



Massachusetts Gaming Commission  
RFA-2 Application Review  
Category 1 License for Casino: Region A

**Report to the Commissioners for: Category # 2 – Finance**

**Commissioner Enrique Zuniga  
September 8, 2014**

## Contents

### **1. Introduction**

- Criteria ----- 2
- Rating System ----- 3
- RFA – 2 Category # 3 Question List ----- 4

### **2. Overall Rating, Criterion 2, Finance ----- 5**

### **3. Criteria Rating Summary ----- 6**

### **4. Review Detail**

- Criterion 1      Financial Capability ----- 8
- Criterion 2      Investment Plan ----- 15
- Criterion 3      Market Assessment ----- 19
- Criterion 4      Operations Plan ----- 21

### **5. Appendix**

- Financial Strength
- Investment Plan
- Market Assessment
  - Appendix A: Summary of Spectrum 2010 Report
  - Appendix B: Comparison Markets
  - Appendix C: “Full Competition” Detailed Tables
- Operations Plan

# 1. Introduction

The questions from Section 2 - Finance of the RFA-2 application were allocated among 4 established criteria (Financial Capability, Investment Plan, Market Assessment, and Operations Plan).

## Criteria

Section 2 is comprised of 4 Criteria and 10 Sub-Criteria:

- Criterion 1 (Questions 2-2, 2-5 to 2-7, 2-11 to 2-17,2-29):
    - Criterion 1.1 (Questions 2-7 and 2-16):
    - Criterion 1.2 (Questions 2-5,2-6, 2-12 to 2-15, 2-17, 2-29):
    - Criterion 1.3 (Questions 2-2 and 2-11):
  - Criterion 2 (Questions 2-1, 2-3, 2-4, 2-8, 2-10, 2-27, 2-28, 2-30):
    - Criterion 2.1 (Questions 2-1, 2-3, 2-4, 2-8, 2-27, 2-28):
    - Criterion 2.2 (Questions 2-10 and 2-30):
    - Criterion 2.3 (Question 2-8):
  - Criterion 3 (Questions 2-18, 2-19, 2-21, 2-23, 2-26):
  - Criterion 4 (Questions 2-9, 2-11, 2-19, 2-20, 2-22 to 2-25, 2-31 to 2-38):
    - Criterion 4.1 (Question 2-22):
    - Criterion 4.2 (2-9, 2-11, 2-19, 2-20, 2-23 to 2-25, 2-31 to 2-38):
    - Criterion 4.3 (2-9, 2-11, 2-19, 2-20, 2-23 to 2-25, 2-31 to 2-38):
- |                                                                                                                                                                                                       |                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Financial Capability</u></b><br/>Ability of Applicant to Obtain Project Capital<br/>Current Financial Strength of Applicant<br/>Applicant's Expected Project Return Over Term of License</p> | <p><b><u>Investment Plan</u></b><br/>Commitment to Spend Required Capital<br/>Timing of Total Development<br/>Consistency Between Quality/Scope of Proposed Facility and<br/>Expected Market Penetration and Financial Results</p> |
| <p><b><u>Market Assessment</u></b><br/>Gaming Revenue Projections and Market Share</p>                                                                                                                | <p><b><u>Operations Plan</u></b><br/>Applicant's Understanding of the Importance of Internal Controls<br/>Consistency of Business Plan with Financial Results<br/>Financial Projection Analysis</p>                                |

## Rating System

Color coding and rating explanation

|                     |                                                                                                                                          |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>INSUFFICIENT</b> | Failed to present a clear plan to address the topic, or failed to meet the minimum acceptable criteria of the Commission.                |
| <b>SUFFICIENT</b>   | Comprehensible and met the minimum acceptable criteria of the Commission; and/or provided the required or requested information.         |
| <b>VERY GOOD</b>    | Comprehensive, demonstrates credible experience and plans, and /or excels in some areas.                                                 |
| <b>OUTSTANDING</b>  | Uniformly high quality, and demonstrates convincing experience, creative thinking, innovative plans and a substantially unique approach. |

## **Question List**

- 2-1 Application Fee and Community Disbursements
- 2-2 Licensing Fee
- 2-3 Minimum Capital Investment
- 2-4 Land
- 2-5 Audited Financial Statements
- 2-6 Unaudited Financials and SEC Filings
- 2-7 Financing Structure
- 2-8 Budget
- 2-9 Significant Economic Downturn
- 2-10 Timeline for Construction
- 2-11 Pro-Forma Cash Flow
- 2-12 Credit Arrangements and Financial Commitments
- 2-13 Breaches of Contract
- 2-14 Administrative and Judicial Proceedings
- 2-15 Bankruptcy Filings
- 2-16 Minority sources of financing
- 2-17 Documentation of Financial Suitability and Responsibility
- 2-18 Revenue Generation
- 2-19 Projected Gaming Revenue
- 2-20 Projected Non-Gaming Revenue
- 2-21 Projected Tax Revenue to the Commonwealth
- 2-22 Internal Controls
- 2-23 Maximizing In-State Revenue
- 2-24 Customer Cross-Marketing
- 2-25 History of Revenue
- 2-26 Market Analysis
- 2-27 Capital Investment
- 2-28 Total Investment Outside the Property
- 2-29 Additional Financial Commitments
- 2-30 Construction Plan
- 2-31 Business Plan
- 2-32 Maximum Facility Use
- 2-33 Competition from Internet Gaming
- 2-34 Marketing Plan
- 2-35 New Revenue
- 2-36 Marketing to Out of State Visitors and use of Junkets
- 2-37 Marketing to In-State Visitors
- 2-38 Secure and Robust Gaming Market

## 2. Overall Rating, Criterion 2, Finance

*This section summarizes the overall ratings related to Section 2: Finance of the RFA-2 application – For further detail see Financial Appendices (Financial Capability, Investment Plan, Market Assessment, and Operations Plan)*

SUFFICIENT

### Mohegan Sun | Revere

The Applicant submitted a comprehensible proposal. They demonstrated that they have access to funds necessary to develop and operate their proposed casino project. There is consistency (alignment) among Investment, Market and Operations plans submitted. The proposed project is predominantly focused on penetrating the available market area in Eastern Massachusetts and into New Hampshire. This market focus however is not consistent with why the State decided to limit the number of casino licenses permitted and impose a low gaming tax rate/minimum investment threshold. Further it does not recognize the potential market opportunity of a Region A location.

While the Applicant has demonstrated the necessary financial capability to develop and operate their proposed complex, its funding plan is complex (i.e. multiple parties with investment in and operational responsibilities for various project components) and by some measures highly leveraged. This complexity will likely reduce the degree of flexibility that the Applicant requires to efficiently (including timing) and effectively respond to marketplace changes that will likely occur over the term of the license, including immediately after opening.

Overall, Revere/Mohegan’s proposal is sufficient with one insufficient element, namely their view of the potential market opportunity of a Region A location.

VERY GOOD / OUTSTANDING

### Wynn | Everett

The Applicant submitted a comprehensive proposal and provided credible plans based on its experience in operating casino complexes in highly competitive markets and focused on penetrating “high-end” market segments (i.e. local, regional and international). This market focus (specifically out-of-state and international component) is consistent with why the State decided to limit the number of casino licenses permitted and impose a low gaming tax rate and minimum investment threshold. Further, it recognizes the potential market opportunity of a Region A location.

The Applicant has demonstrated the necessary financial capability to develop and operate its proposed complex. The funding plan is straightforward and there is consistency among Investment, Market and Operations plans submitted. The Applicant will directly operate virtually all complex components. Third party operators will be limited to non-core complex components (i.e. retail) and/or will be incorporated in the complex if they are deemed to add market appeal (e.g. a “Michelin Star” restaurant). The financial strength of the Applicant (including the amount of equity committed to the project and the complex operational governance model chosen) provide the project with the needed flexibility to efficiently (including timing) and effectively respond to marketplace changes that will likely occur over the term of the license, including immediately after opening.

Overall, Wynn’s proposal is very good with outstanding elements, namely the ability to obtain project capital, commitment to spend (materially more) required capital and their view of the potential market opportunity of a Region A location.

### 3. Criteria Rating Summary

| <b>Criteria Rating Summary</b>                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Below is a summary of the ratings for the review detail areas. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Criterion 1:<br/>Financial<br/>Capability</b>               | <p>The Applicant has put forward a complex funding plan based on multiple participants and funding sources. Four different equity sources have been identified.</p> <p>Mohegan, the Applicant (40% ownership) may not be in a position to invest in the project beyond what it has already spent pursuing a casino license in the State. If cost overruns occur, the Applicant has advised that the bank or if required Brigade (60% ownership) would provide additional funds. If such a situation occurred, it is unknown how these additional funds from Brigade would impact the various project contractual (term sheets) arrangements (i.e. ownership interests, priority payments, terms of additional funds).</p> <p>The funding plan framework as submitted by the Applicant does not provide the State with a high-degree of comfort that it can easily be implemented, especially if cost overruns occur.</p> | <p>The Applicant has put forward a comprehensive, straightforward funding plan. The Applicant’s current sound financial position and future outlook based on markets that it currently operates in provides a high-degree of comfort to the State that the financing plan framework as submitted can be implemented even if cost overruns occur.</p>                                                                                                                                                                                                                                                                  |
|                                                                | <b>Sufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Very Good/Outstanding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Criterion 2:<br/>Investment<br/>Plan</b>                    | <p>The Applicant just met the minimum required capital investment (in terms of eligible capital costs) and proposed a complex that should allow it to penetrate the local market (i.e. project physical plan consistent with project business plan – penetrate local area).</p> <p>That said the Applicant did not provide an investment plan that instills a high-degree of confidence that their proposed casino operation recognizes the full market potential opportunity of a Region A location (i.e. ability to compete in a broader regional market).</p>                                                                                                                                                                                                                                                                                                                                                         | <p>The Applicant has significantly exceeded the minimum required capital investment (in terms of eligible capital costs) and proposed a complex that should allow it to compete in a broader regional market, including internationally (i.e. project physical plan consistent with project business plan – attract visitation from out-of-state).</p> <p>The Applicant provided an investment plan that instills a high-degree of confidence that their proposed casino operation recognizes the full market potential opportunity of a Region A location (i.e. ability to compete in a broader regional market)</p> |
|                                                                | <b>Sufficient/Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Very Good/Outstanding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Criterion 3:<br/>Market<br/>Assessment</b> | <p>The Applicant’s view of the market (immediate local area focus) is not consistent with the State’s decision to limit the number of casino licenses permitted and to impose a low gaming tax rate/minimum investment threshold. The Applicant does not believe that their proposed casino can fully penetrate the entire market area (i.e. Massachusetts, Rhode Island, Connecticut, and southern New Hampshire) nor generate meaningful inflow from areas beyond this market area. This view is not consistent with the Applicant’s extensive operational experience in the same market area.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>The Applicant’s view of the market (broad regional and select international focused) aligns with the State’s decision to limit the number of casino licenses permitted and to impose a low gaming tax rate and minimum investment thresholds. The rating would have been higher if the Applicant had demonstrated a greater appreciation of the immediate local market opportunity.</p>                                                                   |
|                                               | <b>Insufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Criterion 4:<br/>Operations<br/>Plan</b>   | <p>The Applicant recognizes the importance of internal controls and has provided reasonable operational and marketing plans consistent with a regional resort casino focussed on the local market area. Financial projections are consistent with their submitted business plan except that payroll costs are lower than what would be expected. The Applicant has assumed that after the 15 year license term some debt would still be outstanding. This situation would likely not be acceptable to third party lenders.</p> <p>The Applicant has advanced the concept of a marketing restriction zone. This concept has not been fully developed (“implementation ready”). While the Applicant stated that Brigade’s interests were “perfectly aligned” with the State, Brigade’s existing financial interest in the Applicant’s Connecticut operation does not necessarily support this position.</p> <p>Finally, while the concept of the submitted marketing restriction zone provides a level of comfort to the State in respect of operating two properties in the broader regional market, it is not completely aligned with the State’s casino objectives (i.e. maximizing revenues received by the commonwealth and recapture rate of State residents travelling to out-of-state gaming facilities).</p> | <p>The Applicant recognizes the importance of internal controls and has provided reasonable operational and marketing plans consistent with a regional resort casino focussed on a broader regional market area with a “high-end” customer sub-focus (both domestic and international). Financial projections are consistent with their submitted business plan. The Applicant has provided for complete debt repayment within the 15 year license term.</p> |
|                                               | <b>Sufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                             |



## 4. Review Detail

| <b>Criterion 1: Financial Capability</b>                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial capability of Applicant to develop (construct and open) and operate the proposed Category 1 facility. Specific focus areas include: <ul style="list-style-type: none"> <li>• Ability of Applicant to obtain project capital.</li> <li>• Current financial strength of Applicant.</li> <li>• Applicant’s expected project return over 15 year term (term of license).</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                           | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Statement of Findings                                                                                                                                                                                                                                                                                                                                                                     | <u>Ability to Obtain Capital</u> <ul style="list-style-type: none"> <li>• While the Applicant demonstrated the availability of financing for the project, the funding plan is complex in terms of number of participants (and contractual relationships between the participants), sources of funds and cost of funds. Further, while \$235 million has been identified as equity, \$105 million will have been spent prior to award of license, \$85 million will be used to pay the upfront license fee and \$20 million will not be available until project financing has been secured (“upon closing of the financing”). Total identified equity to be used to initiate the development process is \$25 million.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <u>Ability to Obtain Capital</u> <ul style="list-style-type: none"> <li>• Demonstrated the availability of financing for the project (~38% equity and ~62% debt). After the license fee is paid, over \$500 million in equity will be available to initiate the development process.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                           | <u>Current Financial Strength</u> <ul style="list-style-type: none"> <li>• Brigade (60% owner of the Applicant if the Applicant is awarded a casino license) was not assessed from a financial ratio analysis perspective as this type of analysis is not applicable for a company like Brigade. Brigade is described in its December 31, 2012 audited financial report as a company that provides investment management services to related private investment entities and other parties in which it earns management and performance fees for these services. Brigade is both the management company and the investment advisors for the various related funds and collectively they are referred to as Managed Funds.</li> <li>• Mohegan, as the Applicant, and 40% owner of Revere/Mohegan and manager of the casino was assessed from a financial ratio analysis perspective regardless of the fact that Mohegan is not providing additional financing to the project beyond funds already spent or will be spent prior to the award of a license.               <ul style="list-style-type: none"> <li>• Mohegan’s financial ratios demonstrate, not unlike some other</li> </ul> </li> </ul> | <u>Current Financial Strength</u> <ul style="list-style-type: none"> <li>• Wynn’s current financial position is sound.</li> <li>• Wynn has a significant economic dependence issue in that a significant portion of its profit is generated by its Macau operations where other emerging Asian gaming markets and potential changes to the number of gaming licenses issued could change the competitive environment (increase level of competition). While the total Macau market has recently experienced month over month revenue declines, it has been growing annually. That said, Wynn operates in two of the most competitive gaming markets in the world (i.e. Macau and Las Vegas) and has demonstrated that it can compete for its fair share of these markets.</li> </ul> |

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  | <p>gaming companies, that they have challenges (e.g. ability to service long term debt). These challenges will require Mohegan to focus on the financial performance of its current operations (mainly based in Connecticut). These operations have been impacted by both economic and competitive pressures over the past five years (gaming revenues have declined annually since 2007).</p> <ul style="list-style-type: none"> <li>Mohegan has a significant economic dependence issue in that a significant portion of its operations reside in Connecticut, where there has been increased competitive pressure from neighbouring jurisdictions. Competition will increase in the near future with the opening of up to four Massachusetts casinos and additional New York casinos. While Mohegan should remain a significant casino in its broad market area, the future performance of its operation may not fully support its current financial commitments (both third party financing and MTGA revenue needs).</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                  |
|                                  | <p><u>Expected Returns</u></p> <ul style="list-style-type: none"> <li>Plan proposed by the Applicant produces a commercially reasonable return on investment.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><u>Expected Returns</u></p> <ul style="list-style-type: none"> <li>Plan proposed by the Applicant produces a commercially reasonable return on investment.</li> </ul>                                                                                                                                                                                         |
| <p>Overall Findings</p>          | <p>The Applicant has put forward a complex funding plan based on multiple participants and funding sources. Four different equity sources have been identified. Mohegan, the Applicant (40% ownership) is not in a position to invest in the project beyond what it has already spent pursuing a casino license in the State. If cost overruns occur, the Applicant has advised that Brigade (60% ownership) would provide additional funds. If such a situation occurred, it is unknown how these additional funds would impact the various project contractual (term sheets) arrangements (i.e. ownership interests, priority payments, terms of additional funds) that are in place.</p> <p>The funding plan framework as submitted by the Applicant does not provide the State with a high-degree of comfort that it can easily be implemented, especially if reasonable cost overruns occur.</p>                                                                                                                               | <p>The Applicant has put forward a comprehensive, straight forward funding plan. The Applicant's current sound financial position and future outlook based on markets that it currently operates in provides a high-degree of comfort to the State that the financing plan framework as submitted can be implemented even if reasonable cost overruns occur.</p> |
| <p><b>Criterion 1 Rating</b></p> | <p style="text-align: center;"><b>Sufficient</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p style="text-align: center;"><b>Very Good/Outstanding</b></p>                                                                                                                                                                                                                                                                                                  |

| <b>1.1 Ability of Applicant to Obtain Project Capital</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expectations of Applicant                                 | Evidence of access to capital required to fund project cost as submitted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Assessment Approach                                       | Reviewed financing plan as submitted by Applicant as well as accompanying background materials.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                           | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Summary of Facts                                          | <ul style="list-style-type: none"> <li>• Total Capital Required: \$1,132.0 million</li> <li>• Funding Plan: <ul style="list-style-type: none"> <li>– Equity: \$235.0 million (21% of total required capital): <ul style="list-style-type: none"> <li>▪ \$105 million in pre-development spend to date (\$35 Mohegan contribution &amp; \$70 million Suffolk’s), which was described as “labor, consulting, design/development, regulatory and legal expenses”.</li> <li>▪ \$110 million from majority partner Brigade (\$50 million in common equity and \$60 million in preferred equity).</li> <li>▪ \$20 million in contribution from various third parties Retail, Dining and Entertainment [(RDE) development related contribution].</li> </ul> </li> <li>– Third Party Funding: \$90.0 million (8% of total required capital): <ul style="list-style-type: none"> <li>▪ \$30 million in fit-out costs from retailers at the RDE.</li> <li>▪ \$60 million from third party for second hotel.</li> </ul> </li> <li>– Third Party Debt: \$807.0 million (71% of total required capital): <ul style="list-style-type: none"> <li>▪ \$732 million in bank financing.</li> <li>▪ \$75 million in FFE (capital leases – slots &amp; related IT systems).</li> </ul> </li> </ul> </li> <li>• Two “highly confident” letters from Goldman Sachs and Merrill Lynch/Bank of America providing financing for \$800 million and \$825 million respectively. <ul style="list-style-type: none"> <li>– Goldman Sachs requires an equity investment of no less than \$235 million.</li> <li>– Merrill Lynch/Bank of America requires an equity investment of not less than \$190 million.</li> </ul> </li> <li>• Brigade currently has over “\$15 billion in investment funds and accounts under management, the vast majority of which are</li> </ul> | <ul style="list-style-type: none"> <li>• Total Required Capital: \$1,589.2 million</li> <li>• Financing Structure: <ul style="list-style-type: none"> <li>– Equity: \$604.8 million (38% of total required capital).</li> <li>– Third Party Debt: \$984.4 million (62% of total required capital) – including \$20.9 million from operating cash flows.</li> </ul> </li> <li>• Deutsche Bank Securities confirmed in writing that they were “highly confident” they would be able to arrange project financing of up to \$1.225 billion providing Wynn contributes 25% equity (for a total project cost of \$1.6 billion).</li> <li>• As at December 31, 2013: <ul style="list-style-type: none"> <li>– Wynn had \$1.3 billion in EBITDA, \$299 million in interest expense and \$507 million in capital expenditures.</li> <li>– Current assets amounted to \$3.0 billion while current liabilities amounted to \$1.5 billion.</li> </ul> </li> </ul> |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | <p>held in liquid assets or cash". It is reasonable to assume Brigade is capable of funding its equity commitment immediately once the license is awarded. Both the defined equity and debt amounts committed to by Brigade will be sourced from investment funds managed by Brigade.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Statement of Findings</p> | <p>While the Applicant demonstrated the availability of financing for the project, the funding plan is complex in terms of number of participants and sources of funds:</p> <ul style="list-style-type: none"> <li>• Up to nine participants (or funding sources) have been identified in the funding plan (Brigade equity and debt, MTGA, Sterling Suffolk, NEDF key money, NEDF third party hotel, multiple retail tenants, bank financing for casino and RDE project, bank financing for third party hotel, capital lease financing).</li> <li>• While they list \$235 million in equity sources, \$105 million will have been already spent prior to license award. The remaining \$130 million will be directed towards the license fee (\$85 million) and RDE facility (\$20 million). The remaining \$25 million will be available for the development.</li> <li>• The preferred equity component (\$60 million) has a 15% annual interest rate attached to it.</li> <li>• Applicant did not provide evidence of funding for \$155 million in their original submission. Subsequently, they provided a "back-stop" financial arrangement from Brigade to MSM for up to \$135 million of this amount. This agreement is not the Applicant's preferred funding plan. They stated that they still plan to use best effort to obtain these funds from alternative financing sources. The stated interest rates of the "back-stop" financing agreement (i.e. 8% to 10.5%) can best be described as being at a premium over traditional sources. They subsequently provided unaudited financial information related to the remaining \$20 million (RDE "key money") in funding required.</li> </ul> | <p>Demonstrated the availability of financing for the project:</p> <ul style="list-style-type: none"> <li>• Equity of 38% of project costs (exceeds bank debt requirement of 25%).</li> <li>• While the funding plan includes using \$20.9 million from operating cash flows, the availability of additional debt and/or equity has been demonstrated.</li> </ul> |
| <p>Rating</p>                | <p><b>Sufficient</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>Outstanding</b></p>                                                                                                                                                                                                                                                                                                                                         |

| <b>1. 2 Current Financial Strength of Applicant</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expectations of Applicant                           | <ul style="list-style-type: none"> <li>• Strong Balance Sheet (Current Ratio, net asset position)</li> <li>• Reasonable levels of debt (Debt Equity Ratio)</li> <li>• Positive operating results (Capital Asset Turnover, Return on Investment)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                             |
| Assessment Approach                                 | Reviewed financial statements (where applicable) submitted by Applicants and performed financial ratio analysis to assess financial strength of Applicant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                             |
|                                                     | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                       |
| Summary of Facts                                    | <p>Brigade was not assessed from a financial ratio analysis perspective as this type of analysis is not relevant for a company like Brigade.</p> <ul style="list-style-type: none"> <li>• Brigade is described in its December 31, 2012 audited financial report as a company that provides investment management services to related private investment entities and other parties in which it earns management and performance fees for these services. Brigade is both the management company and the investment advisors for the various related funds and collectively they are referred to as Managed Funds.</li> </ul> <p>Mohegan, as the Applicant, and 40% owner of Revere/Mohegan and manager of the casino was assessed from a financial ratio analysis perspective regardless of the fact that Mohegan is not providing additional financing to the project beyond funds already spent or will be spent prior to the award of a license.</p> <p>Financial Statements Evaluated - Mohegan Tribal Gaming Authority 2013 10K (year-end September 30, 2013).</p> <p>Key Financial Ratios</p> <ul style="list-style-type: none"> <li>• Current Ratio: 0.57</li> <li>• Capital Asset Turnover: 0.91</li> <li>• Debt Equity Ratio: 8.29</li> <li>• Return on Investment: 17.0%</li> <li>• Times Interest Earned: 1.82</li> </ul> | <p>Financial Statements Evaluated – Wynn Resorts Limited 2013 10K (year-end December 31, 2013).</p> <p>Key Financial Ratios:</p> <ul style="list-style-type: none"> <li>• Current Ratio: 2.04</li> <li>• Capital Asset Turnover: 1.14</li> <li>• Debt Equity Ratio: Not Measurable</li> <li>• Return on Investment: 21.0%</li> <li>• Times Interest Earned: 4.33</li> </ul> |
| Statement of Findings                               | Mohegan’s financial ratios demonstrate, not unlike some other gaming companies, that they have challenges (e.g. ability to service long term debt). These challenges will require Mohegan to focus on the financial performance of its current operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Wynn’s current financial position is sound.</p> <p>While Wynn’s debt equity ratio is not measurable (negative equity) the reasons for the negative equity are explainable:</p> <ul style="list-style-type: none"> <li>• Dividends declared each year that have approximated net</li> </ul>                                                                               |

|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | <p>Mohegan has a significant economic dependence issue in that a significant portion of its operations reside in Connecticut, where there has been increased competitive pressure from neighbouring jurisdictions. Competition will increase in the near future with the opening of up to four Massachusetts casinos and additional New York casinos. While Mohegan should remain a significant casino in its broad market area, the future performance of its operation may not fully support its current financial commitments (both third party financing and MTGA revenue needs).</p> | <p>income.</p> <ul style="list-style-type: none"> <li>• Share repurchase to date totalling \$1.1 billion.</li> <li>• Stock redemption of \$1.9 billion relating to cancellation of 20% of shares held by a former Director/Shareholder.</li> </ul> <p>Despite the inability to measure the debt equity ratio Wynn has net working capital of \$1.5 billion and generates \$1.3 billion in EBITDA which should be sufficient to satisfy ongoing capital expenditures, and annual debt service amounts (interest and principal on long term debt, the latter totalling \$6.6 billion).</p> <p>Wynn has a significant economic dependence issue in that a significant portion of its profit is generated by its Macau operations where other emerging Asian gaming markets and potential changes to the number of gaming licenses issued could change the competitive environment (increase level of competition). While the total Macau market has recently experienced month over month revenue declines, it has been growing annually. That said, Wynn operates in two of the most competitive gaming markets in the world (i.e. Macau and Las Vegas) and has demonstrated that it can compete for its fair share of these markets.</p> |
| <b>Rating</b> | <b>Sufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Very Good/Outstanding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| <b>1.3 Applicant's Expected Return Over Term of License</b> |                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expectations of Applicant                                   | <ul style="list-style-type: none"> <li>Earn a commercially reasonable return on investment (ROI).</li> </ul>                                                                                                                                      |                                                                                                                                                                                                                                                   |
| Assessment Approach                                         | Internal rate of return calculation based on the Applicant's submitted 15-year EBITDA. In addition the internal rate of return was assessed under two annual discount rates (4%-15%).                                                             |                                                                                                                                                                                                                                                   |
|                                                             | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                       | <b>Wynn   Everett</b>                                                                                                                                                                                                                             |
| Summary of Facts                                            | <ul style="list-style-type: none"> <li>ROI (No Discount Rate): 22%</li> <li>ROI (Discount Rate 4%): 18%</li> <li>ROI (Discount Rate 15%): 6%</li> </ul>                                                                                           | <ul style="list-style-type: none"> <li>ROI (No Discount Rate): 21%</li> <li>ROI (Discount Rate 4%): 17%</li> <li>ROI (Discount Rate 15%): 6%</li> </ul>                                                                                           |
| Statement of Findings                                       | <ul style="list-style-type: none"> <li>Plan proposed by the Applicant produces a commercially reasonable return on investment.</li> <li>A positive return on investment can still be achieved even after applying a 15% discount rate.</li> </ul> | <ul style="list-style-type: none"> <li>Plan proposed by the Applicant produces a commercially reasonable return on investment.</li> <li>A positive return on investment can still be achieved even after applying a 15% discount rate.</li> </ul> |
| Rating                                                      | <b>Very Good</b>                                                                                                                                                                                                                                  | <b>Very Good</b>                                                                                                                                                                                                                                  |

**Criterion 2: Investment Plan**

The suitability of the proposed physical facility/complex plan to compete in the market over the life of the license. Specific focus areas include:

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

|                       | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statement of Findings | <p><u>Commitment to Spend Capital</u></p> <ul style="list-style-type: none"> <li>• Eligible capital costs (\$527 million) meet minimum capital investment requirement of \$500 million.</li> <li>• Of the \$1,131.7 million total Project Cost, ~32% is accounted for by financing, land rent during construction and monies spent to pursue a casino license (including monies spent related to past sites and/or past development partners).</li> </ul>                                                                                                 | <p><u>Commitment to Spend Capital</u></p> <ul style="list-style-type: none"> <li>• Eligible capital costs (\$1,047.2 million) greatly exceed minimum capital investment requirement of \$500 million.</li> <li>• Of the \$1,589.2 million total Project Cost, ~8% is accounted for by financing and land purchase. Monies spent to pursue a casino license not itemized in, land rent during construction and monies spent to pursue a casino license (including monies spent related to past sites and/or past development partners).</li> </ul>                                                          |
|                       | <p><u>Timing of Development</u></p> <ul style="list-style-type: none"> <li>• Provided a reasonable timeline for opening facility given the size and scope (complexity) of the development and the site location.</li> </ul>                                                                                                                                                                                                                                                                                                                               | <p><u>Timing of Development</u></p> <ul style="list-style-type: none"> <li>• Provided a reasonable timeline for opening facility given the size and scope (complexity) of the development and the site location.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                |
|                       | <p><u>Consistency Between Quality/Scope and Results</u></p> <ul style="list-style-type: none"> <li>• Proposed size and scope of facility is consistent with business and financial plans submitted – resort casino positioned to penetrate the local market with very limited out-of-state focus.</li> </ul>                                                                                                                                                                                                                                              | <p><u>Consistency Between Quality/Scope and Results</u></p> <ul style="list-style-type: none"> <li>• Proposed size and scope of facility is consistent with business and financial plans submitted – a resort casino positioned to attract high-end and out-of-state customers. Flexibility incorporated in the project in terms of ability to add gaming positions if demand warrants (primarily focused on local market).</li> </ul>                                                                                                                                                                     |
| Overall Findings      | <p>The Applicant just met the minimum required capital investment (in terms of eligible capital costs) and proposed a complex that should allow it to penetrate the local market (i.e. project physical plan consistent with project business plan – penetrate local area). That said the Applicant did not provide an investment plan that instills a high-degree of confidence that their proposed casino operation recognizes the full market potential opportunity of a Region A location (i.e. ability to compete in a broader regional market).</p> | <p>The Applicant has exceeded the minimum required capital investment (in terms of eligible capital costs) and proposed a complex that should allow it to compete in a broader regional market, including internationally (i.e. project physical plan consistent with project business plan – attract visitation from out-of-state).<br/><br/>The Applicant provided an investment plan that instills a high-degree of confidence that their proposed casino operation recognizes the full market potential opportunity of a Region A location (i.e. ability to compete in a broader regional market).</p> |
| Criterion 2 Rating    | <b>Sufficient/Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Very Good/Outstanding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



| <b>2.1 Commitment to Spend Required Capital</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                 | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Summary of Facts                                | <ul style="list-style-type: none"> <li>• Total Project Costs (eligible and ineligible): \$1,131.7 million               <ul style="list-style-type: none"> <li>• \$357.5 million or ~32% of total project costs accounted for by financing (\$181.5 million), land rent during construction (\$43 million) and monies spent by Mohegan and land owner to pursue a casino license (\$133 million; includes monies spent related to past sites and/or past development partners).</li> </ul> </li> <li>• Total Eligible Costs: \$527.0 million               <ul style="list-style-type: none"> <li>• Eligible Construction Cost: \$376.4 million</li> <li>• Eligible FF&amp;E Cost: \$150.6 million</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Total Project Costs (eligible and ineligible): \$1,589.2 million               <ul style="list-style-type: none"> <li>• \$149.9 million or ~9% of total project costs accounted for by financing (\$98.8 million), land purchase (\$30 million; net of land clean-up and infrastructure costs) and monies spent to pursue a casino license (\$21.1 million).</li> </ul> </li> <li>• Total Eligible Costs: \$1,047.2 million               <ul style="list-style-type: none"> <li>• Eligible Construction Cost: \$957.2 million</li> <li>• Eligible FF&amp;E Cost: \$90.0 million</li> </ul> </li> </ul> |
| Statement of Findings                           | Eligible capital costs meets minimum capital investment requirement of \$500 million. Of the \$1,131.7 million total Project Cost, ~32% is accounted for by financing, land rent during construction and monies spent to pursue a casino license (including monies spent related to past sites and/or past development partners).                                                                                                                                                                                                                                                                                                                                                                                         | Eligible capital costs greatly exceeds minimum capital investment requirement of \$500 million. Of the \$1,589.2 million total Project Cost, ~9% is accounted for by financing, land purchase and monies spent to pursue a casino license.                                                                                                                                                                                                                                                                                                                                                                                                       |
| Rating                                          | <b>Sufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Outstanding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| <b>2.2 Timing of Total Development</b> |                                                                                                                                                                                       |                                                                                                                                                                                       |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                                    |                                                                                                                                                                                       |
|                                        | <b>Mohegan Sun   Revere</b>                                                                                                                                                           | <b>Wynn   Everett</b>                                                                                                                                                                 |
| Summary of Facts                       | <ul style="list-style-type: none"> <li>Applicant proposed construction timeline of 30 months from the issuance of building permit from the City of Revere.</li> </ul>                 | <ul style="list-style-type: none"> <li>Applicant proposed construction timeline of 36 months.</li> </ul>                                                                              |
| Statement of Findings                  | <ul style="list-style-type: none"> <li>Provided a reasonable timeline for opening facility given the size and scope (complexity) of the development and the site location.</li> </ul> | <ul style="list-style-type: none"> <li>Provided a reasonable timeline for opening facility given the size and scope (complexity) of the development and the site location.</li> </ul> |
| <b>Rating</b>                          | <b>Very Good</b>                                                                                                                                                                      | <b>Very Good</b>                                                                                                                                                                      |

| <b>2.3 Consistency Between Quality/Scope of Proposed Facility and Expected Market Penetration and Financial Results</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                         | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Summary of Facts                                                                                                        | <ul style="list-style-type: none"> <li>• Site location in Revere (adjacent to racetrack)</li> <li>• Slots: 4,240</li> <li>• Tables: 120</li> <li>• Gaming Floor: 171,812 sq. ft.</li> <li>• Hotel: 2 hotels with total of 500 rooms <ul style="list-style-type: none"> <li>– 325-room “4 Star” (casino hotel)</li> <li>– 175-room “3 Star” (third party hotel)</li> </ul> </li> <li>• F&amp;B: 10 outlets (1,550 seats)</li> <li>• Entertainment: 44,800 sq. ft. multi-purpose space (1,000 seats), Dave &amp; Busters (or similar)</li> <li>• Parking: 4,470 spaces</li> <li>• Exhibition Space/Meeting Space: 44,800 sq. ft. (multi-purpose space)</li> <li>• Retail: 102,000 sq. ft. (specialty retail and Kids Quest)</li> </ul> | <ul style="list-style-type: none"> <li>• Site location in Everett (waterfront)</li> <li>• Slots: 3,242</li> <li>• Tables: 168</li> <li>• Gaming Floor: 192,543 sq. ft. – excess gaming floor space can accommodate additional gaming devices (e.g. ~1,500 more slot machines)</li> <li>• Hotel: One hotel with 500 rooms (“5 Star”)</li> <li>• F&amp;B: 10 outlets (1,160 seats)</li> <li>• Entertainment: 32,942 sq. ft. multi-purpose space (1,000 seats), night club and 500-seat outdoor amphitheater</li> <li>• Parking: 3,700 spaces</li> <li>• Exhibition Space/Meeting Space: 32,942 sq. ft. (multi-purpose space)</li> <li>• Retail: 77,250 sq. ft. (high end/premium retail)</li> </ul> |
| Statement of Findings                                                                                                   | Proposed size and scope of facility is consistent with business and financial plans submitted – resort casino positioned to penetrate the local market. The Applicant has allocated \$10 million in pre-opening expenses to implement its casino operational plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Proposed size and scope of facility is consistent with business and financial plans submitted – a resort casino positioned to attract high-end and out-of-state customers. Flexibility incorporated in the project (additional gaming floor space available in the design) in terms of ability to add gaming positions if demand warrants. The Applicant has allocated \$61 million in pre-opening expenses to implement its complex operations.                                                                                                                                                                                                                                                  |
| Rating                                                                                                                  | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

**Criterion 3: Market Assessment**

The viability of the proposed facility and operations plan (specifically the marketing component) to penetrate the available gaming market. Specific focus areas include:

- Gaming revenue projections and market share (Year 3 projections).
- Given the competitive environment, the likely gaming revenue range that could be generated is between \$705.0 and \$825.0 million prior to revenue generated from outside the defined market area (inflow).

|                  | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Summary of Facts | <ul style="list-style-type: none"> <li>• The Applicant’s defined casino market area generally extends up to 90 minutes from the site (not as far as HLT’s defined market area). The Applicant’s defined market area excludes Rhode Island, Connecticut and Western Massachusetts. HLT believes that a Boston casino could generate ~\$65 - \$76 million from these excluded areas.</li> <li>• The Applicant estimates that it can generate ~\$688 million from areas located within a 30 minute drive. HLT believes that a Boston casino could generate ~\$482-\$562 million from the same area. The Applicant’s estimates are ~\$126 to \$206 million higher than HLT’s estimates.</li> <li>• Applicant estimates that its casino can generate ~\$40 million from outside its own defined market area (4.4% of total gaming revenues) – termed inflow.</li> </ul> | <ul style="list-style-type: none"> <li>• The Applicant’s defined casino market area generally extends 200 miles from the casino (well beyond HLT’s defined market area). These areas beyond HLT’s defined market area would be accounted for under inflow.</li> <li>• The Applicant estimates that it can generate ~\$616 million from HLT’s defined market area. HLT believes that a Boston casino could generate ~705-\$823 million from the same area. The Applicant’s estimates are ~\$89 to \$207 million lower than HLT’s estimates.</li> <li>• Applicant estimates that its casino could generate \$230 million (or 27.2% of total gaming revenue) from outside HLT’s defined market area (~\$173 million from areas outside its own defined market area. This latter amount represents 20.5% of total gaming revenue – termed inflow).</li> <li>• Included in the Applicant’s \$230 million estimate from outside the HLT’s defined market area is an estimate of \$75.5 million from high-yield international players. If this amount is excluded from the \$230 million inflow, inflow as a percentage of total gaming revenue would decrease to 18.3% (\$154.5 million).</li> </ul> |
| Overall Findings | <p>The Applicant’s revenue projections are not consistent with HLT’s market assessment (i.e. they are significantly higher than HLT’s estimates by sub-market area; especially in the Boston urban area). The Applicant does not expect to generate consistent visitation from Connecticut, Rhode Island and Western Massachusetts.</p> <p>This view (geographic extent of market penetration) of the ability</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Wynn’s revenue projections are not consistent with HLT’s market assessment (i.e. they are significantly lower than HLT’s estimates by sub-market area).</p> <p>That said Wynn expects to generate inflow that is above what HLT would expect. The largest segment of this inflow (\$75.5 million) is expected from high-yield international market segment. The remaining inflow amount (\$154.5 million or 18.3% of total gaming</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | <p>of its proposed casino is not consistent with the full potential of the Region A casino market location opportunity and the Applicant’s own experience in the broader market area. Mohegan Sun Connecticut currently penetrates all areas of HLT’s defined market area (all regions of Massachusetts, Rhode Island and New Hampshire, as well as New York, Vermont and Maine), yet its proposed casino in Revere is not estimated to generate consistent visitation or revenue from of Western Massachusetts, Rhode Island and Connecticut.</p> <p>Further, Mohegan does not expect that its proposed casino operation can generate meaningful inflow (i.e. less than 5% of total gaming revenue) from outside its smaller defined market area (Eastern Massachusetts and Southern New Hampshire). Again this market view is not consistent with the full potential of the Region A casino market location opportunity. HLT would expect that a regional resort casino could generate 10% to 20% of total gaming revenue from outside HLT’s larger defined market area.</p> <p>In summary, the Applicant’s view of the market (immediate local area focus) is not consistent with the State’s decision to limit the number of casino licenses permitted and to impose a low gaming tax rate/minimum investment threshold.</p> | <p>revenue), is not unreasonable as a percentage of total gaming revenue given the status of Boston as a significant urban center in Northeast United States. HLT would expect that a regional resort casino could generate 10% to 20% of total gaming revenue from outside its defined market area.</p> <p>In summary, the Applicant’s view of the market (broad regional and select international focused) aligns with the State’s decision to limit the number of casino licenses permitted and to impose a low gaming tax rate/minimum investment threshold.</p> |
| <b>Criterion 3 Rating</b> | <b>Insufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

**Criterion 4: Operations Plan**

Reasonableness of the Applicant’s operating plan given the current and likely future gaming environment in Massachusetts. Specific focus areas include:

- Applicants understanding of the importance of internal controls.
- Consistency of operations plans with expected financial results.

|                       | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statement of Findings | <p><u>Understanding of Internal Controls</u></p> <ul style="list-style-type: none"> <li>• Applicant recognizes the importance of internal controls and has experience working in a regulated environment.</li> </ul> <p><u>Consistency of Business Plan/Marketing Plan with Expected Returns</u><br/>All operational and marketing plans aligned with a regional resort casino focussed on the local market area.</p> <ul style="list-style-type: none"> <li>• Slot plan is reasonable</li> <li>• Table game plan is reasonable</li> <li>• Size and scope of F&amp;B offerings are reasonable, however, given patron volume projections indicate more seats may be required</li> <li>• Did not provide a buffet which is a typical component of a regional resort casino</li> <li>• While out-sourcing of some F&amp;B is typical, out-sourcing the all F&amp;B outlets could pose challenges (i.e. lack of operational control)</li> <li>• Hotel plan is reasonable</li> <li>• Retail plan is reasonable</li> <li>• Parking plan is reasonable</li> <li>• Marketing approach is consistent with that which would be employed by a typical North American regional casino operator with the added value of accessing the Momentum database customers.</li> </ul> <p><b>Marketing Plan – Other:</b><br/>In Section 4.06 (Sales; Promotions; Marketing Database; Technology systems) of the Hotel and Casino Management Agreement between MGA PALMER PARTNERS, LLC, and MGA GAMING MA, LLC, a marketing restriction program that will be imposed on the Massachusetts casino operation is detailed. The Applicant stated that this program was included in the agreement at the insistence of Brigade as part of its participation in the project.</p> | <p><u>Understanding of Internal Controls</u></p> <ul style="list-style-type: none"> <li>• Applicant recognizes the importance of internal controls and has experience working in a regulated environment.</li> </ul> <p><u>Consistency of Business Plan/Marketing Plan with Expected Returns</u><br/>All operational and marketing plans align with a regional resort casino focussed on a broader regional market area with a “high-end” customer sub-focus (both domestic and international).</p> <ul style="list-style-type: none"> <li>• Slot plan is reasonable</li> <li>• Table game plan is reasonable</li> <li>• Size and scope of F&amp;B offerings are reasonable, however, given patron volume projections indicate more seats may be required</li> <li>• Did not provide a buffet which is a typical component of a regional resort casino</li> <li>• Hotel plan is reasonable</li> <li>• Retail plan is reasonable</li> <li>• Parking plan is reasonable</li> <li>• Marketing approach is consistent with Wynn’s view of the market. The marketing plan focuses on the high-end segment in the Northeast and the domestic and international premium customer. The local market does not have a prominent focus in Wynn’s marketing plan.</li> <li>• The Wynn brand and the high-end (“5 star”) quality of its resort facilities/operations support this market plan focus. Wynn has demonstrated the ability to attract the high-end gaming segment to its Las Vegas operations. This is supported by their experience in Las Vegas with 65% of table game revenue coming from international players.</li> </ul> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>• The Applicant states that Brigade and the MGC’s interest are “perfectly aligned” in respect of the marketing restriction program, however: <ul style="list-style-type: none"> <li>• Brigade managed funds currently hold debt (~\$95 million) in existing MTGA operations in Connecticut.</li> <li>• If Brigade sells its interest in the Massachusetts project to MTGA or a related entity, MGC’s interest may not be protected. In this regard, the Applicant stated that they would work with MGC to ensure MGC’s goals and objectives continue to be met. This however would likely require MGC to perform regulatory or audit functions over the program.</li> </ul> </li> <li>• The Applicant has only provided for what the “spirit” of the marketing restriction program “rules” would be. They stated that a neutral third party will determine standards and procedures to monitor the program. It is not contemplated that MGC would be involved in the creation of these standards and procedures.</li> <li>• The Applicant’s defined Specified Zone is not aligned with Massachusetts casino gaming objectives – a casino of the size and scope proposed would be expected to penetrate and compete in a much larger geographic market area that is beyond the boundaries of the defined Specified Zone.</li> </ul> <p>While the concept of the submitted marketing restriction zone provides a level of comfort to the State in respect of operating two properties in the broader regional market, it is not completely aligned with the State’s casino objectives (i.e. maximizing revenues received by the commonwealth and recapture rate of State residents travelling to out-of-state gaming facilities).</p> |                                                                                                                                                                                                                                                                                  |
|  | <p><u>Financial Projection Analysis</u></p> <ul style="list-style-type: none"> <li>• While the Applicant’s financial projections are consistent with their submitted business plan, some payroll costs are lower than what would be expected. In addition, the Applicant has assumed that after the 15 year license, a portion of debt would still be outstanding.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><u>Financial Projection Analysis</u></p> <ul style="list-style-type: none"> <li>• The Applicant’s financial projections are consistent with their submitted business plan. The Applicant has provided for complete debt repayment within the 15 year license term.</li> </ul> |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overall Findings          | <p>The Applicant recognizes the importance of internal controls and has provided reasonable operational and marketing plans consistent with a regional resort casino focussed on the local market area. Financial projections are consistent with their submitted business plan except that payroll costs are lower than what would be expected. The Applicant has assumed that after the 15 Year license term some debt would still be outstanding. This situation would likely not be acceptable to third party lenders.</p> <p>The Applicant has advanced the concept of a marketing restriction zone. This concept has not been fully developed (“implementation ready”). While the Applicant stated that Brigade’s interest were “perfectly aligned” with the State, Brigade’s existing financial interest in the Applicant’s Connecticut’s operation does not necessarily support this position.</p> <p>Finally, while the concept of the submitted marketing restriction zone provides a level of comfort to the State in respect of operating two properties in the broader regional market, it is not completely aligned with the State’s casino objectives (i.e. maximizing revenues received by the commonwealth and recapture rate of State residents travelling to out-of-state gaming facilities).</p> | <p>The Applicant recognizes the importance of internal controls and has provided reasonable operational and marketing plans consistent with a regional resort casino focussed on a broader regional market area with a “high-end” customer sub-focus (both domestic and international). Financial projections are consistent with their submitted business plan. The Applicant has provided for complete debt repayment within the 15 year license term.</p> |
| <b>Criterion 4 Rating</b> | <b>Sufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                             |



| <b>4.1 Applicant's Understanding of the Importance of Internal Controls</b> |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expectations of Applicant                                                   | Applicant demonstrates an understanding of the importance of a strong internal control environment.                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                             |
| Assessment Approach                                                         | Reviewed submitted internal control manuals and history of experience with other gaming regulators.                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                             |
|                                                                             | <b>Mohegan Sun   Revere</b>                                                                                                                                                                         | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                       |
| Summary of Facts                                                            | <ul style="list-style-type: none"> <li>Referenced experience at Connecticut and Pennsylvania properties. Provided Mohegan Sun at Pocono Downs internal control manual, job descriptions.</li> </ul> | <ul style="list-style-type: none"> <li>Provided the following documents that would be utilized in Massachusetts: internal audit practice/ plan, operating charter, policies and procedures, compliance reports, internal control matrix, remediation and reporting procedures, cage accountability and audit, surveillance and security policies and procedures.</li> </ul> |
| Statement of Findings                                                       | <ul style="list-style-type: none"> <li>Applicant recognizes the importance of internal controls and has experience working in a regulated environment.</li> </ul>                                   | <ul style="list-style-type: none"> <li>Applicant recognizes the importance of internal controls and has experience working in a regulated environment.</li> </ul>                                                                                                                                                                                                           |
| Rating                                                                      | <b>Very Good</b>                                                                                                                                                                                    | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                            |

| <b>4.2 Consistency of Business Plan/Marketing Plan with Expected Financial Returns</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expectations of Applicant                                                              | Business plans/marketing plans are representative of that of a North American regional market casino and demonstrate connection to financial projections.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Assessment Approach                                                                    | Reviewed business and marketing plans as submitted to assess whether Applicant understood strategies to be employed operating a North American regional market casino.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                        | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Summary of Facts                                                                       | <p>Slot Product Plan:</p> <ul style="list-style-type: none"> <li>• Provided a detailed plan.</li> </ul> <p>Table Product Plan:</p> <ul style="list-style-type: none"> <li>• Provided a detailed plan.</li> </ul> <p>Food &amp; Beverage Plan:</p> <ul style="list-style-type: none"> <li>• 10 outlets containing 1,550 seats</li> <li>• All outlets outsourced to third parties</li> <li>• Buffet (or like restaurant) not part of F&amp;B program</li> </ul> <p>Hotel Plan:</p> <ul style="list-style-type: none"> <li>• 2 separate hotels (one self-operated, one out-sourced)</li> <li>• One “3 star” facility, one “4 star” facility</li> <li>• Out-sourced hotel ~200 rooms, self-operated ~300 rooms</li> </ul> <p>Retail/Other Plan:</p> <ul style="list-style-type: none"> <li>• ~102,000 sq ft of retail</li> </ul> <p>Parking Plan:</p> <ul style="list-style-type: none"> <li>• 4,470 parking spaces</li> </ul> <p>Marketing Plan:</p> <ul style="list-style-type: none"> <li>• Consistent with a North American regional resort casino with local market focus.</li> <li>• Access to a database of ~5 million existing customers (Mohegan Sun’s “Momentum Player Card”).</li> <li>• Mohegan Sun Connecticut is a recognized brand in the Massachusetts market.</li> <li>• The proposed player card program will allow for customer points earned on loyalty programs to be utilized in third party complex retail (including food and beverage outlets) and hotel complex components.</li> <li>• Projected marketing expenditures are consistent with the proposed marketing plan.</li> </ul> <p>Marketing Plan – Other:</p> | <p>Slot Product Plan:</p> <ul style="list-style-type: none"> <li>• Provided a detailed plan.</li> </ul> <p>Table Product Plan:</p> <ul style="list-style-type: none"> <li>• Provided a detailed plan.</li> </ul> <p>Food &amp; Beverage Plan:</p> <ul style="list-style-type: none"> <li>• 10 outlets with 1,160 seats</li> <li>• 6 of the 10 outlets to be operated by Wynn and 4 outsourced to third parties</li> <li>• Buffet (or like restaurant) not part of F&amp;B program</li> </ul> <p>Hotel Plan:</p> <ul style="list-style-type: none"> <li>• 500 room hotel</li> <li>• “5 star” facility</li> </ul> <p>Retail/Other Plan:</p> <ul style="list-style-type: none"> <li>• 77,250 sq ft retail space</li> </ul> <p>Parking Plan:</p> <ul style="list-style-type: none"> <li>• 3,700 parking spaces.</li> </ul> <p>Marketing Plan:</p> <ul style="list-style-type: none"> <li>• Marketing approach is different than a typical North American regional resort casino. Everett/Wynn states “Wynn will not employ the standard operating strategy used currently by almost all regional casino operators, which is reliant on the targeting of local gaming customers within a 90-minute drive radius through heavy promotional and mass-media spending”.</li> <li>• The marketing plan focuses on the high-end segment that is in the Northeast and their existing database of domestic and international premium customers. <ul style="list-style-type: none"> <li>• Wynn has 275 international marketing employees located in seven countries.</li> <li>• In 2013, Wynn Las Vegas generated \$23 million in slot revenue (17% of total slot win) and \$450 million in table</li> </ul> </li> </ul> |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | <p>A marketing restriction program will be imposed should Mohegan be awarded the gaming license. The Applicant stated that this program was included in the agreement at the insistence of Brigade as part of its participation in the project. Key elements of the program include:</p> <ul style="list-style-type: none"> <li>• MSM database and other Mohegan Sun property databases are to be kept separate and independent.</li> <li>• Other Mohegan Sun properties share geographically relevant database (based on provided zip codes).</li> <li>• At regular periodic intervals (no less than once per month) other Mohegan properties review their database to determine which customers within the Specified Zone can be marketed to that have not enrolled in the MSM database.</li> <li>• MSM will not share names of acquired patrons in their database with Mohegan Sun’s other properties unless expressly directed by Brigade.</li> <li>• Marketing offers by Mohegan Sun’s other properties may not exceed (in terms of frequency or price) offers put forth to the same patron by MSM within the Specified Zone.</li> <li>• A “neutral third party” will be employed to implement standards and procedures to ensure that the plan works as intended.</li> </ul> | <p>revenue (65% of total table win) from international players.</p> <ul style="list-style-type: none"> <li>• Projected marketing expenditures are consistent with the proposed marketing plan.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>Statement of Findings</p> | <p>All operational and marketing plans are consistent with the Applicant’s view of the market:</p> <ul style="list-style-type: none"> <li>• Slot plan is reasonable</li> <li>• Table game plan is reasonable</li> <li>• Size and scope of F&amp;B offerings are reasonable, however, given patron volume projections indicate more seats may be required</li> <li>• Did not provide a buffet which is a typical component of a regional resort casino</li> <li>• While out-sourcing of some F&amp;B is typical, out-sourcing all F&amp;B outlets could pose challenges (i.e. lack of operational control)</li> <li>• Hotel plan is reasonable</li> <li>• Retail plan is reasonable</li> <li>• Parking plan is reasonable</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>All operational and marketing plans are consistent with the Applicant’s view of the market:</p> <ul style="list-style-type: none"> <li>• Slot plan is reasonable</li> <li>• Table game plan is reasonable</li> <li>• Size and scope of F&amp;B offerings are reasonable, however, given patron volume projections indicate more seats may be required</li> <li>• Did not provide a buffet which is a typical component of a regional resort casino</li> <li>• Hotel plan is reasonable</li> <li>• Retail plan is reasonable</li> <li>• Parking plan is reasonable</li> <li>• Marketing approach is consistent with Wynn’s view of the market. The marketing plan focuses on the high-end segment</li> </ul> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>Marketing approach is consistent with that which would be employed by a typical North American regional casino operator with the added value of accessing the Momentum database customers.</li> </ul> <p><b>Marketing Plan – Other:</b></p> <p>In Section 4.06 (Sales; Promotions; Marketing Database; Technology systems) of the Hotel and Casino Management Agreement between MGA PALMER PARTNERS, LLC, and MGA GAMING MA, LLC, a marketing restriction program that will be imposed on the Massachusetts casino operation is detailed. The Applicant stated that this program was included in the agreement at the insistence of Brigade as part of its participation in the project.</p> <ul style="list-style-type: none"> <li>The Applicant states that Brigade and the MGC’s interest are “perfectly aligned” in respect of the marketing restriction program, however: <ul style="list-style-type: none"> <li>Brigade managed funds currently hold debt (~\$95 million) in existing MTGA operations in Connecticut.</li> <li>If Brigade sells its interest in the Massachusetts project to MTGA or a related entity, MGC’s interest may not be protected. In this regard, the Applicant stated that they would work with MGC to ensure MGC’s goals and objectives continue to be met. This, however, would likely require MGC to perform regulatory or audit functions over the program.</li> </ul> </li> <li>The Applicant has only provided for what the “spirit” of the marketing restriction program “rules” would be. They stated that a neutral third party will determine standards and procedures to monitor the program. It is not contemplated that MGC would be involved in the creation of these standards and procedures.</li> <li>The Applicant’s defined Specified Zone is not aligned with Massachusetts casino gaming objectives – a casino of the size and scope proposed would be expected to penetrate and compete in a much larger geographic market area that is beyond the boundaries of the defined Specified Zone.</li> </ul> | <p>in the Northeast and the domestic and international premium customer. The local market does not have a prominent focus in Wynn’s marketing plan.</p> <ul style="list-style-type: none"> <li>The Wynn brand and the high-end (“5 star”) quality of its resort facilities/operations support this market plan focus. Wynn has demonstrated the ability to attract the high-end gaming segment to its Las Vegas operations. This is supported by their experience in Las Vegas with 65% of table game revenue coming from international players.</li> </ul> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|               |                                                                                                                                                                                                                                                                                                                                                                                                  |                  |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
|               | <p>While the concept of the submitted marketing restriction zone provides a level of comfort to the State in respect of operating two properties in the broader regional market, it is not completely aligned with the State’s casino objectives (i.e. maximizing revenues received by the commonwealth and recapture rate of State residents travelling to out-of-state gaming facilities).</p> |                  |
| <b>Rating</b> | <b>Sufficient</b>                                                                                                                                                                                                                                                                                                                                                                                | <b>Very Good</b> |

| <b>4.3 Financial Projection Analysis</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expectations of Applicant                | Financial projections and related key performance indicators are consistent with industry averages, and are reflective of the proposed business plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Assessment Approach                      | Assessed the financial projections for consistency with industry norms, and evaluated the projections with the proposed business plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                          | <b>Mohegan Sun   Revere</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Wynn   Everett</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Summary of Facts                         | <ul style="list-style-type: none"> <li>• Provided financial projections in the format requested</li> <li>• Year 3 gaming revenue at \$910 million</li> <li>• Year 3 EBITDA at \$271 million</li> <li>• Year 3 Net Income before taxes at \$159 million</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>• Provided financial projections in the format requested (did not provide updated detailed financial templates with the increase of revenue and EBITDA provided in their June 25, 2014 revision to the Application)</li> <li>• Year 3 gaming revenue at \$845 million</li> <li>• Year 3 EBITDA at \$321 million</li> <li>• Year 3 Net Income before taxes at \$195 million</li> </ul>                                                                                                                                                                                                                |
| Statement of Findings                    | <ul style="list-style-type: none"> <li>• Overall Applicant’s financial projections are in alignment with their business plan and view of the market (regional casino operator with a local market focus) <ul style="list-style-type: none"> <li>○ 81% of gaming revenue generated from slots, 19% from table games</li> </ul> </li> <li>• Both slot payroll (.9% of slot revenue) and table games payroll (16.4% of table games revenue) are lower than expected for the proposed operation, however, this could be justified by lower payroll rates proposed</li> <li>• Applicant has costs (community payments (\$60.4 million), rent (\$82.8 million) and management fees (\$32.5 million) that are higher than we would expect to see in this type of operation</li> <li>• Based on financial projections submitted, the Applicant (after 15 year license term) has assumed that there would be \$528 million in debt remaining</li> </ul> | <ul style="list-style-type: none"> <li>• Overall Applicant’s financial projections are in alignment with their business plan and view of the market (resort casino with focus on international and north eastern US focus, in addition to local market). <ul style="list-style-type: none"> <li>○ 61% of gaming revenue generated from slots, 39% from table games</li> </ul> </li> <li>• Table games payroll is low at 16.2%, however this is explained by the VIP table game play proposed</li> <li>• Based on financial projections, the Applicant (after 15 year license term) has assumed that there would be no debt owing</li> </ul> |
| Rating                                   | <b>Sufficient</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Very Good</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |