tax rates, total tax to the State will be impacted by individual facility performance.

The Indian casino has a 17% tax rate if it is the only casino in Region C (would not pay the \$85 million upfront license fee). It has a 0% tax rate if the Brockton casino is approved. The Brockton casino has a 25% tax rate.

Tax to the State Under Full Competition Scenarios (With & Without Brockton) Based on Blended Win/Adult*						
	Category 2	Category 1				Total State
	Plainville	Boston	Springfield	Brockton	Taunton	
1) Full Competition (Original Analysis)**						
Gross Gaming Revenue	\$143,126,614	\$749,241,459	\$452,862,066	n.a.	\$369,566,611	\$1,714,796,750
Tax Rate	49%	25%	25%	n.a.	17%	
Total Gaming Tax	\$70,132,041	\$187,310,365	\$113,215,517	n.a.	\$62,826,324	\$433,484,246
2) Full Competition (With Brockton)- Scenario 1						
Gross Gaming Revenue	\$101,158,248	\$732,023,781	\$446,601,071	\$244,669,835	\$235,995,382	\$1,760,448,317
Tax Rate	49%	25%	25%	25%	0%	
Total Gaming Tax	\$49,567,542	\$183,005,945	\$111,650,268	\$61,167,459	\$0	\$405,391,213
3) Full Competition (With Taunton Advantage)- Scenario 2						
Gross Gaming Revenue	\$97,773,073	\$728,641,814	\$446,601,071	\$199,860,551	\$305,530,986	\$1,778,407,495
Tax Rate	49%	25%	25%	25%	0%	
Total Gaming Tax	\$47,908,806	\$182,160,454	\$111,650,268	\$49,965,138	\$0	\$391,684,665
Impact on Gaming Tax (1-2)	-\$20,564,499	-\$4,304,420	-\$1,565,249	\$61,167,459	-\$62,826,324	-\$28,093,033
Impact on Gaming Tax (1-3)	-\$22,223,235	-\$5,149,911	-\$1,565,249	\$49,965,138	-\$62,826,324	-\$41,799,581

Source: HLT Advisory Inc. estimates.
n.a.: Not Applicable
* Based on \$375/adult in casino market areas, \$325/adult for adjacent casino market areas and \$275/adult for all other market areas.
** Based on results under the Full Competition with Blended GGR/Adult.



3 MARKET ASSESSMENT – WITHOUT TAUNTON

Assessment Results

Brockton/MG&E

Very Good

- Gaming revenue projections with no Taunton casino (Brockton/MG&E is the only casino in Region C) are within the range of expected market results.



3 MARKET ASSESSMENT – WITH TAUNTON

Assessment Results

Brockton/MG&E

Sufficient

- Brockton/MG&E believes based on their location they can effectively compete with the Taunton casino (no gaming tax) for a share of the Greater Boston Market.
- Brockton/MG&E's estimate of \$327 million is aggressive (above higher end of expected range) compared to HLT's estimated range (Scenario 1 – no competitive advantage) of \$252 million to \$294 million (assumed 10% inflow).
- Brockton/MG&E does not contemplate a scenario in which Taunton has a competitive advantage (e.g. either through increased marketing spend and/or greater size and scope of facility). HLT considered a scenario in which the Taunton casino has a competitive advantage. Under this scenario the potential impact is ~\$50 million (difference between HLT's Scenario 1 and Scenario 2).



4. OPERATIONS PLAN

The focus of this component was on assessing the reasonableness of the Applicant's operating plan given the current and likely future gaming environment in Massachusetts.

Specific assessment areas included:

- I. Applicant's understanding of internal controls.
- II. Consistency of business plan with a "destination casino" and to financial projections.
- III. Applicant's financial projections are consistent with their business plans.



4.1 INTERNAL CONTROLS

Expectations of Applicant:

- Demonstrates understanding of the importance of a strong internal control environment.
- Experience working in a regulated environment.

Assessment Approach:

- Reviewed submitted internal control manuals and history of Applicant experience with other gaming regulators.

4.1 INTERNAL CONTROLS

Assessment Results

Brockton/MG&E

Outstanding

- Applicant recognizes the importance of internal controls and has experience working in a regulated environment (Rush Street Gaming, LLC, MG&E's proposed casino manager has experience developing and adhering to internal controls in Mississippi, Pennsylvania, and Illinois).
- The Applicant provided a draft internal control manual.



4.2 CONSISTENCY OF BUSINESS PLAN

Expectations of Applicant:

- Business plan is consistent with a “regional” market casino and demonstrates connection to financial projections

Assessment Approach:

- Reviewed and assessed key components of the business plan to assess Applicant’s understanding of regional casino market/operating strategies
- Reviewed the Applicant’s budgets and financial projections to ensure they reflect the operational plans and programs provided throughout the responses of the application and they are consistent with a “regional casino” and other industry benchmarks

Note: Consists of all responses contained in Finance Section



4.2 CONSISTENCY OF BUSINESS PLAN

	Brockton/MG&E
Parking Plan	<u>Strengths:</u> parking space per gaming position of 1.05:1 based on 3,003 parking spaces planned.
Slot Product Plan	<p><u>Strengths:</u> amount of lower denomination slots (>50%), VIP slot room (size) and average daily machine performance (consistent with other applications).</p> <p><u>Weaknesses:</u> aggressive slot hold percentage (8.5%) but consistent with current market area, percentage of leased games (2%) lower than expected but consistent with Applicant's other properties.</p>
Table Product Plan	<u>Strengths:</u> table mix suggests a different market focus than Everett/Wynn (market differentiation) and average daily table performance consistent with Applicant's other properties.
F&B Plan	<p><u>Strengths:</u> 770 seats in six outlets, with a mix of reasonable mix of offerings product offering, sales estimated at 10% of gaming revenue and 65%-70% "comped" (will use F&B to drive core customer visitation).</p> <p><u>Weakness:</u> while percentage of estimated patron covers is reasonable, number of turns per seat is aggressive (need more seats to accommodate estimated covers)</p>

4.2 CONSISTENCY OF BUSINESS PLAN

	Brockton/MG&E
Hotel Plan	<p><u>Strengths:</u> will use hotel to drive core customer visitation (90% occupancy target).</p> <p><u>Weakness:</u> average daily rate is lower than expected given high percentage of “comped” rooms and proposed casino manager does not currently operate hotels.</p>
Retail/Other Plan	<p><u>Strengths:</u> retail, multi-purpose space and lounge/nightclub component.</p> <p><u>Weakness:</u> limited retail/other space, consistent with a “locals” casino as opposed to a “regional” casino.</p>
Marketing Plan	<p><u>Strengths:</u> marketing approach is aligned with Brockton/MG&E’s proposed complex and view of the market opportunity (market differentiation from Everett/Wynn).</p> <p><u>Weakness:</u> Region C market location (not closest casino to market area population concentration) is not consistent with market location of existing Rush Street properties (Chicago, Pittsburgh, Philadelphia).</p>



4.2 CONSISTENCY OF BUSINESS PLAN

Assessment Results

Brockton/MG&E

Very Good

- All operational and marketing plans were clearly articulated and represent a cohesive strategy that aligns with Brockton/MG&E's proposed complex and view of the market opportunity (market differentiation from awarded Region A casino).

4.3 FINANCIAL PROJECTIONS

Assessment Results

Brockton/MG&E

Very Good

- Applicant's financial projections are in alignment with their business plan and view of the market opportunity (market differentiation from Everett/Wynn).
- Overall, proposed financial projections are reasonable.



AGGREGATE SECTION RATINGS

Brockton/MG&E

I. Financial Strength

Very Good/Outstanding

II. Investment Plan

Sufficient/Very Good

III. Market Assessment

Sufficient

IV. Operations Plan

Very Good

OVERALL RATING – BROCKTON/MG&E

Brockton/MG&E has demonstrated that they have the financial capabilities and necessary capital required to develop and operate their proposed project. Brockton/MG&E's view of the market opportunity demonstrates a solid understanding of existing awarded casino licenses in Massachusetts (specifically market differentiation from Everett/Wynn). The operations plan submitted aligns with this view of the market opportunity.

While Brockton/MG&E's investment plan (e.g. spending of contingency amounts required to meet \$500 million eligible capital threshold) acknowledges future potential Region C competition (i.e. Taunton casino), their market assessment does not fully appreciate the potential magnitude of this competition. Brockton/MG&E is relying upon their experience in other competitive markets to effectively compete for a share of the Massachusetts casino market with a Taunton casino. This experience however is not fully comparable to the Massachusetts market as they will not be the closest casino to the core population base in the Boston market (Everett/Wynn will be the closest casino).

Overall, Brockton/MG&E's proposal is sufficient with very good elements, namely the financial strength (ability to obtain project capital) and the operations plan (alignment with the market opportunity).

Sufficient/Very Good

