

# Financial Strength

Massachusetts Gaming Commission

April 2016



# Introduction

The financial strength and capacity of the Applicant to develop (construct and open) and operate the proposed facility.

## Key Considerations:

- Ability of Applicant to obtain project capital.
- Current financial strength of Applicant.
- Applicant's expected project return over 15 year term (term of license).

Note: Throughout this section, data from MGM/Springfield's and Wynn/Everett's applications are presented for comparison purposes only. This data has been updated (where applicable) to reflect development phase revisions as of February 2016.

# Ability to Obtain Capital: Introduction

## 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.

# Ability to Obtain Capital: Funding Structure

The Applicants' proposed funding plans:

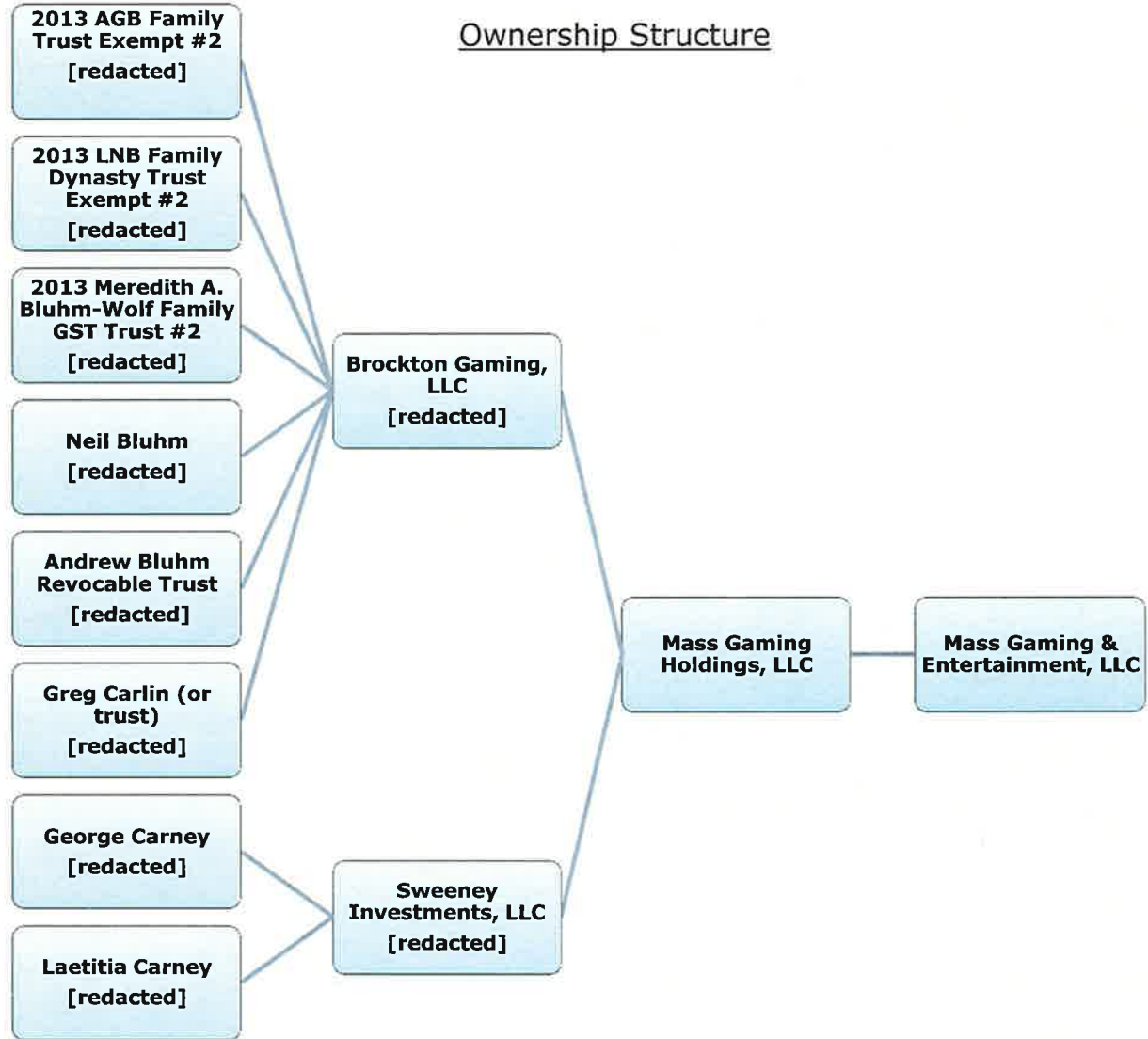
<b>Financing Structure (\$Million)</b>			
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E
Capital Required*	\$950.0	\$1,700.0	\$677.5
Third Party Debt**	\$475.0-\$712.5	\$1,053.0	\$505.0
Equity**	\$237.5-\$475.0	\$647.0	\$172.5
<b>Total</b>	<b>\$950.0</b>	<b>\$1,700.0</b>	<b>\$677.5</b>
Project Financed by Debt**	50%-75%	62%	75%
Project Financed by Equity**	25%-50%	38%	25%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*Source: HLT Advisory Inc. based on Applicant's submission.*  
*\* Springfield/MGM and Everett/Wynn capital required as reported in MGC's 2015 annual report.*  
*\*\* Springfield/MGM and Everett/Wynn amounts financed by debt and equity assumed based on debt/equity ratios submitted in the application*

# Ability to Obtain Capital: Brockton/MG&E

The legal name of the Applicant is Mass Gaming & Entertainment, LLC ("Brockton/MG&E"). Brockton/MG&E is owned by Mass Gaming Holdings, LLC ("Holdings") which is owned Brockton Gaming, LLC ("Brockton Gaming") and Sweeney Investments, LLC ("Sweeney").

Brockton Gaming is owned by various Neil Bluhm affiliated entities and Sweeney is owned by George and Laetitia Carney. The adjacent chart shows the proposed ownership structure.



# Ability to Obtain Capital: Brockton/MG&E

Rush Street Gaming, LLC, the proposed manager of the gaming facility is wholly-owned by Rush Street Gaming Partners, LLC. Rush Street Gaming Partners, LLC is owned by Neil G. Bluhm [redacted] Greg Carlin [redacted] and Andrew Bluhm Revocable Trust [redacted] all of whom also have an ownership stake of Brockton Gaming, LLC.

Rush Street Gaming, LLC operates Rivers Casino Des Plaines, SugarHouse Casino Philadelphia, and Rivers Casino Pittsburgh (and Rivers Schenectady scheduled to open in Q1 2017).

Rush Street Gaming, LLC  
Ownership Structure



Rush Street Gaming, LLC is the proposed manager of the gaming facility. The management agreement is not finalized, but the proposed terms are summarized in the [redacted]

# Ability to Obtain Capital: Brockton/MG&E

Brockton/MG&E plans to fund the \$677.5 million development with a mix of common equity, preferred equity and bank debt financing.

## Common Equity

- Brockton Gaming will contribute \$90 million in return for 90% common equity.
- Sweeney will contribute \$10 million (by way of after-tax proceeds realized by Sweeney owners from the sale of the property to MG&E or alternate methods) in return for 10% common equity.
- If Sweeney contributes less than \$10 million, Sweeney's common equity is equal to 1% for each \$1 million contributed (e.g. \$7 million contribution equals 7% common equity) with Brockton Gaming contributing the remaining common equity.

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

# Ability to Obtain Capital: Brockton/MG&E

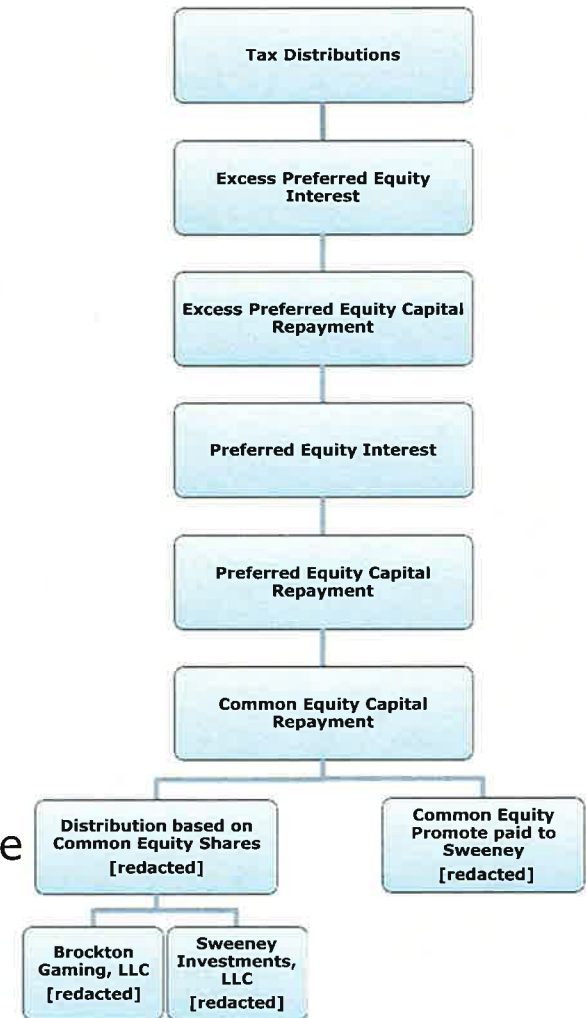
## Preferred Equity

- Brockton Gaming will contribute \$55 million in preferred equity with a stipulated interest rate of **[redacted]** per annum (compounded annually).
- If Sweeney has invested the full \$10 million common equity, Sweeney would have the right, but not the obligation, to contribute up to **[redacted]** of the preferred equity (reducing Brockton Gaming's preferred equity).

## Excess Preferred Equity

- Brockton Gaming will contribute an additional \$17.5 million in excess preferred equity with a stipulated interest rate of return of **[redacted]** per annum (compounded annually).
- Sweeney has the right to invest a pro-rata share in the excess preferred equity (reducing Brockton Gaming's excess preferred equity).

## Priority of Distributions





# Ability to Obtain Capital: Brockton/MG&E

## Equity

The net worth of the individuals and trusts that own Brockton Gaming is [redacted](~\$[redacted]in excess of the [redacted]proposed equity).

**[redacted]**

- An additional \$ **[redacted]**of net worth is available from grantors and trustees.
- The majority of these assets are non-liquid (real-estate or private businesses). The Applicant provided a letter from Bank of America indicating that the owners of Brockton Gaming, LLC have access to a credit facility with in excess of \$ **[redacted]**of undrawn funds available (at the time of the financial suitability submission).

# Ability to Obtain Capital: Brockton/MG&E

## Bank Financing

Brockton/MG&E has provided three highly confident letters to support the \$ \$505 million in proposed debt.

- A highly confident letter (dated September 11, 2015) from Credit Suisse Securities (USA) LLC to arrange a Senior Credit Facility in the amount of up to \$ **[redacted]**
- A highly confident letter (dated September 16, 2015) from Wells Fargo Securities, LLC to arrange financing of up to \$ **[redacted]**.
- A highly confident letter (dated September 17, 2015) from Goldman, Sachs & Co to arrange financing of approximately \$ **[redacted]**.

All highly confident letters indicated confidence in arranging this financing in scenarios with and without competition from a casino in Taunton.

# Financial Strength: Introduction

## Expectations of Applicant:

- Strong balance sheet (current ratio and net asset position).
- Reasonable levels of debt (debt/equity ratio).
- Positive operating results (capital asset turnover and return on investment).

## Assessment Approach:

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

Note: While Neil Bluhm affiliated entities have significant ownership interests in Rivers Casino Pittsburgh, Rivers Casino Des Plaines, and Sugarhouse Casino Philadelphia, these casinos are not being used by Brockton/MG&E to directly support project financing and as such an analysis of these casinos is not being used to demonstrate the financial strength of Brockton/MG&E. Brockton/MG&E is a newly formed entity and as such is not affected by other Neil Bluhm affiliated entities .

## Financial Strength: Definition of Ratios

**Liquidity Ratios**-Liquidity ratios are meant to provide information about an organization's ability to meet its short-term financial obligations. Liquidity ratios are not meant to assess the long-term sustainability of an organization. They are short-term in nature, defined within a one year time frame. In respect of liquidity ratios we used the current ratio for our analysis.

**Financial Leverage Ratios**-Financial leverage ratios provide information about an organization's debt structure and its ability to repay long-term debt. In respect of financial leverage ratio, we used a debt/equity ratio for our analysis.

**Asset Turnover Ratios**-Asset turnover ratios provide information about how efficiently an organization is making use of its assets. The more times an organization can turnover its assets (in terms of revenue) the greater the productivity of the operation. In respect of asset turnover ratios we used the capital asset turnover ratio for our analysis.

**Profitability Ratios**-Profitability ratios provide information about a company's ability to generate profits. In respect of our profitability ratios we utilized a return on investment ("ROI") ratio and a times interest earned ratio for our analysis.

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

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

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

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

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

N/M-Not measurable.

# Financial Strength: Financial Ratios, Publically Traded Gaming Companies (2013 year end results)

	Financial Ratios - Publically Traded Gaming Companies - 2013									
	Capital Assets > \$4 billion					Capital Assets < \$4 billion				
	Las Vegas Sands Corp.	Wynn Resorts Ltd.*	MGM Resorts International*	Caesars Entertainment Corporation	Penn National Gaming, Inc.**	Mohegan Tribal Gaming Authority	Boyd Gaming Corporation	Pinnacle Entertainment, Inc.***	Station Casinos LLC	
Current Assets (\$Million)	\$5,516	\$2,968	\$2,719	\$3,770	\$487	\$138	\$335	\$599	\$221	
Current Liabilities (\$Million)	\$3,130	\$1,455	\$2,215	\$2,531	\$499	\$244	\$454	\$372	\$231	
Current Ratio	1.76	2.04	1.23	1.49	0.98	0.57	0.74	1.61	0.96	
Total Capital Assets (Net Book Value) (\$Million)	\$15,359	\$4,934	\$14,055	\$13,238	\$2,730	\$1,476	\$3,506	\$3,040	\$2,163	
Net Revenue (\$Million)	\$13,770	\$5,620	\$9,810	\$8,560	\$2,899	\$1,340	\$2,894	\$1,488	\$1,261	
Capital Asset Turnover	0.90	1.14	0.70	0.65	1.06	0.91	0.83	0.49	0.58	
Long Term Debt (\$Million)	\$9,383	\$6,587	\$13,447	\$20,918	\$2,649	\$1,649	\$4,353	\$4,364	\$2,128	
Total Shareholder Equity (\$Million)	\$7,665	<b>-\$185</b>	\$4,231	<b>-\$3,122</b>	\$2,250	\$199	\$470	\$214	\$658	
Debt Equity Ratio	1.22	N/M	3.18	N/M	1.18	8.29	9.26	20.42	3.23	
EBITDA (excludes unusual items) (\$Million)	\$4,416	\$1,294	\$1,712	\$1,700	\$687	\$309	\$573	\$270	\$328	
Investment (\$Million)****	\$17,048	\$6,086	\$17,678	\$17,796	\$4,695	\$1,848	\$4,823	\$4,578	\$2,787	
Return on Investment	26%	21%	10%	10%	15%	17%	12%	6%	12%	
EBITDA (excludes unusual items) (\$Million)	\$4,416	\$1,294	\$1,712	\$1,700	\$687	\$309	\$573	\$270	\$328	
Interest Expense (\$Million)	\$271	\$299	\$857	\$2,253	\$81	\$170	\$344	\$170	\$165	
Times Interest Earned	16.28	4.33	2.00	0.75	8.44	1.82	1.66	1.59	1.99	
Year End	12/31/2013	12/31/2013	12/31/2013	12/31/2013	12/31/2012	9/30/2013	12/31/2013	12/31/2013	12/31/2013	

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

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

\*\*Ratios used are for 2012, prior to Penn National Gaming splitting in to two entities (GLPI and Penn National Gaming).

\*\*\*In August 2013, Pinnacle Entertainment Inc. acquired Ameristar Casinos, Inc.

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

N/M-Not measurable.

# Financial Strength: Applicants' Financial Ratios

Rivers Casino Pittsburgh, Rivers Casino Des Plaines, and Sugarhouse Casino Philadelphia are not being used by Brockton/MG&E to directly support project financing. That said, these properties are owned by Neil Bluhm affiliated entities and operated by Rush Street Gaming, LLC., and as such give some indication of how Brockton/MG&E may operate in Massachusetts.

[redacted]

The financial ratio analysis based on financial statements submitted by Brockton/MG&E for these three casinos is shown in the adjacent table.

# Financial Strength: Ratio Analysis

## Current Ratio – (Current Assets/Current Liabilities)

This ratio assesses the ability of an entity to meet its short term (defined as one year) obligations. A current ratio of one or higher demonstrates an organization's ability to satisfy its short term obligations.

The three Rush Street Gaming managed properties have current ratios of ~1, indicating they can satisfy short term obligations.

## Capital Asset Turnover – (Net Revenues/Net Book Value of Capital Assets)

This ratio assesses the productivity of an entity in respect of its capital assets.

Rush Street Gaming showing a return on capital assets in excess of 1 at two of three properties demonstrates a healthy return on capital assets. Rush Street Gaming's facilities also outperform all other publically traded gaming companies in capital asset productivity.



# Financial Strength: Ratio Analysis

## Debt/Equity Ratio – (Total Debt/Total Equity)

The higher the proportion of debt to equity in an operation, the more vulnerable the organization is in terms of financial sustainability.

Rush Street Gaming's properties have significant long-term debt and limited shareholder equity **[redacted]**. This indicates all three casinos are highly leveraged and little equity has been left in the casinos. That said, all three casinos have times interest earned ratios in excess of 2, indicating no short term concerns in meeting debt obligations. Were revenue levels to decrease significantly, shareholders would have to inject capital.

# Financial Strength: Ratio Analysis

Return on Investment – (EBITDA/(Total Debt + Equity))

This ratio provides the extent an organization is able to generate cash flow from operations when compared to its investment in the operation. EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Based on publically traded companies a reasonable return on investment would be in the “mid-teens”(defined as EBITDA divided by debt and equity invested). Rivers Casino Pittsburgh’s return at **[redacted]** is within this expected range. Rivers Casino Des Plaines and SugarHouse Casino Philadelphia’s returns at **[redacted]** and **[redacted]** respectively are far in excess of this amount, indicating an above average return.

# Expected Project Return: Introduction

## Expectations of Applicant:

- Earn a commercially reasonable return on investment.

## Assessment Approach:

- Internal rate of return calculation based on the Applicants submitted 15-year EBITDA.

# Expected Project Return: Applicants' Internal Rate of Return

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

Brockton/MG&E presented financial projections that result in healthy project financial returns.

Note: MG&E EBITDA growth rates after year 5 are [redacted], less than other Category 1 Applicants (~2.5%).

[redacted]

If Brockton/MG&E were to achieve a Year 2 revenue level of <\$250 million (down from \$377 million projected with Taunton) the project IRR would likely be [redacted]

# Market Assessment: Region C

Massachusetts Gaming Commission

April 2016

# Introduction

As part of the evaluation of Category 2 applications, HLT prepared a market assessment that included revenue estimates for each the three proposed Category 2 sites as well as for all Category 1 resort casinos (one in each of the permitted Regions). The complete market assessment was made public as part of the Category 2 application evaluation process.

The remainder of this report and appendices (under separate cover) summarize those sections of the full market assessment that are applicable to the Category 1 applications. In addition, some wording was modified to reflect the focus on Category 1 casinos as opposed to Category 2 casinos.

In order to assess the reasonableness of the Category 1 Applicant's revenue projections, a number of assumptions and estimates were made. These assumptions and estimates are stated in the appropriate sections of this report.

# Market Assessment: Introduction

Assess the reasonableness of Applicant's revenue projections given current and future competitive marketplace. Category 1 casinos will have to generate visitation and revenue from the broad regional market area that is currently being served by casinos located in neighbouring states and that is also served by a Category 2 casino located in Plainville, Massachusetts.

Key considerations:

- Size of expected market (as measured by Gross Gaming Revenue or "GGR")
- Individual facility's gaming revenue projections and market share (after all in-state casinos are developed)

An individual facility's gaming revenues (or market share) is dependant upon both the overall size of the gaming market and competition. The size of gaming markets is a function of the adult population (and its propensity to game) and gaming supply available in the market. The size of a gaming market can be stated in terms of GGR per adult (total GGR divided by adult population). Competition is a function of gaming supply (e.g. size and scope of facilities and operating characteristics) available in the market.

# Market Assessment: Methodology & Structure of Report

To complete the assessment of the Applicant's gaming revenue projections, a market assessment model was developed.

Key elements of the model include:

- Geographic extent of total market area (Market Area Extent)
- Total gaming dollars available in the defined market area (Size of Market)
- Market Shares After In-State Competition (awarded Category 2 site and one Category 1 in each of the identified Regions, plus an additional scenario with two Category 1 casinos in Region C)

Prior to summarizing the research that was undertaken to create the model and the results of the various model runs that were completed, the Applicant's (Mass Gaming & Entertainment or "MG&E") gaming revenue projections are presented.

A separate document ("Market Assessment: Appendices") contains detailed model result tables and research material related to size of market that are summarized in this report.



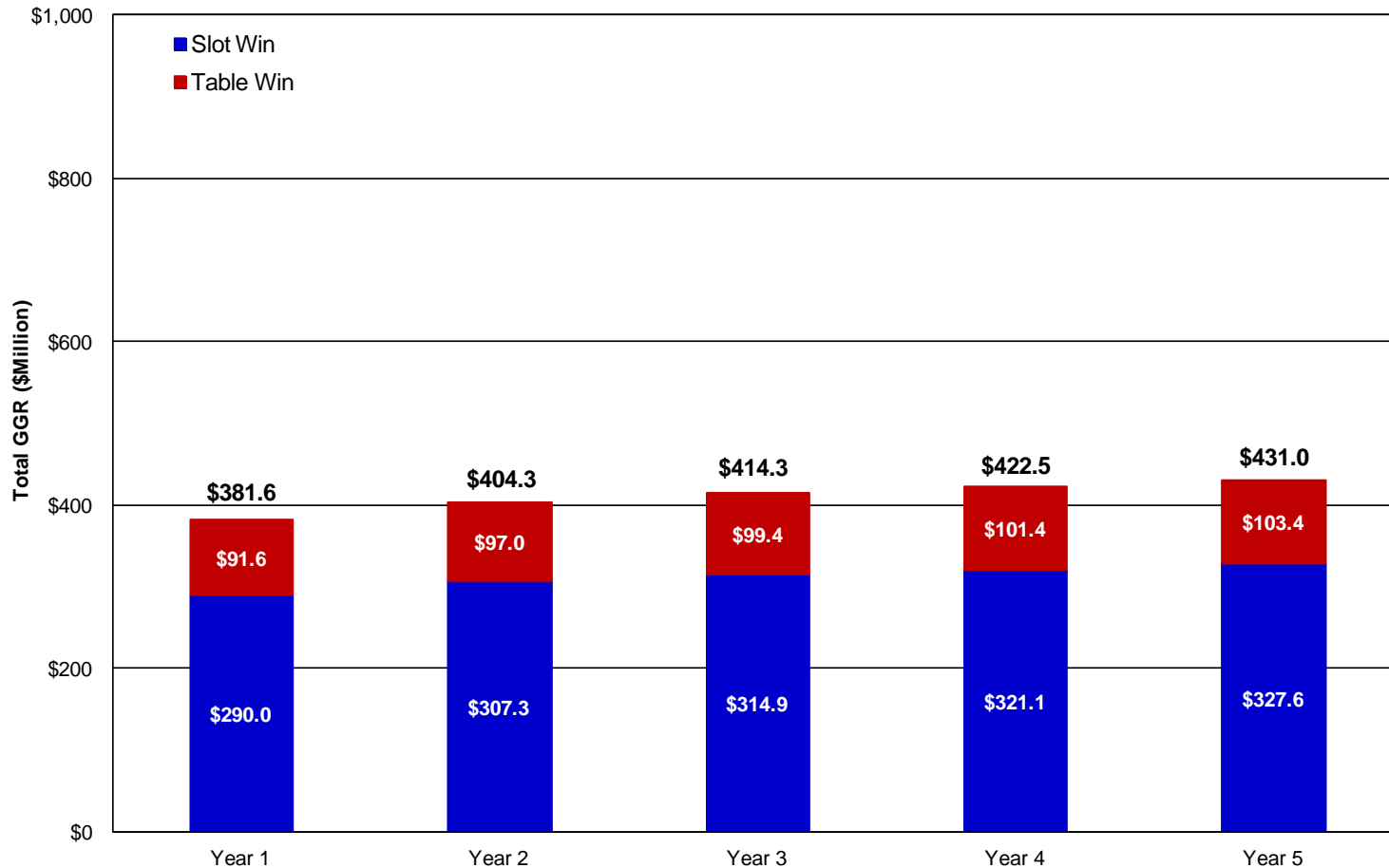
# Applicant's Projections

The Applicant's projections are summarized on the following two pages. The Applicant retained a third party consultant to undertake a market assessment. The results of that assessment were directly used by the Applicant to arrive at its projected estimates (two estimates were provided; one with MG&E being the only Region C casino and one with both MG&E and an Indian casino being operational in Region C).

If MG&E was the only casino in Region C, MG&E estimates that its casino could generate \$404.3 million (Year 2). If MG&E and an Indian casino (located at Taunton) were operational in Region C, MG&E estimates that its casino could generate \$327.0 million (Year 2).

# Applicant's Projections: Brockton/MG&E (Without Taunton)

## Total GGR Projection for Brockton Casino (No Taunton Casino)



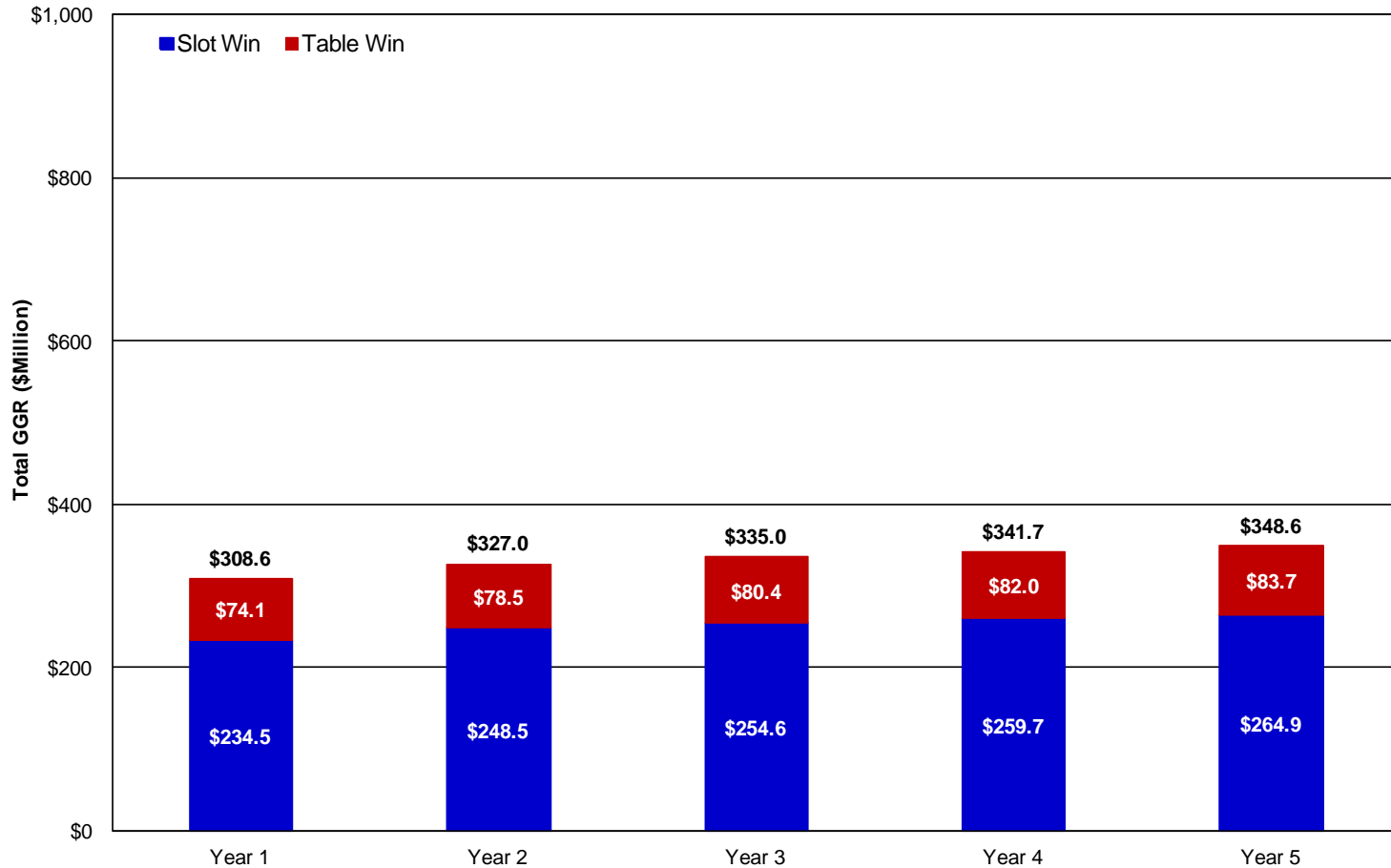
Source: HLT Advisory Inc. based on information from Mass Gaming and Entertainment's submission.

Note: GGR is net of free play

Mass Gaming and Entertainment's projections are consistent with the market assessment estimates prepared by The Innovation Group.

# Applicant's Projections: Brockton/MG&E (With Taunton)

## Total GGR Projection for Brockton Casino (With Taunton Casino)



Source: HLT Advisory Inc. based on information from Mass Gaming and Entertainment's submission.

Note: GGR is net of free play

Mass Gaming and Entertainment's projections are consistent with the market assessment estimates prepared by The Innovation Group.

# Market Area Extent: Introduction

Key factors in determining geographic extent of casino market areas are:

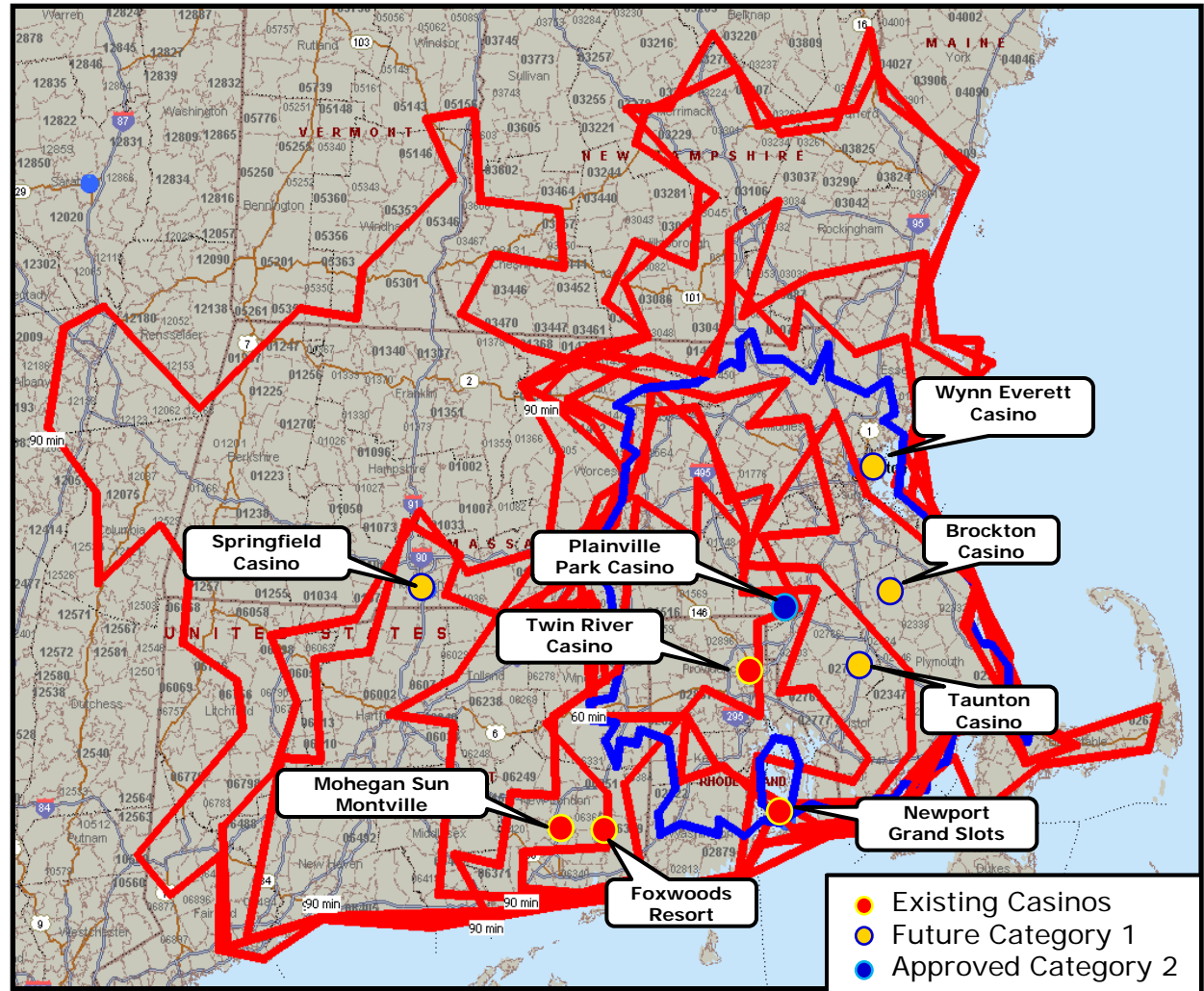
- Size and scope of casino facilities (including number of devices, non-gaming amenities, operating characteristics and tax rate)
- Location of existing and future competitive facilities (including size and scope of the same)
- Drive times (existing road networks) – assumed 90 minutes from “full-service” casinos.

# Market Area Extent: Geographic Extent

Red lines represent 90-minute drive times from all full-service casinos (except the Category 2 casino).

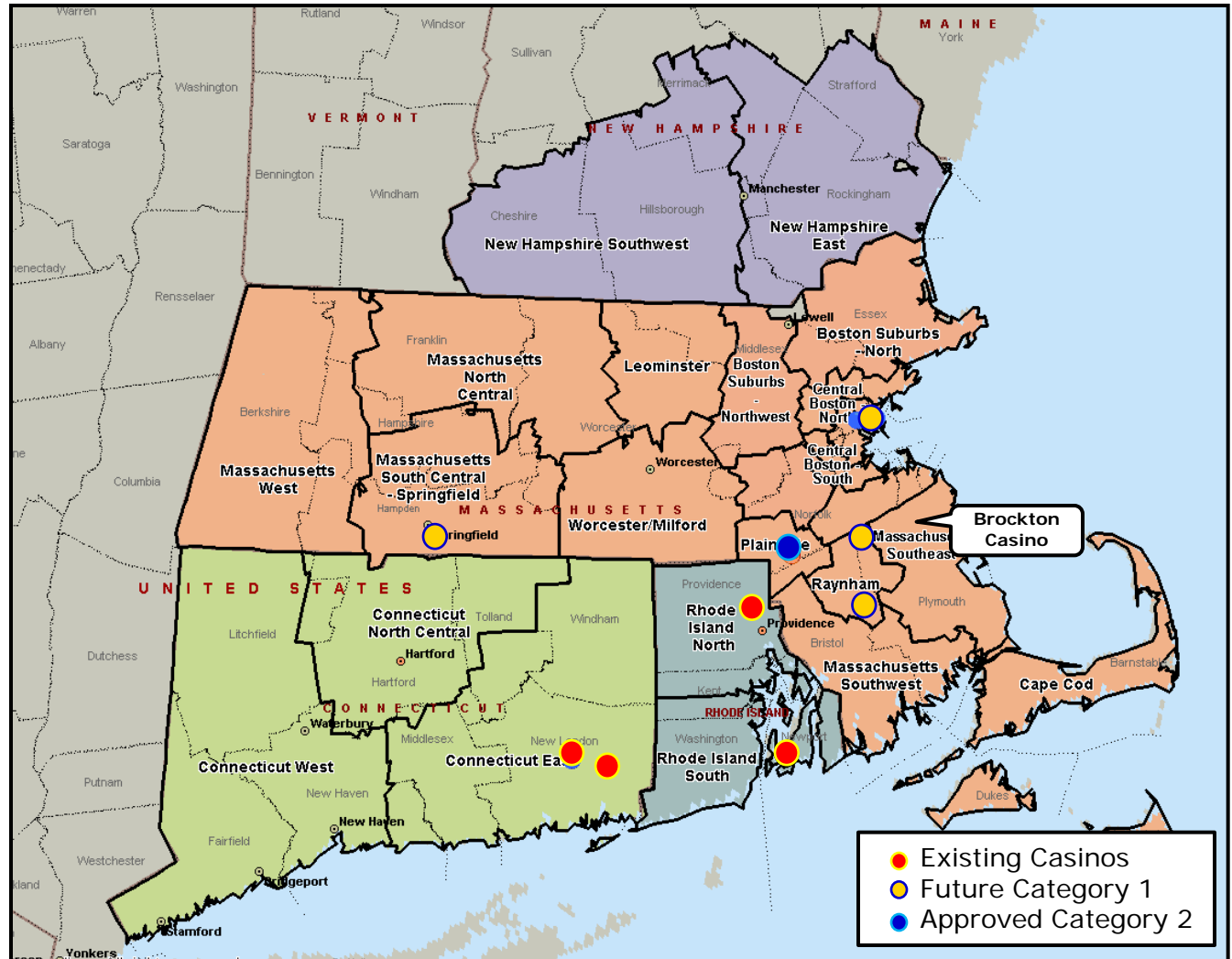
Blue line represents 60-minute drive times from the approved Category 2 casino (Plainville/ Penn National).

Generally, the States of Massachusetts, Rhode Island and Connecticut (and Southern New Hampshire) are within a 90-minute drive time from multiple casinos.



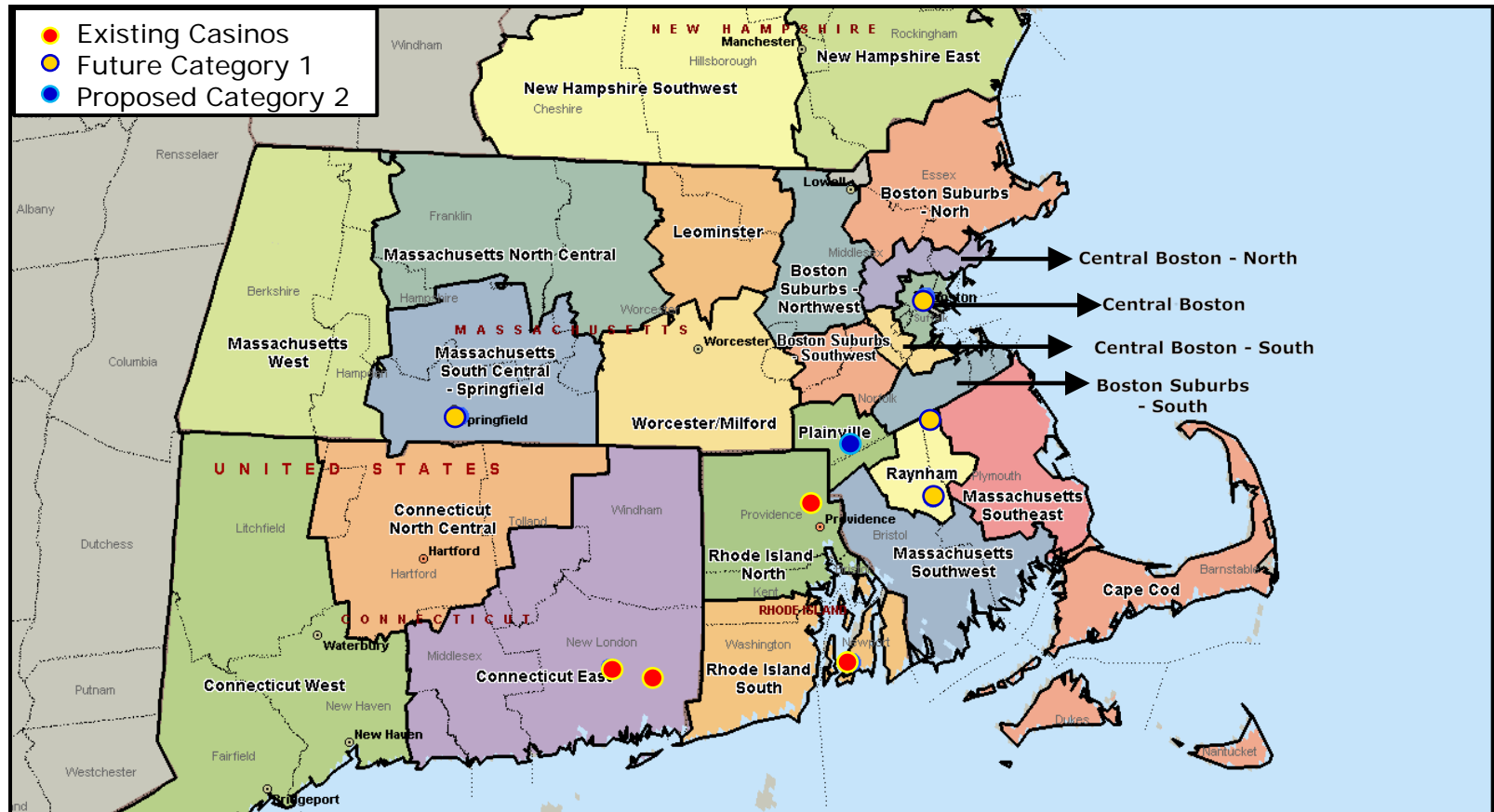
# Market Area Extent: Geographic Extent

Total market area extent based on approximately 90-minute drive times from all existing and potential future facilities - includes all of Massachusetts, Rhode Island and Connecticut as well as the southern portion of New Hampshire.



# Market Area Extent: Sub-Market Areas

The total market area was divided into 24 sub-market areas to facilitate market share estimates. Each sub-market area has been delineated based on location of existing and proposed facilities, existing road networks, and zip code boundaries.



# Market Area Extent: Existing Adult Population

- The defined market area contains a total population of about 12.1 million (2011 population estimates from US Census Bureau 2007-2011 American Community Survey).
- Market area adult population (aged 21+\*) represents about 73% of the total population (or 8.9 million).
- About 55% of the total market area adult population resides in Massachusetts.

\*While legal age to visit a casino in Rhode Island is 18, HLT used 21 for modeling purposes as it is the legal age in Massachusetts.

Market Area Total and Adult Population				
Market Areas	Total Population	Adult Population	Adults as % of Total	% Dist. Of Adults
<b><u>Massachusetts Market Areas</u></b>				
Central Boston	1,026,502	781,625	76.1%	8.8%
Central Boston - North	517,581	386,575	74.7%	4.4%
Central Boston - South	306,392	228,442	74.6%	2.6%
<b>Subtotal Central Boston</b>	<b>1,850,475</b>	<b>1,396,642</b>	<b>75.5%</b>	<b>15.8%</b>
Boston Suburbs - North	698,466	506,576	72.5%	5.7%
Boston Suburbs - Northwest	438,244	315,355	72.0%	3.6%
Boston Suburbs - Southwest	264,882	187,800	70.9%	2.1%
Boston Suburbs - South	241,478	179,337	74.3%	2.0%
<b>Subtotal Boston Suburbs</b>	<b>1,643,070</b>	<b>1,189,068</b>	<b>72.4%</b>	<b>13.4%</b>
Raynham	205,423	144,658	70.4%	1.6%
Plainville	147,783	102,830	69.6%	1.2%
Massachusetts Southwest	426,143	317,485	74.5%	3.6%
Massachusetts Southeast	321,460	230,619	71.7%	2.6%
Cape Cod	246,346	194,390	78.9%	2.2%
<b>Subtotal Southern Massachusetts</b>	<b>1,347,155</b>	<b>989,982</b>	<b>73.5%</b>	<b>11.2%</b>
Leominster	207,554	150,114	72.3%	1.7%
Worcester/Milford	554,342	394,984	71.3%	4.5%
Massachusetts North Central	150,122	111,892	74.5%	1.3%
Massachusetts South Central - Springfield	615,030	435,035	70.7%	4.9%
Massachusetts West	144,477	109,573	75.8%	1.2%
<b>Subtotal West &amp; Central Massachusetts</b>	<b>1,671,525</b>	<b>1,201,598</b>	<b>71.9%</b>	<b>13.6%</b>
<b>Subtotal Massachusetts</b>	<b>6,512,225</b>	<b>4,777,290</b>	<b>73.4%</b>	<b>54.0%</b>
<b><u>Neighbouring States Market Areas</u></b>				
New Hampshire Southwest	369,978	268,310	72.5%	3.0%
New Hampshire East	623,464	453,493	72.7%	5.1%
<b>Subtotal New Hampshire Areas</b>	<b>993,442</b>	<b>721,803</b>	<b>72.7%</b>	<b>8.2%</b>
Rhode Island North	796,817	579,520	72.7%	6.5%
Rhode Island South	257,142	189,311	73.6%	2.1%
<b>Subtotal Rhode Island</b>	<b>1,053,959</b>	<b>768,831</b>	<b>72.9%</b>	<b>8.7%</b>
Connecticut East	645,871	468,861	72.6%	5.3%
Connecticut North Central	1,003,760	734,366	73.2%	8.3%
Connecticut West	1,908,541	1,382,839	72.5%	15.6%
<b>Subtotal Connecticut</b>	<b>3,558,172</b>	<b>2,586,066</b>	<b>72.7%</b>	<b>29.2%</b>
<b>Subtotal Neighbouring States</b>	<b>5,605,573</b>	<b>4,076,700</b>	<b>72.7%</b>	<b>46.0%</b>
<b>Total Market Area</b>	<b>12,117,798</b>	<b>8,853,990</b>	<b>73.1%</b>	<b>100.0%</b>

Source: HLT Advisory Inc. based on US Census Bureau population estimates.



# Size of Market: Introduction

Size of gaming markets is a function of the adult population (and its propensity to game) and gaming supply available in the market. The size of a gaming market can be stated in terms of GGR per adult (total GGR divided by adult population).

Factors impacting size of market:

- Adult population in market area
- Number of facilities
- Number and type of gaming devices
- Scope of gaming facilities (amenities)
- Acceptance of gaming as a form of entertainment

To determine the size of the market, HLT reviewed the market assessment report prepared by the State when it was considering introducing casinos (this report did not include a Category 2 casino) and identified and assessed comparable markets.

# Size of Gaming Market: Key Assumptions

- Market area extent based on ~90-minute drive times from all existing and potential future facilities - includes all of Massachusetts, Rhode Island and Connecticut as well as the southern portion of New Hampshire
- To estimate size of gaming market (total revenue available in the market) HLT reviewed the 2010 Spectrum Report and assessed the performance of comparable markets:
  - **Spectrum 2010 Report** - the size of the identified gaming markets (one/region) ranged from \$250 to \$350 GGR/adult, with an average of \$300/adult
  - **Comparable Markets** – in the original market assessment, HLT profiled casino markets with 3 to 5 main facilities, urban core and suburban locations, and with a total market GGR~\$1.0 billion. Pittsburgh and Philadelphia markets were profiled.
    - For the purposes of the Region C market assessment, the list of comparable markets have been expanded to reconfirm size of market potential estimates.
    - In addition, the broader Northeast (Baltimore to Boston) casino gaming market trends were assessed.
    - First the current performance of existing market area facilities is profiled.

# Competitive Facility: Recent Performance

- Rhode Island casino performance has increased since 2013 by about 10%
  - Increase attributed to the introduction of table games at Twin River
  - Slots at both facilities declined since 2013
- Future Developments – relocation and redevelopment of Newport
  - Proposed site closer to the Massachusetts border – Tiverton
  - 1,000 VLTs and 32 tables
  - \$75 million investment
  - 84-room hotel
  - 1000 parking spaces
- Tiverton has requested that the State General Assembly enact legislation to conduct referendum on November 2016 state ballot.
  - referendum has to be approved by both Tiverton residents and voters statewide.

<b>Rhode Island Casino Performance (\$Million)</b>						
Casino Name	Calendar Year					
	2010	2011	2012	2013	2014	2015
<b><u>Slot Revenue</u></b>						
Twin River*	\$424	\$463	\$478	\$470	\$466	\$457
Newport	\$53	\$50	\$50	\$46	\$45	\$45
Subtotal Slot GGR	\$477	\$513	\$528	\$517	\$511	\$501
<b><u>Table Revenue</u></b>						
Twin River*				\$41	\$100	\$114
Newport						
Subtotal Table GGR				\$41	\$100	\$114
<b><u>Total GGR</u></b>						
Twin River	\$424	\$463	\$478	\$512	\$566	\$571
Newport	\$53	\$50	\$50	\$46	\$45	\$45
Total GGR	\$477	\$513	\$528	\$558	\$611	\$616

\* Table games implemented at Twin River in June 2013.  
 Source: HLT Advisory Inc. based on data from Rhode Island Lottery.

# Competitive Facility: Recent Performance

- Connecticut casino performance has decreased since 2013 by about 9.5%
  - Slot revenue declined by 13.5% and tables by about 6.0% since 2013
- Future Developments – new casino facility closer to the Massachusetts border
  - Tribes have asked for communities to put forward proposal for potential locations
  - Tribes to complete review by Dec 2015
  - Four communities have put forward proposals: East Hartford, East Windsor, Hartford and Windsor Locks

<b>Connecticut Casino Performance (\$Million)</b>							
Casino Name	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015E	% Dist.
<b><u>Slot Revenue</u></b>							
Mohegan Sun	\$746	\$711	\$675	\$619	\$582	\$583	55.6%
Foxwoods	\$650	\$637	\$596	\$537	\$493	\$465	44.4%
<b>Subtotal Slot GGR</b>	<b>\$1,396</b>	<b>\$1,348</b>	<b>\$1,271</b>	<b>\$1,156</b>	<b>\$1,075</b>	<b>\$1,047</b>	<b>100.0%</b>
<b><u>Table Revenue</u></b>							
Mohegan Sun	\$296	\$305	\$291	\$300	\$283	\$283	55.1%
Foxwoods*	\$335	\$312	\$296	\$267	\$245	\$231	44.9%
<b>Subtotal Table GGR</b>	<b>\$631</b>	<b>\$617</b>	<b>\$587</b>	<b>\$567</b>	<b>\$529</b>	<b>\$514</b>	<b>100.0%</b>
<b><u>Total GGR</u></b>							
Mohegan Sun	\$1,042	\$1,016	\$966	\$919	\$866	\$865	55.4%
Foxwoods	\$985	\$949	\$892	\$804	\$739	\$695	44.6%
<b>Total GGR</b>	<b>\$2,027</b>	<b>\$1,965</b>	<b>\$1,858</b>	<b>\$1,723</b>	<b>\$1,604</b>	<b>\$1,561</b>	<b>100.0%</b>

\*Foxwood table revenues based on data presented in the Mashantucket Pequot Tribal Nation Bondholder Presentation (Aug 2012) and HLT estimates (for FY2012 to FY2015).

Note: FY ending Sept 30 as per the Mohegan Tribal Gaming Authority.

Source: HLT Advisory Inc. based on the Mashantucket Pequot Tribal Nation Bondholder Presentation (Aug 2012), Mohegan Tribal Gaming Authority, information from the State of Connecticut Department of Consumer Protection and HLT estimates.

# Competitive Facility: Recent Performance

- Since Plainridge opened, the total market (four casinos in CT and RI) has increased by \$103.4 million (July 1 to Feb 29).
- Plainridge generated \$107.3 million (July 1 to Feb 29) while other market area facilities decreased by \$3.9 million.

Slot Performance of Competitive Facilities									
	Connecticut		Rhode Island		Subtotal	Mass	Total Market	New York	
	Mohegan Sun	Foxwoods	Twin River	Newport		Plainridge Park		Resorts World	Empire State
<b>Monthly Performance</b>									
May-14	\$51.7	\$43.7	\$41.1	\$4.1	\$140.6	n.a.	\$140.6	\$71.3	\$49.7
Jun-14	\$45.3	\$37.7	\$37.2	\$3.8	\$124.0	n.a.	\$124.0	\$64.3	\$43.5
Jul-14	\$52.6	\$44.3	\$40.4	\$4.2	\$141.5	n.a.	\$141.5	\$67.8	\$45.3
Aug-14	\$56.2	\$47.0	\$42.9	\$4.3	\$150.4	n.a.	\$150.4	\$70.9	\$47.7
Sep-14	\$46.5	\$36.0	\$37.4	\$3.7	\$123.5	n.a.	\$123.5	\$65.0	\$42.9
Oct-14	\$48.9	\$39.7	\$38.1	\$3.9	\$130.6	n.a.	\$130.6	\$67.7	\$44.3
Nov-14	\$48.1	\$38.1	\$36.9	\$3.4	\$126.6	n.a.	\$126.6	\$68.7	\$42.6
Dec-14	\$49.0	\$36.2	\$37.0	\$3.5	\$125.7	n.a.	\$125.7	\$68.4	\$44.7
Jan-15	\$44.0	\$34.1	\$35.1	\$3.3	\$116.5	n.a.	\$116.5	\$66.5	\$42.0
Feb-15	\$42.1	\$31.6	\$33.8	\$3.3	\$110.8	n.a.	\$110.8	\$64.2	\$42.0
Jul-Feb 2015	\$387.4	\$307.0	\$301.6	\$29.5	\$1,025.6	n.a.	\$1,025.6	\$539.0	\$351.5
May-15	\$51.8	\$43.2	\$43.7	\$4.2	\$142.9	n.a.	\$142.9	\$72.5	\$52.0
Jun-15	\$46.7	\$38.6	\$39.4	\$3.6	\$128.3	\$6.1	\$134.4	\$66.4	\$44.7
Jul-15	\$51.6	\$44.5	\$37.9	\$3.8	\$137.8	\$18.2	\$156.0	\$69.3	\$48.7
Aug-15	\$52.0	\$42.5	\$37.0	\$3.8	\$135.3	\$15.2	\$150.5	\$69.3	\$48.1
Sep-15	\$47.7	\$37.2	\$35.1	\$3.6	\$123.6	\$12.6	\$136.2	\$69.1	\$45.0
Oct-15	\$48.0	\$38.6	\$36.9	\$3.7	\$127.2	\$12.9	\$140.1	\$68.9	\$45.4
Nov-15	\$47.7	\$38.0	\$35.2	\$3.6	\$124.5	\$11.9	\$136.4	\$68.6	\$43.7
Dec-15	\$47.3	\$37.7	\$36.7	\$3.5	\$125.1	\$11.3	\$136.4	\$73.0	\$47.7
Jan-16	\$48.5	\$35.7	\$35.8	\$3.5	\$123.5	\$12.5	\$136.1	\$67.8	\$45.5
Feb-16	\$48.4	\$36.2	\$36.5	\$3.6	\$124.7	\$12.7	\$137.4	\$70.8	\$48.3
Jul-Feb 2016	\$391.2	\$310.3	\$291.0	\$29.1	\$1,021.7	\$107.3	\$1,129.0	\$556.9	\$372.3
<b>Year over Year Change (\$Million)</b>									
May 2014-15	\$0.1	-\$0.5	\$2.6	\$0.2	\$2.3	n.a.	\$2.3	\$1.3	\$2.3
Jun 2014-15	\$1.4	\$0.9	\$2.2	-\$0.2	\$4.3	\$6.1	\$10.4	\$2.0	\$1.2
Jul 2014-15	-\$1.0	\$0.1	-\$2.5	-\$0.3	-\$3.7	\$18.2	\$14.4	\$1.6	\$3.4
Aug 2014-15	-\$4.2	-\$4.5	-\$5.9	-\$0.5	-\$15.1	\$15.2	\$0.1	-\$1.6	\$0.4
Sep 2014-15	\$1.3	\$1.2	-\$2.3	-\$0.1	\$0.1	\$12.6	\$12.7	\$4.1	\$2.1
Oct 2014-15	-\$0.8	-\$1.2	-\$1.2	-\$0.1	-\$3.4	\$12.9	\$9.5	\$1.3	\$1.0
Nov 2014-15	-\$0.5	-\$0.1	-\$1.7	\$0.1	-\$2.1	\$11.9	\$9.9	-\$0.1	\$1.1
Dec 2014-15	-\$1.7	\$1.5	-\$0.4	\$0.0	-\$0.6	\$11.3	\$10.6	\$4.6	\$3.0
Jan 2015-16	\$4.5	\$1.6	\$0.6	\$0.3	\$7.0	\$12.5	\$19.6	\$1.3	\$3.4
Feb 2015-16	\$6.3	\$4.6	\$2.7	\$0.3	\$14.0	\$12.7	\$26.6	\$6.7	\$6.3
Jul-Feb 2016	\$3.8	\$3.3	-\$10.6	-\$0.4	-\$3.9	\$107.3	\$103.4	\$17.9	\$20.8

Source: HLT Advisory Inc. based on data from the Massachusetts Gaming Commission, Rhode Island Lottery and State of Connecticut Department of Consumer Protection.

# Size of Market: Spectrum 2010 Report Prepared for State

## Key Assumptions:

- Three resort casinos located in the geographic centre of the identified Massachusetts Regions.
- Market area for each casino based on a 2-hour drive time.
- Given results and assumptions of the Spectrum 2010 Report, the size of identified gaming markets (excluding incremental revenue from hotel rooms) ranges from \$250 to \$350 GGR/adult, with an average of \$300/Adult for the combined market area.

<b>Win/Adult Estimates Based on Spectrum 2010 Report</b>				
	Region 1	Region 2	Region 3	State
<b><u>Primary Presentation (Moderate Case)</u></b>				
Adult Population	7,938,447	7,186,209	7,296,008	9,426,446
Total GGR Captured by State Casinos	\$496,700,731	\$488,999,275	\$373,365,810	\$1,359,065,816
GGR/Adult Captured by State Casinos	\$63	\$68	\$51	\$144
State Share of total	20.0%	20.0%	20.0%	47.6%
Estimated Total Market GGR/Adult	<b>\$313</b>	<b>\$340</b>	<b>\$256</b>	<b>\$303</b>
<b><u>Secondary Presentation (Moderate Case)</u></b>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Total GGR Captured by State Casinos	\$492,275,818	\$478,377,173	\$397,575,793	\$1,368,228,784
GGR/Adult Captured by State Casinos	\$63	\$68	\$51	\$145
State Share of total	20.0%	20.0%	20.0%	48.1%
Estimated Total Market GGR/Adult	<b>\$313</b>	<b>\$340</b>	<b>\$256</b>	<b>\$302</b>
<b><u>Alternate Presentation (Moderate Case)</u></b>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Total GGR Captured by State Casinos	\$989,474,395	\$466,417,744	\$411,490,946	\$1,867,383,085
GGR/Adult Captured by State Casinos	\$126	\$66	\$53	\$198
State Share of total	40.2%	19.5%	20.7%	65.2%
Estimated Total Market GGR/Adult	<b>\$313</b>	<b>\$340</b>	<b>\$256</b>	<b>\$304</b>
<p><i>Source: HLT Advisory Inc. based on Spectrum Gaming Group, Market Analysis, Gross Gaming Revenue Projections: An Update (prepared for the Massachusetts Legislature), March 31, 2010 and HLT assumptions.</i></p> <p><i>Note: Spectrum refers to Region 1, Region 2 and Region 3. Region 1 is located in northeast Massachusetts (currently known as Region A). Region 2 is located in southeast Massachusetts (currently known as Region C) and Region 3 is central/western Massachusetts (currently known as Region B).</i></p>				

*Appendix A Contains a detailed summary of Spectrum 2010 Report and a description of Primary, Secondary, and Alternate Presentations.*

# Size of Market: Comparison Markets

For each comparison market identified, the current GGR per adult was estimated. Factors that were assessed included:

- A market area was defined based on a typical drive time and the location of competitive facilities
- Total adult population
- Gaming tax rates
- Current performance of market area facilities (revenue by type of devices and number of devices)
- Supply of gaming devices in market area facilities
- Total market area gaming revenue trend (generated by market area facilities)

# Size of Gaming Market: Comparable Markets

HLT believes that \$300-\$350 win per adult is an appropriate benchmark to estimate total size (market area win captured by market area facilities) of the defined market area.

Comparable Market Areas - FY2015 Performance								
	Indianapolis	Cleveland	Philadelphia	Pittsburgh <sup>1</sup>	Chicago	Cincinnati	St. Louis	Kansas City
Adult Population <sup>2</sup>	2,273,844	2,968,892	4,683,841	2,674,853	7,796,680	2,068,169	2,329,513	1,687,078
Number of Facilities/Location	2	4	5	5	11	7	6	6
Supply								
Slots	3,972	6,081	10,591	8,637	16,567	9,810	10,627	8,760
Tables	n/a	121	470	310	700	270	337	255
Gaming Supply								
Adults/Slot	572	488	442	310	471	211	219	193
Adults/Table	n/a	24,536	9,970	8,637	11,138	7,660	6,913	6,616
<u>Casino Win(\$Millions)</u>								
Slot Win	\$448.2	\$501.6	\$975.5	\$642.4	\$1,882.3	\$662.3	\$921.2	\$678.0
Table Win	n/a	\$100.0	\$352.8	\$140.7	\$475.7	\$113.6	\$135.3	\$101.5
Total Win	\$448.2	\$601.7	\$1,328.3	\$783.1	\$2,357.9	\$775.9	\$1,056.5	\$779.5
<u>Win/Adult</u>								
Slot Win	\$197	\$169	\$208	\$240	\$241	\$320	\$395	\$402
Table Win	n/a	\$34	\$75	\$53	\$61	\$55	\$58	\$60
Total Win	\$197	\$203	\$284	\$293	\$302	\$375	\$454	\$462

Source: HLT Advisory Inc. based on reports from the Pennsylvania Gaming Control Board, Ohio Casino Control Commission, Ohio State Racing Commission, Illinois Gaming Board, Indiana Gaming Commission, Michigan Gaming Control Board, Iowa Racing and Gaming Commission, Kansas Racing and Gaming Commission, Missouri Gaming Commission, Delaware Lottery, West Virginia Lottery, US Census Bureau and HLT estimates.

1- Assumes ~55% to ~70% of West Virginia (Mountaineer and Wheeling) casino win and ~70% of Lady Luck casino win originates from within the defined Pittsburgh market area.

2- 2015 adult population 21+. Market areas are based on up to a 90-minutes drive time - adjusted for competition.

n/a - not applicable

Note: VLTs were introduced to the Illinois market in 2012. HLT believes that VLTs cannibalized a portion of casino market area win. In 2015, VLTs generated \$805 million in the state of which \$368 million was from the defined Chicago market area.



# Size of Market: Existing Market Area Competition

## Existing Competitive Facilities - RI & CT

Category 1 & 2 casinos will have to compete with established Rhode Island and Connecticut casinos for a share of the market.

- Twin Rivers (Rhode Island) has a market competitive advantage over the Category 2 casino due to its size and scope of gaming offering (~4,300 slot machines and 66 table games), and smoking. Its gaming tax rate and amenity offerings is similar to the Category 2 casino.
- Category 1 casinos on the other hand will have a competitive advantage over Twin Rivers casino due to its greater range of non-gaming amenities and lower tax rate.
- The Connecticut casinos have a market competitive advantage over the Category 2 casino due to their size and scope of gaming offering (over 4,500 slot machines each and 250 table games each), their amenity facility offerings (hotel rooms and meeting space, multiple food and beverage outlets, and multiple entertainment facilities), their tax rate and smoking.
- The size and scope, amenities offering and tax rate (for slot gaming only) of Category 1 casinos is very similar to Connecticut casinos (except for smoking and no table gaming tax) and as such, Category 1 casinos should be able to effectively compete with Connecticut casinos.

# Size of Market: Massachusetts Market Area

## Potential GGR/Adult - Conclusions

- Based on the review of the Spectrum Report and identified comparison markets, HLT believes that a GGR/adult level ranging between \$300 and \$350 is appropriate to estimate the size of the Massachusetts casino market.
- Connecticut and Rhode Island casinos currently penetrate the Massachusetts portion of the defined market area and will compete with Massachusetts casinos in the future for a share of the market.
  - Both Rhode Island and Connecticut casinos have significant competitive advantages over the Category 2 casino.
  - Category 1 casinos have a competitive advantage over Rhode Island casinos and the Category 2 casino, and will be able to effectively compete with Connecticut casinos.

# Size of Market: Massachusetts Market Area

## Potential GGR Estimate - Conclusions

With a GGR/adult level ranging from \$300 to \$350 and a current adult population of 8.9 million, the current size of the defined casino market area is estimated between \$2.7 and \$3.1 billion.

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

Source: HLT Advisory Inc. estimates.

# Market Shares: Introduction

The market performance of the proposed Category 1 facilities will be dependent on:

- Size and Scope of proposed facility.
- Operating environment compared to competitive casinos (e.g., number of and type of gaming devices permitted including restrictions, tax rates, smoking policy, amenity facilities and use of the same to drive visitation, etc.).
- Proximity to competitive facilities.
- Proximity to market area population.
- Facility capacity constraints (e.g. number of permitted gaming devices, parking, etc.).

# Market Shares: Full Competition

## Key Assumption/Notes:

1. Size of market under full competition (i.e., including the awarded Category 2 casino) has been estimated based on a \$300 GGR/adult, a \$350 GGR/adult as well as on a blended GGR/adult level. The blended GGR/adult level has been generally based on the following assumptions:
    - \$375 for areas with a casino.
    - \$325 for areas adjacent to casino markets.
    - \$275 for all other areas.
- Note: GGR/adult includes both slot and table GGR.
2. Three Category 1 facility locations assumed for the purpose of this assessment: Boston (Region A), Springfield (Region B) and Taunton (Region C).
  3. The size and scope of all Category 1 facilities are assumed to be equal (e.g. ~3,000 slots, at least 100 tables, hotel, multiple food and beverage outlets, and additional facility amenities).
  4. The Category 1 facilities will operate in an environment similar to existing competitors (i.e., similar tax rates on slot gaming). However, unlike existing competitors, Category 1 facilities will not allow smoking and tax rate will be also applicable on table gaming (no table tax in Connecticut and 18% tax rate in Rhode Island).
  5. Specific Inflow estimates from beyond the defined market area have not be estimated for Category 1 facilities (see page 44 for greater discussion on inflow).
  6. For the purposes of this analysis, timing (i.e. when a facility will be operational) was not factored into the analysis, nor was potential future market area population increases.

*Appendix C contains all the detailed market share and GGR estimate tables under Full Competition for all future Massachusetts gaming facilities (i.e. the selected Category 2 casino and Category 1 casino locations).*

# Market Shares: Competitive Environment

- Brockton/MG&E's proposed facility is smaller (in terms of gaming supply) and has a narrower scope than what was assumed in the base market analysis.

- Slot supply of 2,100 machines is lower than 3,000 assumed.
- Less non-gaming amenities than assumed.

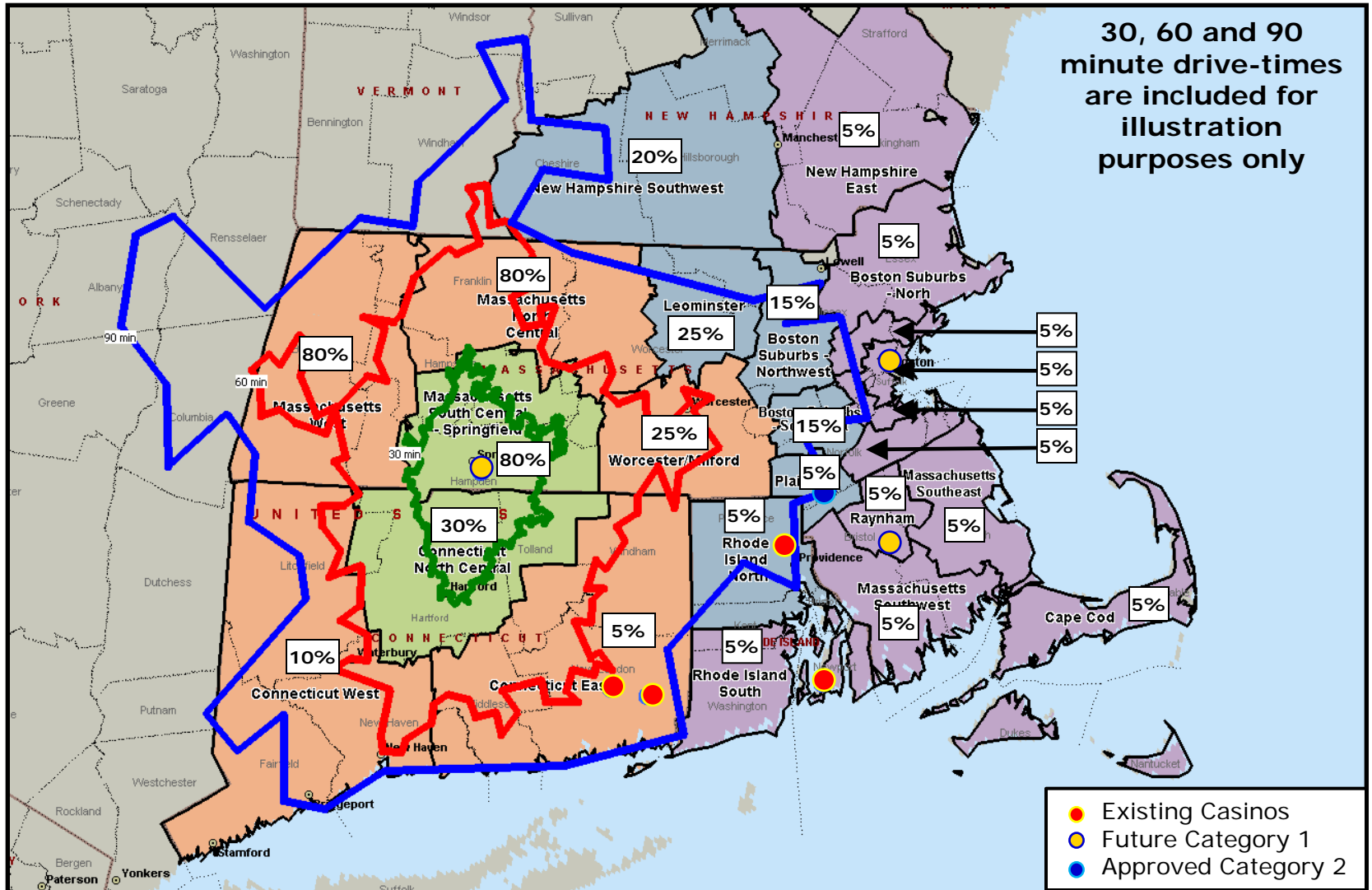
	Proposed Category 1 and Competitive Casino Characteristics							
	Massachusetts				Rhode Island		Connecticut	
	Region B Springfield/ MGM	Region A Everett/ Wynn	Region C Brockton/ MG&E	Category 2 Plainville/ Penn National	Twin River	Newport	Mohegan Sun	Foxwoods
<u>Gaming Devices</u>								
Slots*	3,000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

Source: HLT Advisory Inc. Based on casino annual reports, state gaming commission reports, individual casino websites and Applicants' submissions.

n/p: not provided.

\* Connecticut and Rhode Island slot machines totals based on February 2016 as reported by the State of Connecticut and State of Rhode Island.

# Market Shares: Full Competition Region B (Springfield) – Market Shares Results



# Market Shares: Full Competition

## Region B (Springfield) – Market Shares Results

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

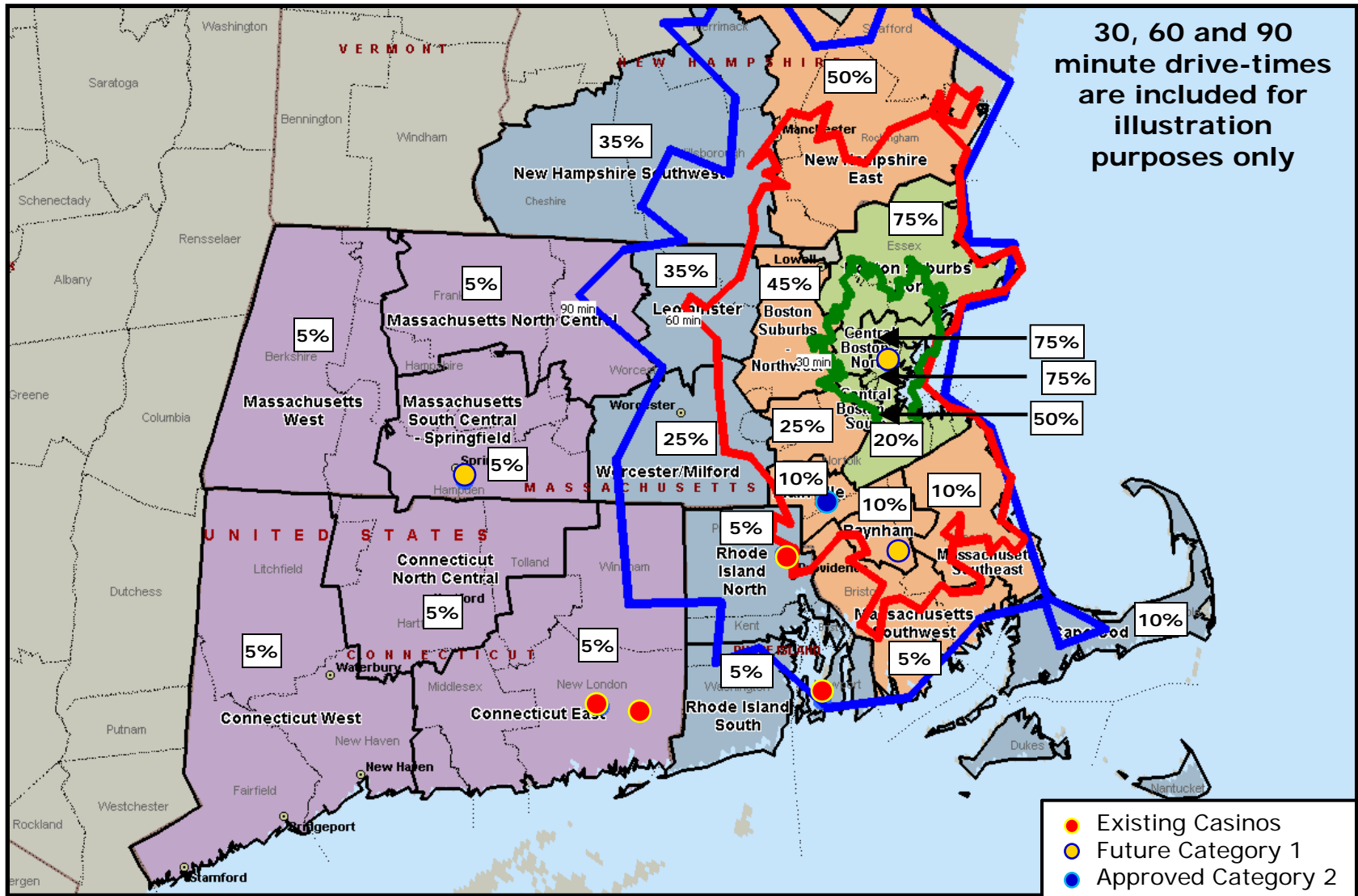
<b>Springfield (Region B) Category 1 Casino - Summary of GGR Estimates</b>				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Massachusetts South Central - Springfield	80.0%	\$104,408,400	\$130,510,500	\$121,809,800
Connecticut North Central	30.0%	\$66,092,940	\$71,600,685	\$77,108,430
<b>Markets Within 0-30 Minutes</b>		<b>\$170,501,340</b>	<b>\$202,111,185</b>	<b>\$198,918,230</b>
Worcester/Milford	25.0%	\$29,623,800	\$32,092,450	\$34,561,100
Massachusetts North Central	80.0%	\$26,854,080	\$29,091,920	\$31,329,760
Massachusetts West	80.0%	\$26,297,520	\$24,106,060	\$30,680,440
Connecticut East	5.0%	\$7,032,915	\$8,791,144	\$8,205,068
Connecticut West	10.0%	\$41,485,170	\$38,028,073	\$48,399,365
<b>Markets Within 30-60 Minutes</b>		<b>\$131,293,485</b>	<b>\$132,109,646</b>	<b>\$153,175,733</b>
Leominster	25.0%	\$11,258,550	\$10,320,338	\$13,134,975
Boston Suburbs - Northwest	15.0%	\$14,190,975	\$13,008,394	\$16,556,138
Boston Suburbs - Southwest	15.0%	\$8,451,000	\$9,155,250	\$9,859,500
Plainville	5.0%	\$1,542,450	\$1,928,063	\$1,799,525
Rhode Island North	5.0%	\$8,692,800	\$10,866,000	\$10,141,600
New Hampshire Southwest	20.0%	\$16,098,600	\$14,757,050	\$18,781,700
<b>Markets Within 60-90 Minutes</b>		<b>\$60,234,375</b>	<b>\$60,035,094</b>	<b>\$70,273,438</b>
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	5.0%	\$3,426,630	\$3,712,183	\$3,997,735
Rhode Island South	5.0%	\$2,839,665	\$3,549,581	\$3,312,943
Raynham	5.0%	\$2,169,870	\$2,712,338	\$2,531,515
Massachusetts Southwest	5.0%	\$4,762,275	\$5,159,131	\$5,555,988
Massachusetts Southeast	5.0%	\$3,459,285	\$3,747,559	\$4,035,833
Cape Cod	5.0%	\$2,915,850	\$2,672,863	\$3,401,825
Boston Suburbs - North	5.0%	\$7,598,640	\$6,965,420	\$8,865,080
Boston Suburbs - South	5.0%	\$2,690,055	\$2,914,226	\$3,138,398
New Hampshire East	5.0%	\$6,802,395	\$6,235,529	\$7,936,128
<b>Markets Beyond 90-Minutes</b>		<b>\$54,187,665</b>	<b>\$58,606,141</b>	<b>\$63,218,943</b>
<b>Subtotal Market Area</b>		<b>\$416,216,865</b>	<b>\$452,862,066</b>	<b>\$485,586,343</b>

Source: HLT Advisory Inc. estimates.



# Market Shares: Full Competition

## Region A (Boston) – Market Shares Results

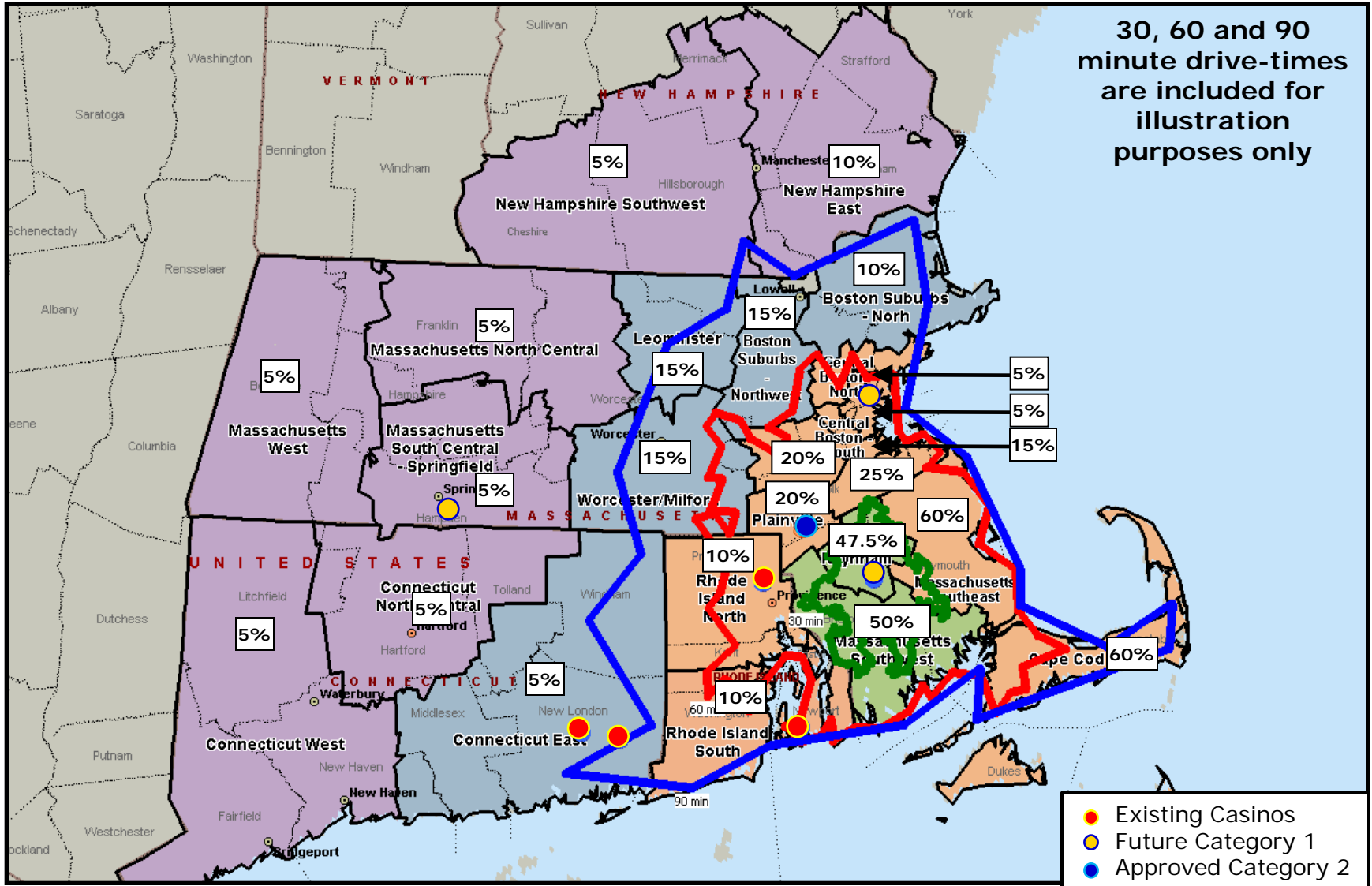


# Market Shares: Full Competition Region A (Boston) – GGR Estimates

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

<b>Boston (Region A) Category 1 Casino - Summary of GGR Estimates</b>				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Central Boston	75.0%	\$175,865,625	\$219,832,031	\$205,176,563
Central Boston - North	75.0%	\$86,979,375	\$94,227,656	\$101,475,938
Central Boston - South	50.0%	\$34,266,300	\$37,121,825	\$39,977,350
Boston Suburbs - North	75.0%	\$113,979,600	\$104,481,300	\$132,976,200
Boston Suburbs - South	20.0%	\$10,760,220	\$11,656,905	\$12,553,590
<b>Markets Within 0-30 Minutes</b>		<b>\$421,851,120</b>	<b>\$467,319,718</b>	<b>\$492,159,640</b>
New Hampshire East	50.0%	\$68,023,950	\$62,355,288	\$79,361,275
Boston Suburbs - Northwest	45.0%	\$42,572,925	\$39,025,181	\$49,668,413
Boston Suburbs - Southwest	25.0%	\$14,085,000	\$15,258,750	\$16,432,500
Raynham	10.0%	\$4,339,740	\$5,424,675	\$5,063,030
Plainville	10.0%	\$3,084,900	\$3,856,125	\$3,599,050
Massachusetts Southwest	5.0%	\$4,762,275	\$5,159,131	\$5,555,988
Massachusetts Southeast	10.0%	\$6,918,570	\$7,495,118	\$8,071,665
Cape Cod	10.0%	\$5,831,700	\$5,345,725	\$6,803,650
<b>Markets Within 30-60 Minutes</b>		<b>\$149,619,060</b>	<b>\$143,919,993</b>	<b>\$174,555,570</b>
New Hampshire Southwest	35.0%	\$28,172,550	\$25,824,838	\$32,867,975
Leominster	35.0%	\$15,761,970	\$14,448,473	\$18,388,965
Worcester/Milford	25.0%	\$29,623,800	\$32,092,450	\$34,561,100
Rhode Island North	5.0%	\$8,692,800	\$10,866,000	\$10,141,600
Rhode Island South	5.0%	\$2,839,665	\$3,549,581	\$3,312,943
<b>Markets Within 60-90 Minutes</b>		<b>\$85,090,785</b>	<b>\$86,781,341</b>	<b>\$99,272,583</b>
Massachusetts North Central	5.0%	\$1,678,380	\$1,818,245	\$1,958,110
Massachusetts South Central - Springfield	5.0%	\$6,525,525	\$8,156,906	\$7,613,113
Massachusetts West	5.0%	\$1,643,595	\$1,506,629	\$1,917,528
Connecticut East	5.0%	\$7,032,915	\$8,791,144	\$8,205,068
Connecticut North Central	5.0%	\$11,015,490	\$11,933,448	\$12,851,405
Connecticut West	5.0%	\$20,742,585	\$19,014,036	\$24,199,683
<b>Markets Beyond 90-Minutes</b>		<b>\$48,638,490</b>	<b>\$51,220,408</b>	<b>\$56,744,905</b>
<b>Subtotal Market Area</b>		<b>\$705,199,455</b>	<b>\$749,241,459</b>	<b>\$822,732,698</b>
<i>Source: HLT Advisory Inc. estimates.</i>				

# Market Shares: Full Competition Region C (Taunton) – Market Shares Results



# Market Shares: Full Competition Region C (Taunton) – GGR Estimates

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

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

Source: HLT Advisory Inc. estimates.

## Market Shares: Additional Region C Scenarios

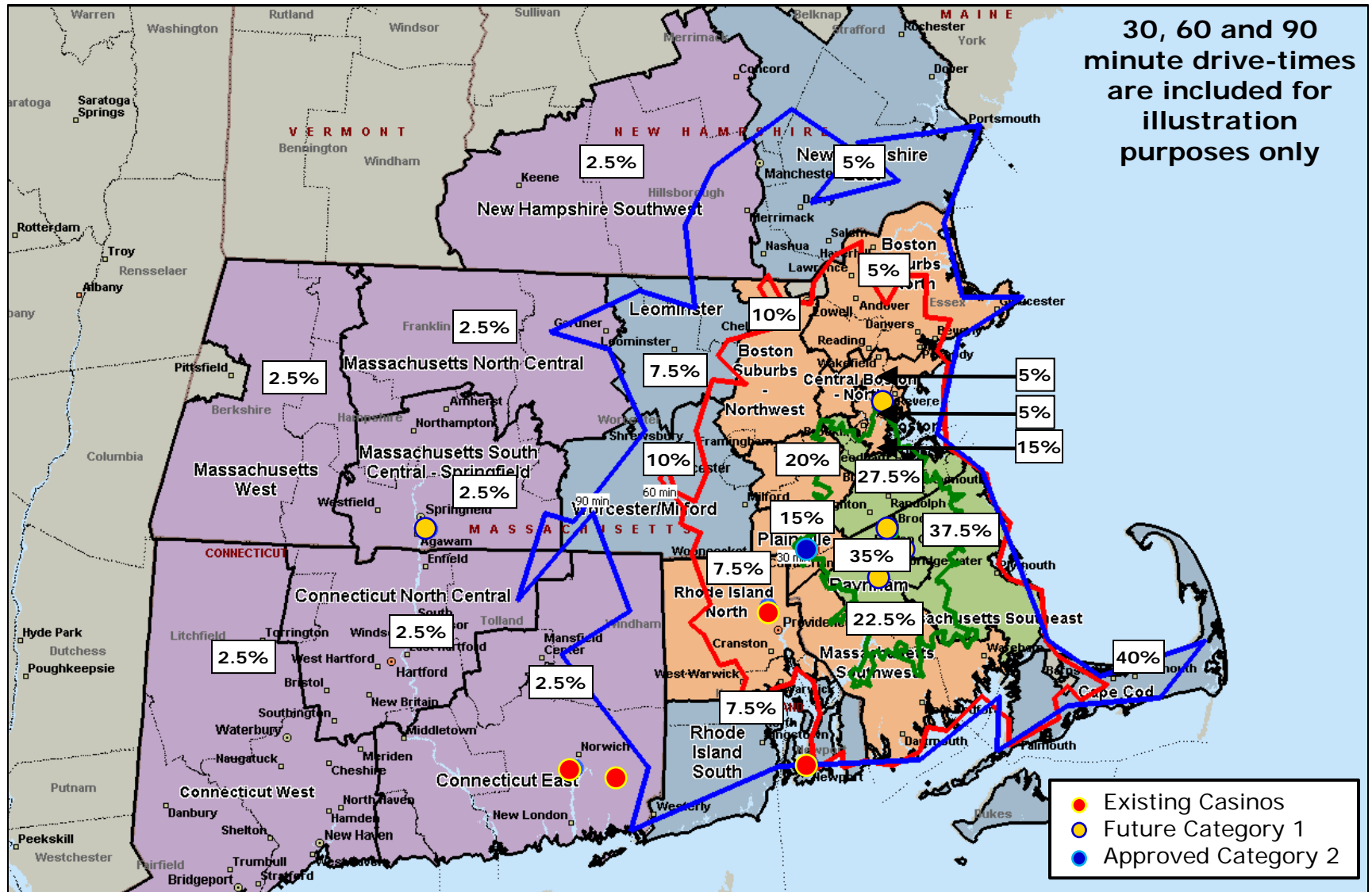
In HLT's analysis for Category 1 and Category 2 casinos, HLT assumed one Category 1 casino in Region C located in Taunton. This Region C scenario is a reasonable estimate for total gross gaming revenue generated by a Brockton casino if no Tribal casino opens in Taunton.

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

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

The detailed results of this analysis are contained in Appendix D.

# Market Shares: Full Competition – Scenario 1 Region C (Brockton) – Market Shares Results



# Market Shares: Full Competition – Scenario 1

## Region C (Brockton) – Market Shares Results

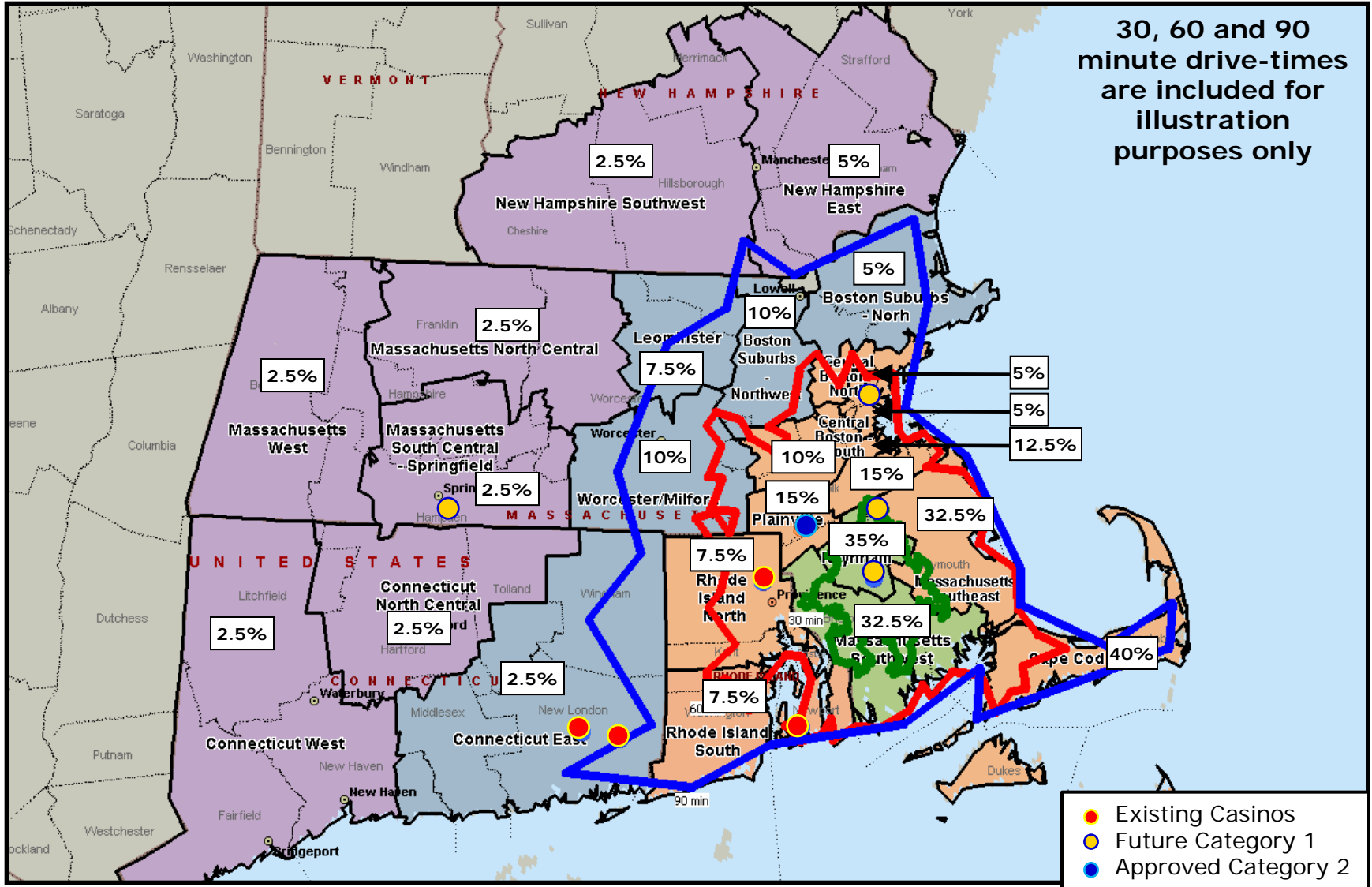
Sub-market areas have been organized (generally) by drive times for illustration purposes only.

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

Source: HLT Advisory Inc. estimates.

# Market Shares: Full Competition – Scenario 1

## Region C (Taunton) – Market Shares Results





# Market Shares: Full Competition – Scenario 1

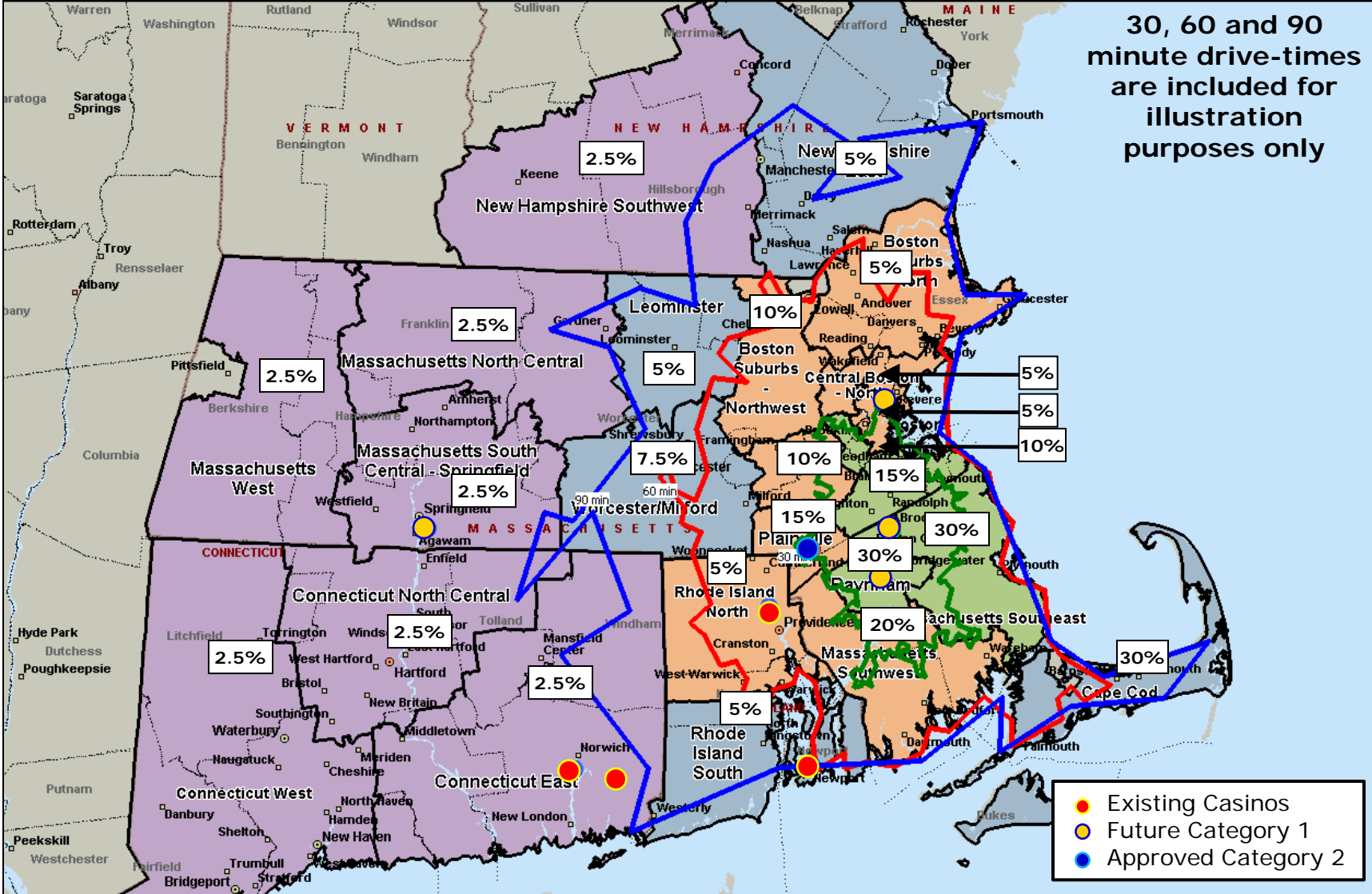
## Region C (Taunton) – Market Shares Results

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

Taunton (Region C) Category 1 Casino - Summary of GGR Estimates (Scenario 1)				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Raynham	35.0%	\$15,189,090	\$18,986,363	\$17,720,605
Massachusetts Southwest	32.5%	\$30,954,788	\$33,534,353	\$36,113,919
<b>Markets Within 0-30 Minutes</b>		<b>\$46,143,878</b>	<b>\$52,520,716</b>	<b>\$53,834,524</b>
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	12.5%	\$8,566,575	\$9,280,456	\$9,994,338
Boston Suburbs - South	15.0%	\$8,070,165	\$8,742,679	\$9,415,193
Boston Suburbs - Southwest	10.0%	\$6,634,000	\$6,103,500	\$6,573,000
Plainville	15.0%	\$4,627,350	\$5,784,188	\$5,398,575
Massachusetts Southeast	32.5%	\$22,485,353	\$24,359,132	\$26,232,911
Cape Cod	40.0%	\$23,326,800	\$21,382,900	\$27,214,600
Rhode Island North	7.5%	\$13,039,200	\$16,299,000	\$15,212,400
Rhode Island South	7.5%	\$4,259,498	\$5,324,372	\$4,969,414
<b>Markets Within 30-60 Minutes</b>		<b>\$107,531,940</b>	<b>\$118,213,539</b>	<b>\$125,453,930</b>
Boston Suburbs - North	5.0%	\$7,598,640	\$6,965,420	\$8,865,080
Boston Suburbs - Northwest	10.0%	\$9,460,650	\$8,672,263	\$11,037,425
Leominster	7.5%	\$3,377,565	\$3,096,101	\$3,940,493
Worcester/Milford	10.0%	\$11,849,520	\$12,836,980	\$13,824,440
Connecticut East	2.5%	\$3,516,458	\$4,395,572	\$4,102,534
<b>Markets Within 60-90 Minutes</b>		<b>\$35,802,833</b>	<b>\$35,966,336</b>	<b>\$41,769,971</b>
New Hampshire East	5.0%	\$6,802,395	\$6,235,529	\$7,936,128
New Hampshire Southwest	2.5%	\$2,012,325	\$1,844,631	\$2,347,713
Massachusetts North Central	2.5%	\$839,190	\$909,123	\$979,055
Massachusetts South Central - Springfield	2.5%	\$3,262,763	\$4,078,453	\$3,806,556
Massachusetts West	2.5%	\$821,798	\$753,314	\$958,764
Connecticut North Central	2.5%	\$5,507,745	\$5,966,724	\$6,425,703
Connecticut West	2.5%	\$10,371,293	\$9,507,018	\$12,099,841
<b>Markets Beyond 90-Minutes</b>		<b>\$29,617,508</b>	<b>\$29,294,792</b>	<b>\$34,553,759</b>
<b>Subtotal Market Area</b>		<b>\$219,096,158</b>	<b>\$235,995,382</b>	<b>\$255,612,184</b>

Source: HLT Advisory Inc. estimates.

# Market Shares: Full Competition – Scenario 2 Region C (Brockton) – Market Shares Results



# Market Shares: Full Competition – Scenario 2

## Region C (Brockton) – Market Shares Results

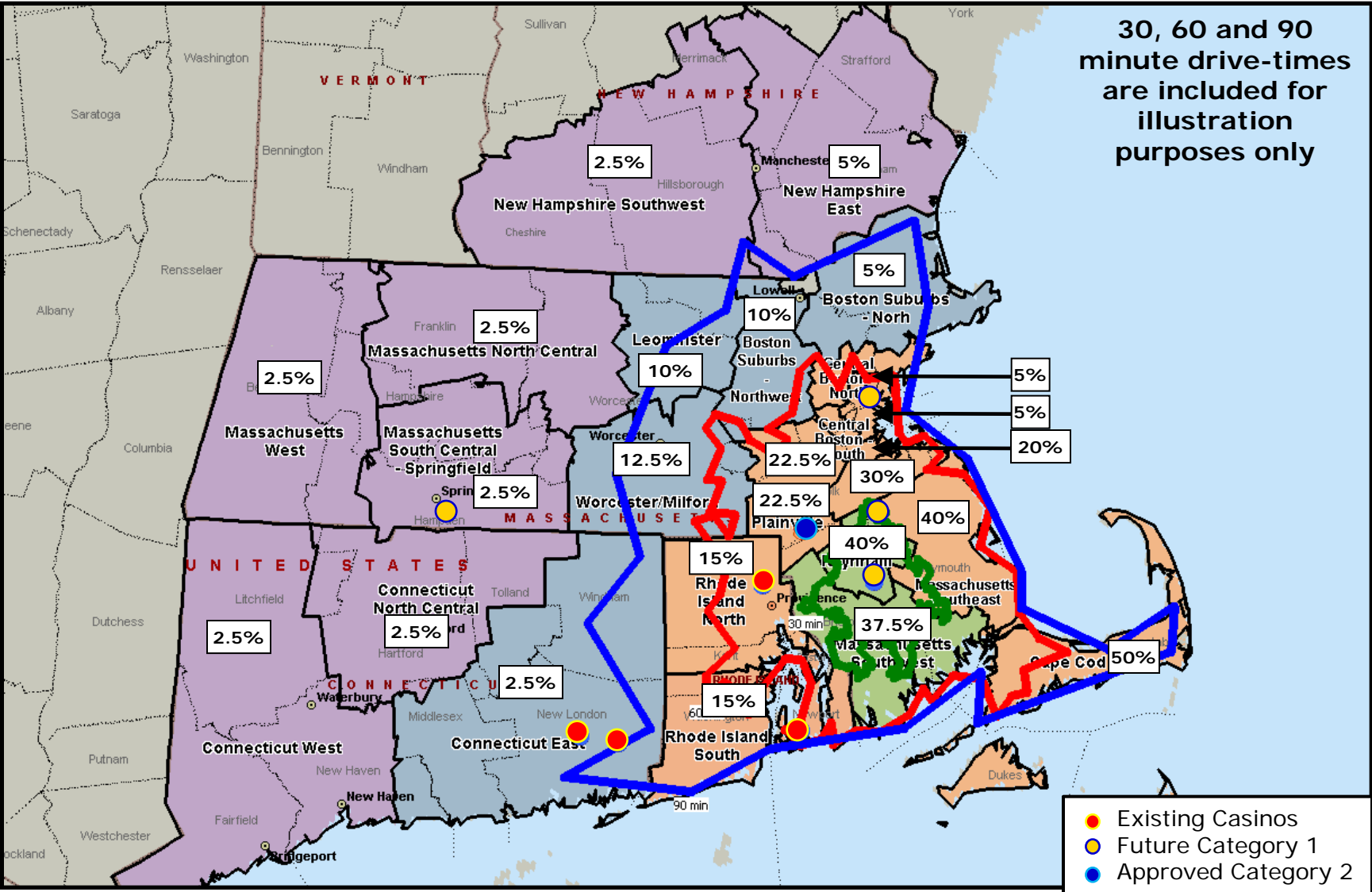
Sub-market areas have been organized (generally) by drive times for illustration purposes only.

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

Source: HLT Advisory Inc. estimates.

# Market Shares: Full Competition – Scenario 2

## Region C (Taunton) – Market Shares Results



# Market Shares: Full Competition – Scenario 2

## Region C (Taunton) – Market Shares Results

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

<b>Taunton (Region C) Category 1 Casino - Summary of GGR Estimates (Scenario 2)</b>				
<b>Market Areas</b>	<b>Market Shares</b>	<b>At \$300/ Adult</b>	<b>Blended GGR/ Adult</b>	<b>At \$350/ Adult</b>
Raynham	40.0%	\$17,358,960	\$21,698,700	\$20,252,120
Massachusetts Southwest	37.5%	\$35,717,063	\$38,693,484	\$41,669,906
<b>Markets Within 0-30 Minutes</b>		<b>\$53,076,023</b>	<b>\$60,392,184</b>	<b>\$61,922,026</b>
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	20.0%	\$13,706,520	\$14,848,730	\$15,990,940
Boston Suburbs - South	30.0%	\$16,140,330	\$17,485,358	\$18,830,385
Boston Suburbs - Southwest	22.5%	\$12,676,500	\$13,732,875	\$14,789,250
Plainville	22.5%	\$6,941,025	\$8,676,281	\$8,097,863
Massachusetts Southeast	40.0%	\$27,674,280	\$29,980,470	\$32,286,660
Cape Cod	50.0%	\$29,158,500	\$26,728,625	\$34,018,250
Rhode Island North	15.0%	\$26,078,400	\$32,598,000	\$30,424,800
Rhode Island South	15.0%	\$8,518,995	\$10,648,744	\$9,938,828
<b>Markets Within 30-60 Minutes</b>		<b>\$158,417,550</b>	<b>\$175,636,395</b>	<b>\$184,820,475</b>
Boston Suburbs - North	5.0%	\$7,598,640	\$6,965,420	\$8,865,080
Boston Suburbs - Northwest	10.0%	\$9,460,650	\$8,672,263	\$11,037,425
Leominster	10.0%	\$4,503,420	\$4,128,135	\$5,253,990
Worcester/Milford	12.5%	\$14,811,900	\$16,046,225	\$17,280,550
Connecticut East	2.5%	\$3,516,458	\$4,395,572	\$4,102,534
<b>Markets Within 60-90 Minutes</b>		<b>\$39,891,068</b>	<b>\$40,207,614</b>	<b>\$46,539,579</b>
New Hampshire East	5.0%	\$6,802,395	\$6,235,529	\$7,936,128
New Hampshire Southwest	2.5%	\$2,012,325	\$1,844,631	\$2,347,713
Massachusetts North Central	2.5%	\$839,190	\$909,123	\$979,055
Massachusetts South Central - Springfield	2.5%	\$3,262,763	\$4,078,453	\$3,806,556
Massachusetts West	2.5%	\$821,798	\$753,314	\$958,764
Connecticut North Central	2.5%	\$5,507,745	\$5,966,724	\$6,425,703
Connecticut West	2.5%	\$10,371,293	\$9,507,018	\$12,099,841
<b>Markets Beyond 90-Minutes</b>		<b>\$29,617,508</b>	<b>\$29,294,792</b>	<b>\$34,553,759</b>
<b>Subtotal Market Area</b>		<b>\$281,002,148</b>	<b>\$305,530,986</b>	<b>\$327,835,839</b>

Source: HLT Advisory Inc. estimates.

## Market Shares: Scenario Summary

In HLT's original analysis, gaming revenue from the HLT defined market area generated by a Region C casino ranged from \$346.7 million to \$404.5 million.

In Scenario 1, Region C casinos generate between \$446.2 million (Taunton-\$219 million and Brockton-\$227 million) and \$520.6 million (Taunton-\$256 million and Brockton-\$265 million).

In Scenario 2, Region C casinos generate between \$466.9 million (Taunton-\$281 million and Brockton-\$186 million) and \$544.7 million (Taunton-\$328 million and Brockton-\$217 million).

<b>HLT Market Assessment Scenarios</b>										
	HLT Market Assessment (Original Analysis)*			HLT Market Assessment (Region C Scenario 1)			HLT Market Assessment (Region C Scenario 2)			
	Existing**	@\$300	@\$321	@\$350	@\$300	@\$321	@\$350	@\$300	@\$321	@\$350
Casino Win (\$millions)										
Region A		\$705.2	\$749.2	\$822.7	\$689.4	\$732.0	\$804.3	\$686.3	\$728.6	\$800.7
Region B		\$416.2	\$452.9	\$485.6	\$410.4	\$446.6	\$478.8	\$410.4	\$446.6	\$478.8
Region C (Taunton)		\$346.7	\$369.6	\$404.5	\$219.1	\$236.0	\$255.6	\$281.0	\$305.5	\$327.8
Region C (Brockton)					\$227.1	\$244.7	\$265.0	\$185.9	\$199.9	\$216.9
Slot Facility		\$126.0	\$143.1	\$147.0	\$89.0	\$101.2	\$103.8	\$86.1	\$97.8	\$100.4
Total Massachusetts		\$1,594.1	\$1,714.8	\$1,859.8	\$1,635.0	\$1,760.4	\$1,907.6	\$1,649.7	\$1,778.4	\$1,924.7
Rhode Island	\$612.4	\$235.4	\$275.4	\$274.7	\$220.7	\$259.3	\$257.5	\$206.0	\$241.4	\$240.4
Conneticut	\$1,313.7	\$775.3	\$806.3	\$904.5	\$749.1	\$776.7	\$873.9	\$749.1	\$776.7	\$873.9
Total Market Area Win (\$millions)	\$1,926.1	\$2,604.8	\$2,796.5	\$3,039.0	\$2,604.8	\$2,796.5	\$3,039.0	\$2,604.8	\$2,796.5	\$3,039.0

*Source: HLT Advisory Inc. based on data from the State of Connecticut, Rhode Island Lottery, and HLT estimates.*

*\* Original analysis was completed as part of the Region A, Region B, and Category 2 evaluation processes.*

*\*\* Existing revenue based on FY2015 win derived from the HLT market area.*

# Market Shares: Annual Gaming Tax Summary

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

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

<b>Tax to the State Under Full Competition Scenarios (With &amp; Without Brockton)</b>						
<b>Based on Blended Win/Adult*</b>						
	Category 2	Category 1				
	Plainville	Boston	Springfield	Brockton	Taunton	Total State
<i>1) Full Competition (Original Analysis)**</i>						
Gross Gaming Revenue	\$143,126,614	\$749,241,459	\$452,862,066	n.a.	\$369,566,611	\$1,714,796,750
Tax Rate	49%	25%	25%	n.a.	17%	
Total Gaming Tax	\$70,132,041	\$187,310,365	\$113,215,517	n.a.	\$62,826,324	\$433,484,246
<i>2) Full Competition (With Brockton)- Scenario 1</i>						
Gross Gaming Revenue	\$101,158,248	\$732,023,781	\$446,601,071	\$244,669,835	\$235,995,382	\$1,760,448,317
Tax Rate	49%	25%	25%	25%	0%	
Total Gaming Tax	\$49,567,542	\$183,005,945	\$111,650,268	\$61,167,459	\$0	\$405,391,213
<i>3) Full Competition (With Taunton Advantage)- Scenario 2</i>						
Gross Gaming Revenue	\$97,773,073	\$728,641,814	\$446,601,071	\$199,860,551	\$305,530,986	\$1,778,407,495
Tax Rate	49%	25%	25%	25%	0%	
Total Gaming Tax	\$47,908,806	\$182,160,454	\$111,650,268	\$49,965,138	\$0	\$391,684,665
Impact on Gaming Tax (1-2)	-\$20,564,499	-\$4,304,420	-\$1,565,249	\$61,167,459	-\$62,826,324	-\$28,093,033
Impact on Gaming Tax (1-3)	-\$22,223,235	-\$5,149,911	-\$1,565,249	\$49,965,138	-\$62,826,324	-\$41,799,581
<i>Source: HLT Advisory Inc. estimates.</i>						
<i>n.a.: Not Applicable</i>						
<i>* Based on \$375/adult in casino market areas, \$325/adult for adjacent casino market areas and \$275/adult for all other market areas.</i>						
<i>** Based on results under the Full Competition with Blended GGR/Adult.</i>						

# Reasonableness of Applicant's Revenue Projections

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

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

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

HLT's market assessment acknowledged that Category 1 casinos could generate revenue from beyond the defined market area (termed "inflow") but did not provide specific estimates. The ability of each casino to generate inflow is based on the location and amount of competition in the area beyond the defined market area as well as casino specific targeted marketing programs. That said, HLT would expect that a regional resort casino (Category 1 casinos) would generate 10% to 20% of its total gaming revenue from outside its defined market area ("inflow").



# Reasonableness of Applicant's Revenue Projections Brockton/MG&E

Market Assessment prepared by The Innovation Group ("IG"):

- Market includes most of Massachusetts, Rhode Island, Central and Eastern Connecticut and southern New Hampshire
- Adult population in market are 8.1 million, increasing to 8.4 million by 2020
- Casino characteristics – 2,100 slots, 124 tables, 250-room hotel and complementary amenities
- Competitive environment includes:
  - Plainville, Springfield and Everett in Massachusetts
  - Twin River & New port in Rhode Island
  - Mohegan Sun & Foxwoods in Connecticut
  - Schenectady and Monticello in New York

*Note: The impact of a casino in Taunton was assessed separately from main market assessment report.*



# Reasonableness of Applicant's Revenue Projections

## Brockton/MG&E

IG's market assessment estimated that Brockton/MG&E will generate \$404 million in GGR in its first stabilized year (Year 2) of operations:

- 84.9% from Massachusetts;
- 8.0% from the rest of Rhode Island , Connecticut and part of New Hampshire; and
- 7.1% from outside of the defined market area.

IG also provided a market assessment scenario that includes a tribal casino in Taunton. In this scenario, IG estimated Brockton/MG&E will generate \$327 million in GGR in its first stabilized year (Year 2) of operations. IG did not provide a detailed breakdown of this GGR by market area nor did they define the size and scope of the Tribal Casino.

<b>Brockton/MG&amp;E Market Assessment Win Projections</b>				
Market Area	No Tribal Casino		Tribal Casino	
	Year 2	%	Year 2	%
Brockton Primary	\$129.2	32.0%	n/p	n/p
Plainridge	\$25.9	6.4%	n/p	n/p
South Shore	\$24.8	6.1%	n/p	n/p
Southern Mass	\$18.2	4.5%	n/p	n/p
Cape Cod	\$4.2	1.0%	n/p	n/p
Worcester	\$10.9	2.7%	n/p	n/p
West Boston	\$16.1	4.0%	n/p	n/p
Boston South	\$66.9	16.5%	n/p	n/p
Boston North	\$16.1	4.0%	n/p	n/p
North Shore	\$27.3	6.8%	n/p	n/p
Leominster	\$2.4	0.6%	n/p	n/p
NW Mass	\$0.6	0.1%	n/p	n/p
Springfield	\$0.8	0.2%	n/p	n/p
<b>Subtotal Mass</b>	<b>\$343.4</b>	<b>84.9%</b>	<b>n/p</b>	<b>n/p</b>
CT	\$4.0	1.0%	n/p	n/p
RI	\$24.4	6.0%	n/p	n/p
Tertiary North	\$4.0	1.0%	n/p	n/p
<b>Subtotal Other</b>	<b>\$32.4</b>	<b>8.0%</b>	<b>n/p</b>	<b>n/p</b>
Out-Of-Market	\$28.7	7.1%	n/p	n/p
<b>Total*</b>	<b>\$404.3</b>	<b>100.0%</b>	<b>\$327.0</b>	<b>n/p</b>
<i>Source: The Innovation Group, Gaming Market Analysis, Brockton Fairgrounds Casino, August 2015</i> n/p-Not provided.				

# Reasonableness of Applicant's Revenue Projections Brockton/MG&E

Brockton/MG&E's casino will generate \$375.6 million or 92.9% of its gaming revenue from HLT's defined market area. This amount is consistent with HLT's estimates at the blended win/adult level. In addition, MG&E expects to generate inflow of about \$28.7 million or 7.1% of gaming revenue.

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

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

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

# Reasonableness of Applicant's Revenue Projections Brockton/MG&E

Based on information contained in IG's market assessment and HLT projections, projected win levels for a Brockton Casino with two Region C Casinos can be compared. Note: IG's projections include inflow (~7%) and HLT's projections do not include inflow.

In Scenario 1 and Scenario 2, HLT projects a lower win level at Brockton casino when compared to IG's projection. IG has projected significantly less revenue at the Boston and Springfield casinos with the introduction of two Region C casinos.

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

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

n.a. - Not applicable.

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

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

# Reasonableness of Applicant's Revenue Projections

## Summary

- MG&E's revenue projections are consistent with HLT's market assessment in the no tribal casino scenario. Further, MG&E's inflow estimates are reasonable and consistent with their marketing program submitted (i.e., "local focused" casino, ~7% inflow).
- In MG&E's tribal casino scenario, they believe they can effectively compete with the Taunton casino (with no gaming tax) for a share of the Greater Boston market. This belief is based on their location relative to the Greater Boston area population base and their experience operating in competitive markets (i.e. Philadelphia, Chicago, and Pittsburgh). HLT's Scenario 1 (assumes both casinos are of a similar size and scope) aligns with this belief (no competitive advantage for the Taunton casino).
  - MG&E's estimate of \$327 million is aggressive (above higher end of expected range) compared to HLT's estimated range of \$252 to \$294 million (assumed 10% inflow).

While MG&E does not contemplate a scenario in which Taunton has a competitive advantage (e.g. either through increased marketing spend and/or greater size and scope of facility), HLT's Scenario 2 considers the potential impact of this competitive advantage (difficult to fully appreciate/quantify due to lack of project details). HLT's Scenario 2 estimated range of \$207 to \$241 million (assumed 10% inflow) is well below MG&E's projected gaming revenue of \$327 million.

# Investment Plan

Massachusetts Gaming Commission

April 2016



# Investment Plan: Introduction

The suitability of the proposed physical facility/complex plan to compete in the market over the life of the license.

Key issues to investigate:

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

Note: Throughout this section, data from MGM/Springfield's and Wynn/Everett's applications are presented for comparison purposes only. This data has been updated (where applicable) to reflect development phase revisions as of February 2016.

# Required Capital: Introduction

## Expectations of Applicant:

- Provide evidence that the 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.



# Required Capital: Eligible vs. Ineligible Costs

Brockton/MG&E estimated \$505.4 million of eligible capital costs. Included in this total is legal fees (related to financing) and contingency costs (both hard and soft). HLT interprets these costs as ineligible and estimates the total eligible capital costs to be \$478.3 million.

If Brockton/MG&E spends their full contingency amounts on eligible capital (\$22.1 million) they will meet the \$500 million eligible capital threshold.

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

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

# Project Timeline: Introduction

## 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.

# Project Timeline: Applicants' Proposed Timing

Brockton/MG&E anticipates construction to be completed 38-41 months after the license award. Brockton/MG&E's construction schedule is shorter than the current development period estimates for both Springfield/MGM and Everett/Wynn. It should be noted that both Springfield/MGM and Everett/Wynn indicated much shorter timelines as part of their original applications.

Brockton/MG&E's timeline is reasonable given the size and scope of the development and site location.

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

*Source: HLT Advisory Inc. based on Applicant's submission.*  
*\*Based on MGC's 2015 annual report.*  
*\*\*MG&E believes they may be able to open by the end of 2018 if MassDot approvals proceed favorably.*

# Consistency with Financials: Introduction

## Expectations of Applicant:

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

## Assessment Approach:

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

# Consistency with Financials: Project Overview

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

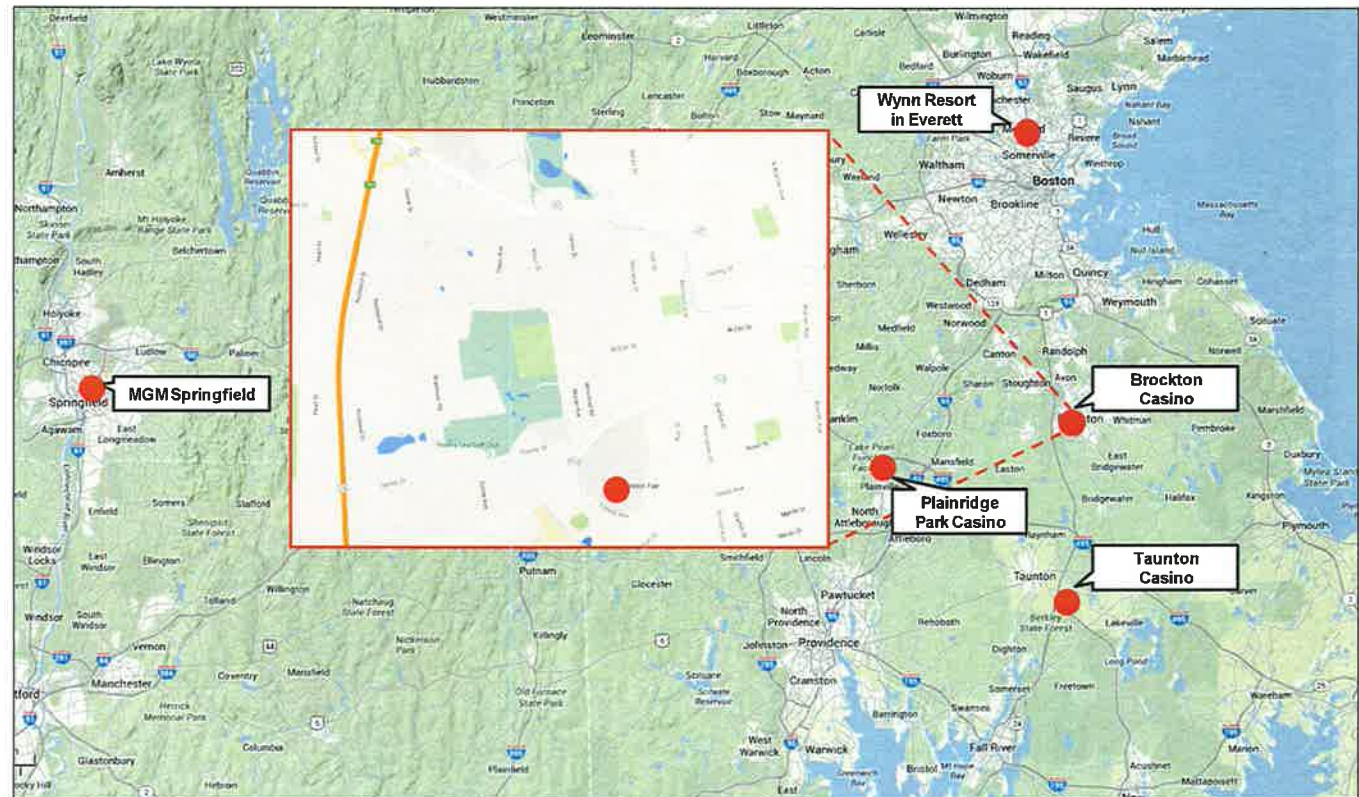
Source: HLT Advisory Inc. based on Applicant's submissions.  
 \*Based on MGM's 2015 annual report.  
 \*\*Everett/Wynn table games includes poker tables.  
 n.a.-Not available

# Consistency with Financials: Brockton/MG&E



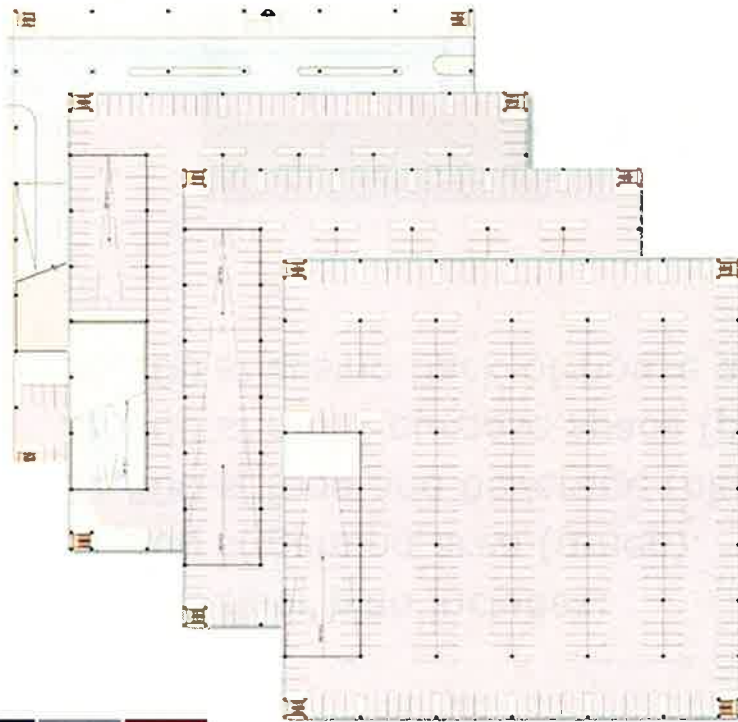
# Consistency with Financials: Brockton/MG&E

- Located in Brockton.
- Located on Belmont Street, the site of the Brockton Fairgrounds.



# Consistency with Financials: Brockton/MG&E

- The complex includes 3,003 parking spaces (1,407 in a 4 level parking structure and 1,596 outdoor).

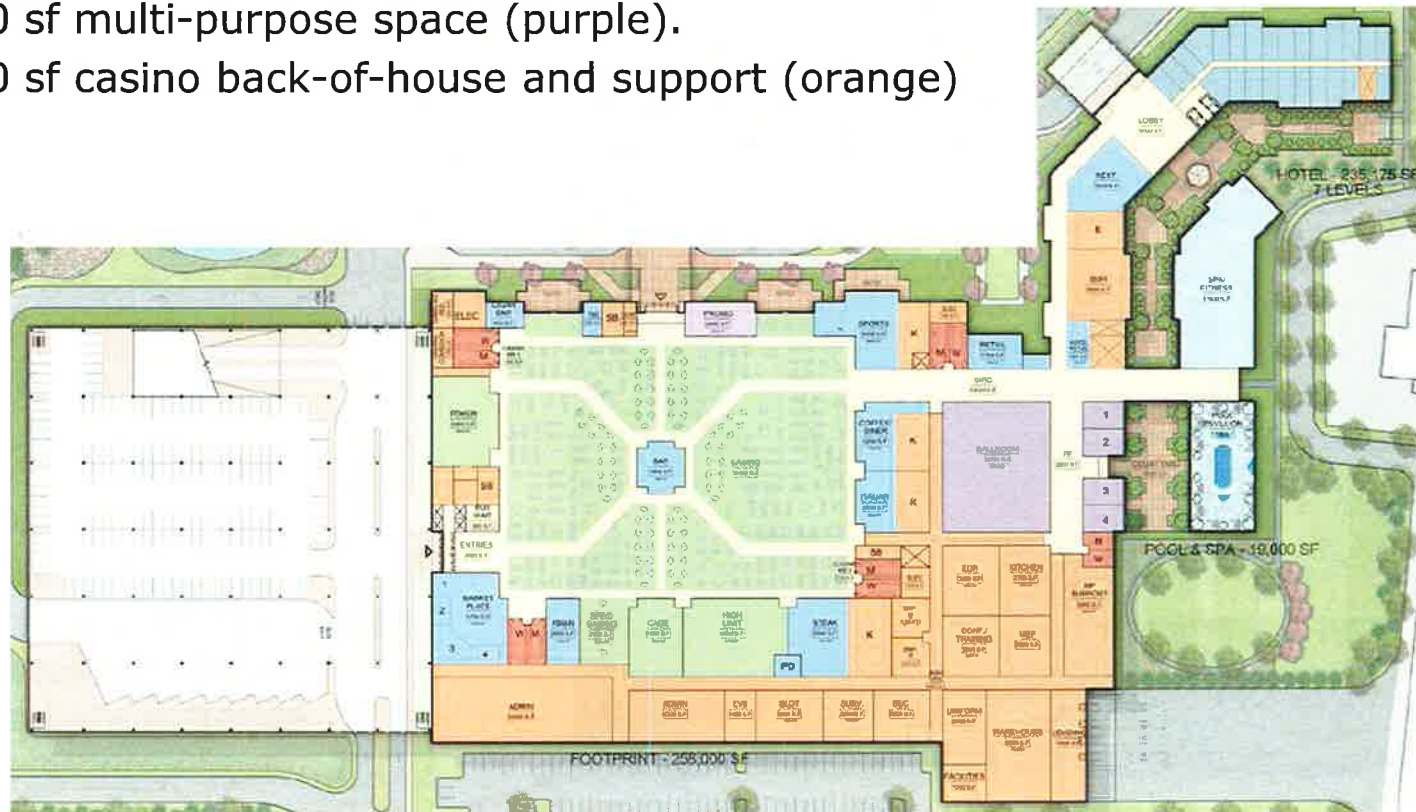




# Consistency with Financials: Brockton/MG&E

The casino floor plan includes:

- 91,900 sf gaming area (green).
- 32,800 sf food and beverage (blue).
- 28,900 sf multi-purpose space (purple).
- 36,200 sf casino back-of-house and support (orange)



# Consistency with Financials: Brockton/MG&E

- Casino complex includes a 250 room hotel (~680 sf/room).
- Also includes a 2,500 sf spa and a 1,500 sf fitness center.



# Consistency with Financials: Proposed Facilities Suitability

- Gaming square footage proposed at Brockton Casino is sufficient, despite being slightly below the 93,000 sf indicated based on gaming supply ratios used. Therefore, no expansion possible within existing footprint (without repurposing non-gaming space to gaming space).
- Proposed F&B seats per position of ~0.3 is good given typical industry norms (0.25 seats per gaming position).
- Proposed parking spaces per position 1.05 is consistent with typical industry norms (1:1).

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

Source: HLT Advisory Inc. based on Applicant's submissions and HLT estimates.  
 \*Based on MGC's 2015 annual report.  
 \*\*Assumes 6 positions per table game.  
 \*\*\*Assumes 30 sf per slot machine and 300 sf per table game.  
 \*\*\*\*Includes third party operated F&B at Everett/Wynn.

# Market Assessment Appendices

Massachusetts Gaming Commission  
April 2016

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- Appendix A: Summary of Spectrum 2010 Report
- Appendix B: Comparison Markets
- Appendix C: “Full Competition” Detailed Tables
- Appendix D: “Scenarios 1 and 2” Detailed Tables

# Appendix A: Spectrum 2010 Report

In February 2008, Spectrum was retained by the Commonwealth of Massachusetts to analyze the proposal to authorize three commercial destination casino resorts in the State and to project its potential impacts. The report was titled "*Comprehensive Analysis: Projecting and Preparing for Potential Impact of Expanded Gaming on Commonwealth of Massachusetts*" and dated August 1, 2008 ("Spectrum 2008 Report").

In 2010, Spectrum updated the original estimates prepared in 2008. The updated report was titled "*Market Analysis, Gross Gaming Revenue Projections: An Update*" and dated March 31, 2010 ("Spectrum 2010 Report").

It should be noted, that Spectrum did not consider the introduction of a Category 2 (slots only) facility in the State in both of their reports.

The following pages provide a summary of the Spectrum 2010 Report.

# Appendix A: Spectrum 2010 Report Assumptions

- Three resort casinos, each located in the geographic centre of the three designated regions.

*Note: Spectrum refers to Region 1, Region 2 and Region 3. Region 1 is located in northeast Massachusetts (currently known as Region A). Region 2 is located in southeast Massachusetts (currently known as Region C) and Region 3 is central/western Massachusetts (currently known as Region B).*

- Market area based on a 2-hour drive time from each resort casino location. Market area population calculated based on both counties and zip codes.
- Three year projections for each resort casino:
  - Opening Year One (2014)
  - Ramp-up Year Two (2015)
  - Stabilized Year Three (2016)
- Report contains three sets of projections/presentations (i.e., Primary, Secondary and Alternate Presentation). Each set contains projections under a slow, a moderate and a high case.

# Appendix A: Spectrum 2010 Report Assumptions

- Each set of projections/presentations can be summarized as follows:
  1. Primary Presentation assumes the following:
    - Two-hour drive time population estimates based on county level geography.
    - Year three (stabilized year) – each facility will capture 20.0% of total visits generated from market area.
    - Each casino with 3,000 slots, 100 tables, 40 poker tables and 2,000-room hotel.
  2. Secondary Presentation assumes the following:
    - Two-hour drive time population estimates based on zip code level geography.
    - Year three (stabilized year) – each facility will capture 20.0% of total visits generated from market area.
    - Each casino with 3,000 slots, 100 tables, 40 poker tables and 2,000-room hotel.



# Appendix A: Spectrum 2010 Report Assumptions

## 3. Alternate Presentation assumes the following:

- Two-hour drive time population estimates based on zip code level geography.
- Region 1 casino with 5,000 slots, 160 tables, 70 poker tables and 2,000-room hotel.
- Region 2 and 3 casinos with 2,500 slots, 100 tables, 40 poker tables and 1,500-room hotel.
- Year three (stabilized year) – each facility's share of total market visitation based on Spectrum's gravity model:
  - Region 1 (Boston) = 40.2%
  - Region 2 = 19.5%
  - Region 3 = 20.7%

# Appendix A: Spectrum 2010 Report Assumptions

- Key revenue modeling assumptions:
  - Adult population: 73.2% of total population (US Census Bureau)
  - Gaming Incidence Rate: 28.0% (Harrah's National Survey)
  - Avg. Annual Trips: 6.7 (Harrah's National Survey)
  - Region's Share of Visits: 20.0% for each region for primary and secondary projections. Alternative projection estimated at 40.2% for Region 1, 19.5% for Region 2 and 20.7% for Region 3
  - Gaming Value of Visits: \$150 (based on Atlantic City Model), but adjusted by region and future inflation
  - Gross Slot Win: 68.1% of total GGR (Atlantic City Average)
  - Gross Table Win: 29.9% of total GGR (Atlantic City Average)
  - Gross Poker Win: 2.0% of total GGR (Atlantic City Average)
  - Tax Rate: 27.0% of GGR after \$100,000 minimum
  - Incremental GGR from hotel estimated based on:
    - \* Casino to capture 36.0% of total hotel visitors
    - \* Each captured visitor to spend 2.5 times the amount of gaming value/visit

# Appendix A: Spectrum 2010 Report

## Primary Projections - Results

Table below presents the results for Year Three (2016) under the moderate case.

<b>Primary Presentation (Moderate Scenario) - Year 3</b>				
	Region 1	Region 2	Region 3	State-Wide
<i>Market Area Win</i>				
Adult Population	7,938,447	7,186,209	7,296,008	9,426,446
Gaming Participation Rate	28%	28%	28%	28%
Gaming Population	2,222,765	2,012,139	2,042,882	2,639,405
Avg. Visits/Gaming Pop	6.7	6.7	6.7	6.7
Total Gaming Visits	14,892,527	13,481,328	13,687,311	17,684,013
Region's Share of Total	20.0%	20.0%	20.0%	47.6%
Total Region's Visit	2,978,505	2,696,266	2,737,462	8,412,233
Gaming Value/Visit	\$167	\$181	\$136	\$162
GGR from Market	\$496,700,731	\$488,999,275	\$373,365,810	\$1,359,065,816
<i>Incremental Win</i>				
Number of Rooms	2,000	2,000	2,000	6,000
Available Room Nights	730,000	730,000	730,000	2,190,000
Incremental Room Nights Capture Rate Beyond 2 hrs.	37%	37%	37%	37%
Incremental Room Nights Captured Beyond 2 hrs.	270,100	270,100	270,100	810,300
Gaming Value/Room	\$404	\$404	\$404	\$404
Incremental GGR from Hotel	\$109,092,222	\$109,092,222	\$109,092,222	\$327,276,665
<b>Total GGR</b>	<b>\$605,792,953</b>	<b>\$598,091,497</b>	<b>\$482,458,032</b>	<b>\$1,686,342,481</b>
<i>Source: Spectrum Gaming Group, Market Analysis, Gross Gaming Revenue Projections: An Update (prepared for the Massachusetts Legislature, March 31, 2010.</i>				

Note: HLT has assumed that incremental win from hotel rooms is not generated from the defined market area for the purposes of the analysis in this report.

# Appendix A: Spectrum 2010 Report

## Secondary Projections - Results

Table below presents the results for Year Three (2016) under the moderate case.

<b>Secondary Presentation (Moderate Scenario) - Year 3</b>				
	Region 1	Region 2	Region 3	State-Wide
<i>Market Area Win</i>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Gaming Participation Rate	28%	28%	28%	28%
Gaming Population	2,202,963	1,968,431	2,175,348	2,639,405
Avg. Visits/Gaming Pop	6.7	6.7	6.7	6.7
Total Gaming Visits	14,759,854	13,188,486	14,574,830	17,684,013
Region's Share of Total	20.0%	20.0%	20.0%	48.1%
Total Region's Visit	2,951,971	2,637,697	2,914,966	8,504,634
Gaming Value/Visit	\$167	\$181	\$136	\$161
GGR from Market	\$492,275,818	\$478,377,173	\$397,575,793	\$1,368,228,784
<i>Incremental Win</i>				
Number of Rooms	2,000	2,000	2,000	6,000
Available Room Nights	730,000	730,000	730,000	2,190,000
Incremental Room Nights Capture Rate Beyond 2 hrs.	37%	37%	37%	37%
Incremental Room Nights Captured Beyond 2 hrs.	270,100	270,100	270,100	810,300
Gaming Value/Room	\$404	\$404	\$404	\$404
Incremental GGR from Hotel	\$109,092,222	\$109,092,222	\$109,092,222	\$327,276,665
<b>Total GGR</b>	<b>\$601,368,040</b>	<b>\$587,469,395</b>	<b>\$506,668,015</b>	<b>\$1,695,505,449</b>
<i>Source: Spectrum Gaming Group, Market Analysis, Gross Gaming Revenue Projections: An Update (prepared for the Massachusetts Legislature, March 31, 2010.</i>				

Note: HLT has assumed that incremental win from hotel rooms is not generated from the defined market area for the purposes of the analysis in this report.

# Appendix A: Spectrum 2010 Report

## Alternate Projections - Results

Table below presents the results for Year Three (2016) under the moderate case.

<b>Alternate Presentation (Moderate Scenario) - Year 3</b>				
	Region 1	Region 2	Region 3	State-Wide
<i>Market Area Win</i>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Gaming Participation Rate	28%	28%	28%	28%
Gaming Population	2,202,963	1,968,431	2,175,348	2,639,405
Avg. Visits/Gaming Pop	6.7	6.7	6.7	6.7
Total Gaming Visits	14,759,854	13,188,486	14,574,830	17,684,013
Region's Share of Total	40.2%	19.5%	20.7%	65.2%
Total Region's Visit	5,933,461	2,571,755	3,016,990	11,522,206
Gaming Value/Visit	\$167	\$181	\$136	\$162
GGR from Market	\$989,474,395	\$466,417,744	\$411,490,946	\$1,867,383,085
<i>Incremental Win</i>				
Number of Rooms	2,000	1,500	1,500	6,000
Available Room Nights	730,000	547,500	547,500	2,190,000
Incremental Room Nights Capture Rate Beyond 2 hrs.	37%	37%	37%	37%
Incremental Room Nights Captured Beyond 2 hrs.	270,100	202,575	202,575	810,300
Gaming Value/Room	\$339	\$339	\$339	\$339
Incremental GGR from Hotel	\$109,716,982	\$82,287,736	\$82,287,736	\$274,292,454
<b>Total GGR</b>	<b>\$1,099,191,377</b>	<b>\$548,705,480</b>	<b>\$493,778,682</b>	<b>\$2,141,675,539</b>
<i>Source: Spectrum Gaming Group, Market Analysis, Gross Gaming Revenue Projections: An Update (prepared for the Massachusetts Legislature, March 31, 2010.</i>				

Note: HLT has assumed that incremental win from hotel rooms is not generated from the defined market area for the purposes of the analysis in this report.

# Appendix A: Spectrum 2010 Report

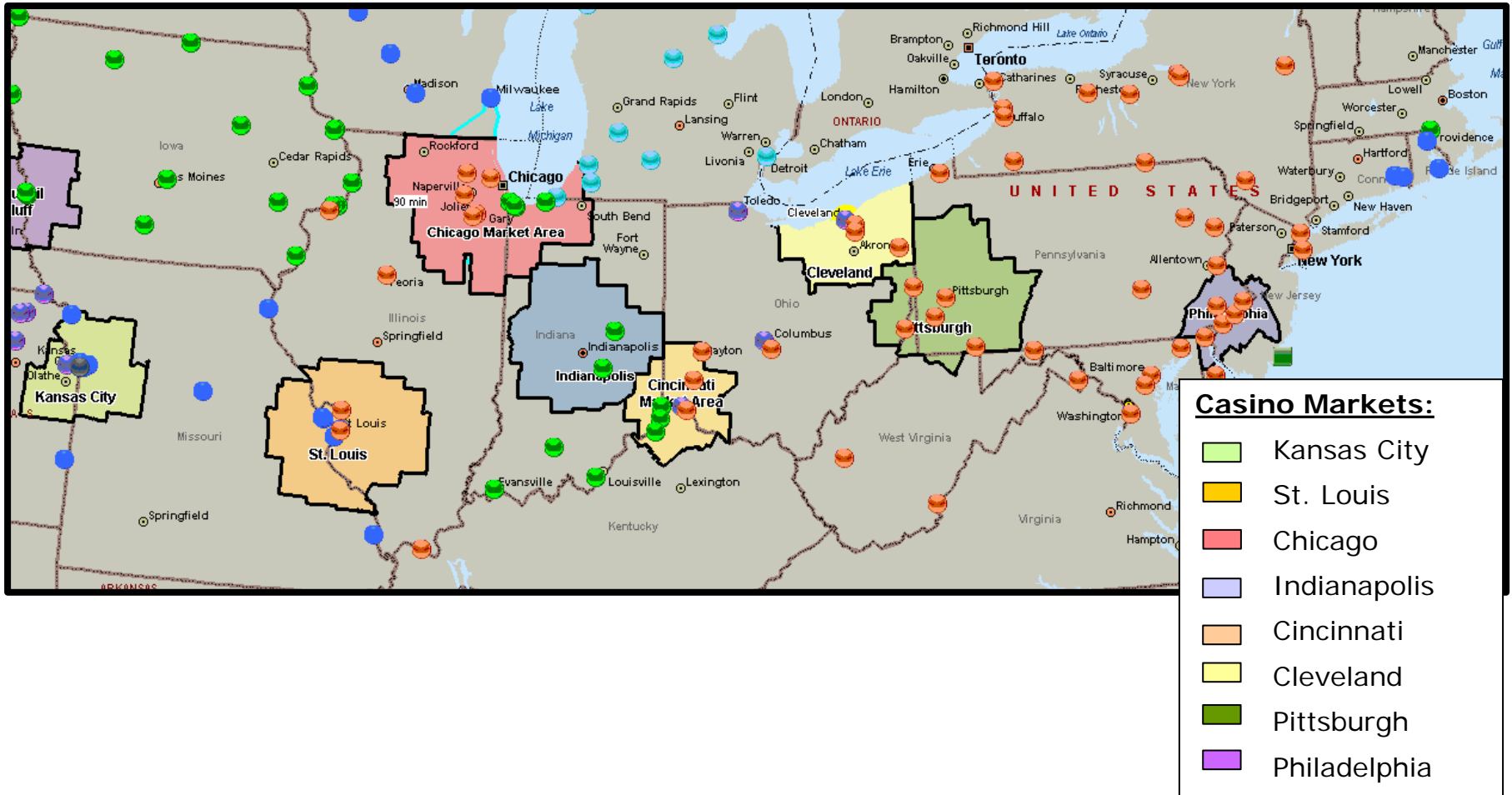
## Market GGR/Adult

Given the assumptions and results of the Spectrum 2010, the size of defined market area (not including incremental win from hotel rooms) ranges from \$250 to \$350 GGR per adult for each casino. Combine the total market has a GGR/adult rate of ~\$300.

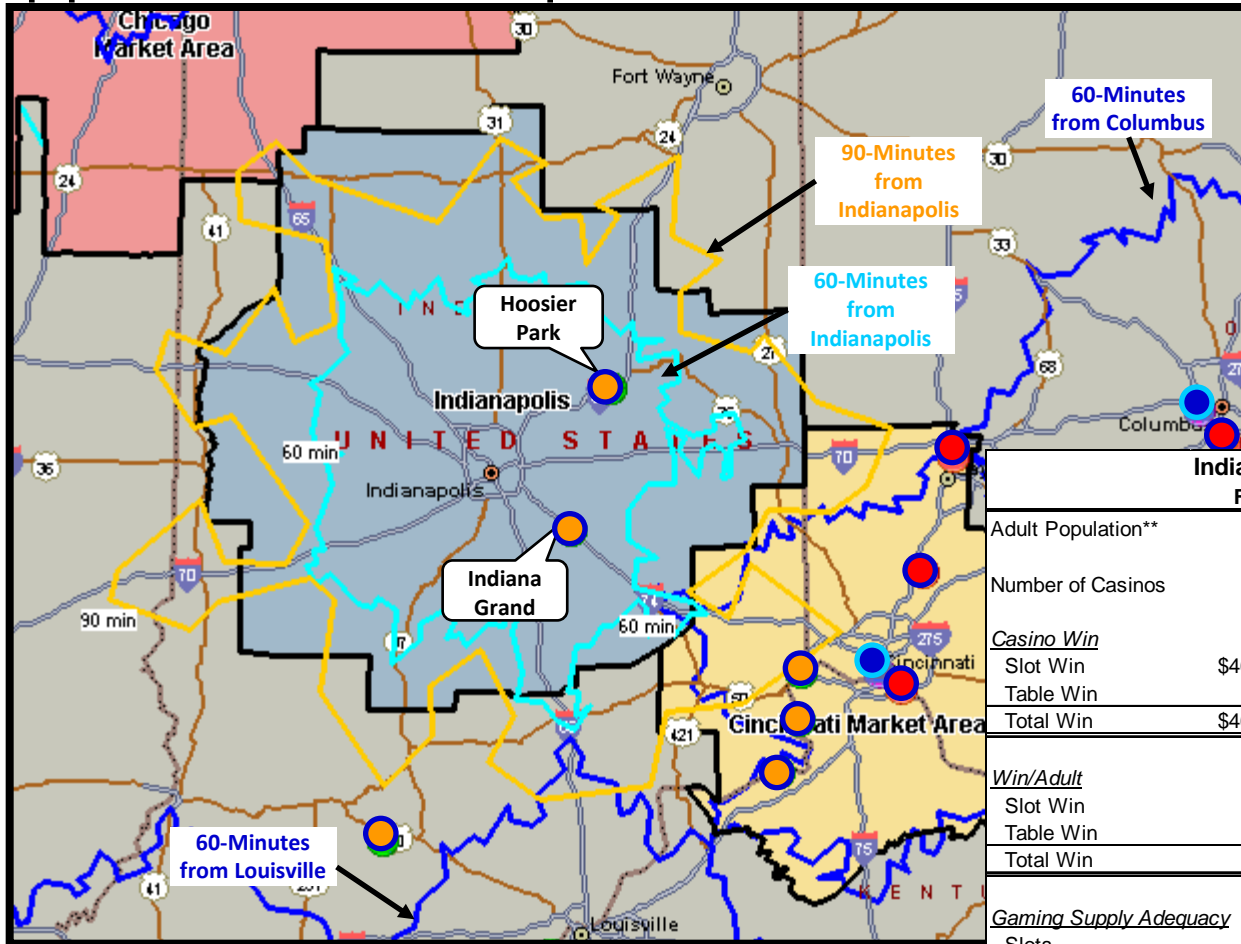
<b>Win/Adult Estimates Based on Spectrum 2010 Report</b>				
	Region 1	Region 2	Region 3	State
<b><u>Primary Presentation (Moderate Case)</u></b>				
Adult Population	7,938,447	7,186,209	7,296,008	9,426,446
Total GGR Captured by State Casinos	\$496,700,731	\$488,999,275	\$373,365,810	\$1,359,065,816
GGR/Adult Captured by State Casinos	\$63	\$68	\$51	\$144
State Share of total	20.0%	20.0%	20.0%	47.6%
Estimated Total Market GGR/Adult	<b>\$313</b>	<b>\$340</b>	<b>\$256</b>	<b>\$303</b>
<b><u>Secondary Presentation (Moderate Case)</u></b>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Total GGR Captured by State Casinos	\$492,275,818	\$478,377,173	\$397,575,793	\$1,368,228,784
GGR/Adult Captured by State Casinos	\$63	\$68	\$51	\$145
State Share of total	20.0%	20.0%	20.0%	48.1%
Estimated Total Market GGR/Adult	<b>\$313</b>	<b>\$340</b>	<b>\$256</b>	<b>\$302</b>
<b><u>Alternate Presentation (Moderate Case)</u></b>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Total GGR Captured by State Casinos	\$989,474,395	\$466,417,744	\$411,490,946	\$1,867,383,085
GGR/Adult Captured by State Casinos	\$126	\$66	\$53	\$198
State Share of total	40.2%	19.5%	20.7%	65.2%
Estimated Total Market GGR/Adult	<b>\$313</b>	<b>\$340</b>	<b>\$256</b>	<b>\$304</b>
<p><i>Source: HLT Advisory Inc. based on Spectrum Gaming Group, Market Analysis, Gross Gaming Revenue Projections: An Update (prepared for the Massachusetts Legislature, March 31, 2010 and HLT assumptions.</i></p>				

# Appendix B: Comparison Markets

For the purposes of the Region C market assessment, the list of comparable markets have been expanded to reconfirm size of market potential estimates.



# Appendix B: Comparison Markets - Indianapolis



- Indian Casinos
- Ohio Casinos
- Ohio Racetracks

Indianapolis Casino Market Area*				
	FY2012	FY2013	FY2014	FY2015
Adult Population**	2,206,916	2,231,102	2,250,910	2,273,844
Number of Casinos	2	2	2	2
<i>Casino Win</i>				
Slot Win	\$468,868,916	\$462,595,020	\$447,823,525	\$448,201,542
Table Win	n/a	n/a	n/a	n/a
Total Win	\$468,868,916	\$462,595,020	\$447,823,525	\$448,201,542
<i>Win/Adult</i>				
Slot Win	\$212	\$207	\$199	\$197
Table Win	n/a	n/a	n/a	n/a
Total Win	\$212	\$207	\$199	\$197
<i>Gaming Supply Adequacy</i>				
Slots	3,978	3,857	3,930	3,972
Adults/Slot	555	578	573	572

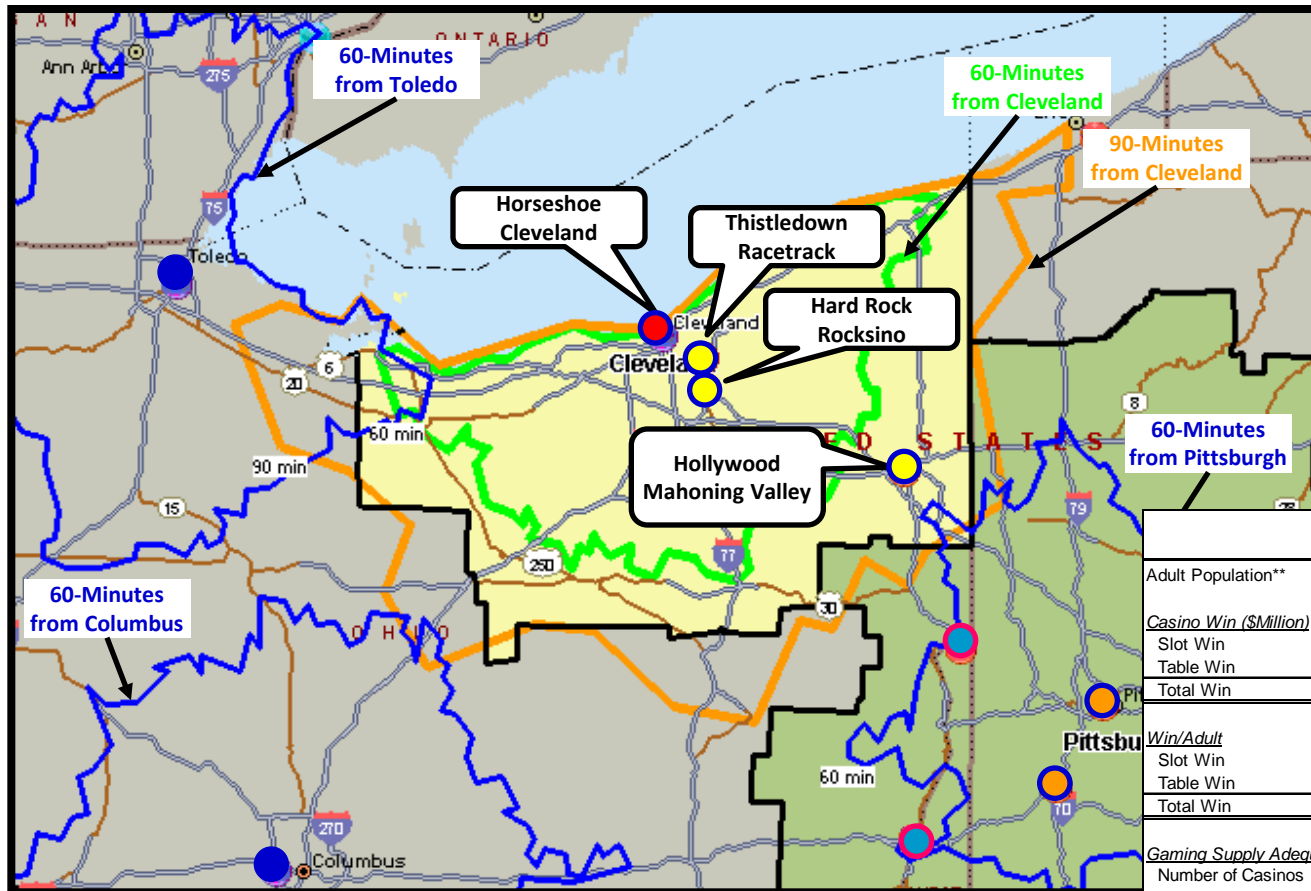
\* Based on counties within a 90-minutes drive time from Indianapolis - adjusted for overlaps.

\*\* Adult population 21+

Source: HLT Advisory Inc. based on Indiana Gaming Commission, US Census Bureau and HLT estimates.



# Appendix B: Comparison Markets - Cleveland



- Cleveland Casinos
- Cleveland Racetrack Casinos
- Other Ohio Casinos
- Pennsylvania Casinos
- West Virginia Casinos

Cleveland Casino Market Area*				
	FY2012	FY2013	FY2014	FY2015
Adult Population**	2,942,619	2,953,028	2,961,373	2,968,892
<i>Casino Win (\$Million)</i>				
Slot Win	\$31.4	\$194.7	\$357.4	\$501.6
Table Win	\$11.2	\$94.7	\$96.9	\$100.0
<b>Total Win</b>	<b>\$42.6</b>	<b>\$289.4</b>	<b>\$454.3</b>	<b>\$601.7</b>
<i>Win/Adult</i>				
Slot Win	\$11	\$66	\$121	\$169
Table Win	\$4	\$32	\$33	\$34
<b>Total Win</b>	<b>\$14</b>	<b>\$98</b>	<b>\$153</b>	<b>\$203</b>
<i>Gaming Supply Adequacy</i>				
Number of Casinos	1	2	3	4
Slots	2,083	2,968	4,999	6,081
Adults/Slot	1,413	995	592	488

\* Based on counties located between 60 to 90-minutes drive time from Cleveland - adjusted for competition.

\*\* Adult population 21+. Adult population in 2015 estimated based on historic growth from 2010 to 2014.

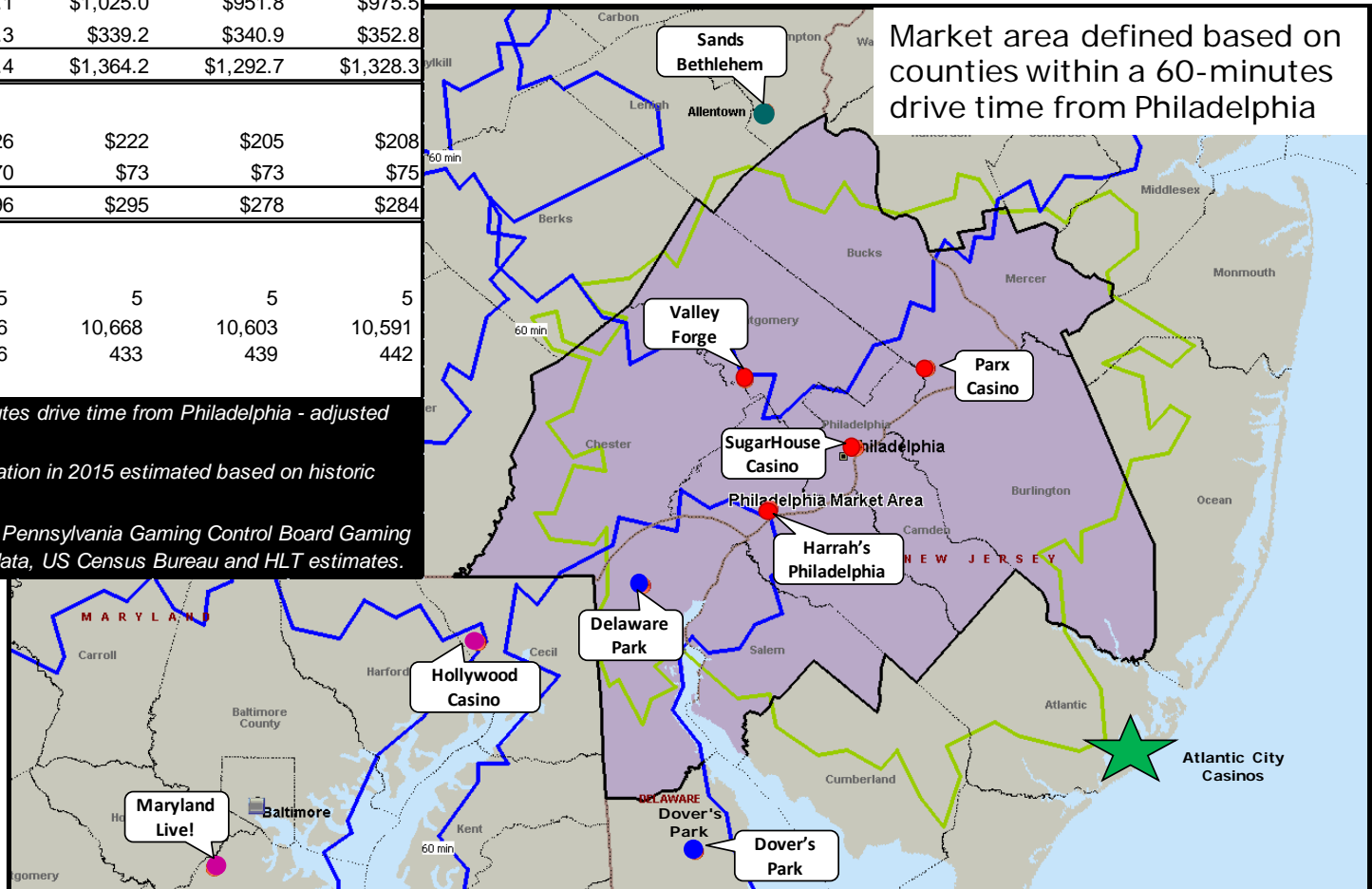
Source: HLT Advisory Inc. based on reports from the Ohio Casino Control Commission, Ohio State Racing Commission, US Census Bureau and HLT estimates.

# Appendix B: Comparison Markets - Philadelphia

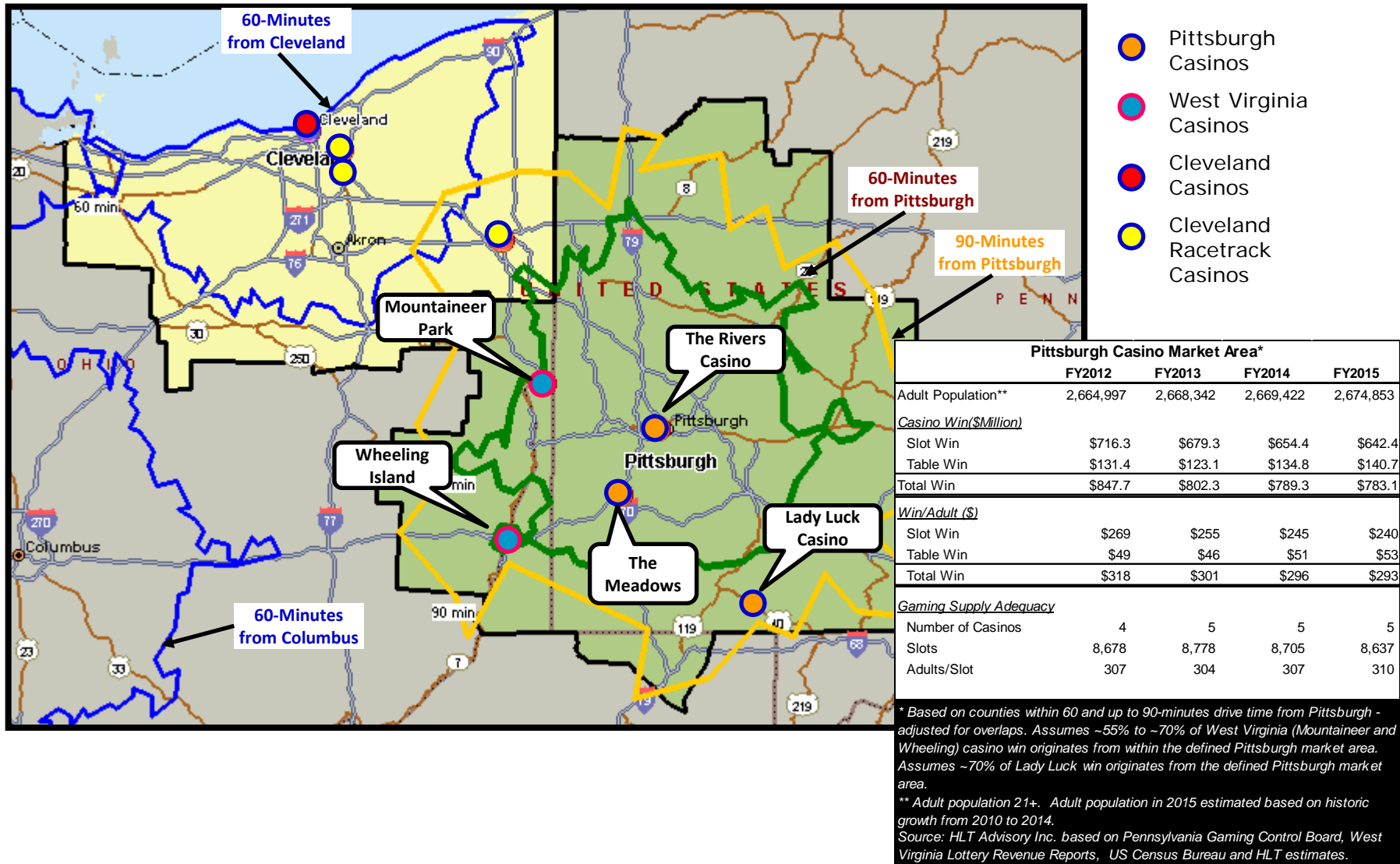
Philadelphia Casino Market Area*				
	FY2012	FY2013	FY2014	FY2015
Adult Population**	4,590,978	4,623,488	4,649,743	4,683,841
<u>Casino Win(\$Million)</u>				
Slot Win	\$1,037.1	\$1,025.0	\$951.8	\$975.5
Table Win	\$322.3	\$339.2	\$340.9	\$352.8
Total Win	\$1,359.4	\$1,364.2	\$1,292.7	\$1,328.3
<u>Win/Adult (\$)</u>				
Slot Win	\$226	\$222	\$205	\$208
Table Win	\$70	\$73	\$73	\$75
Total Win	\$296	\$295	\$278	\$284
<u>Gaming Supply Adequacy</u>				
Number of Casinos	5	5	5	5
Slots	11,046	10,668	10,603	10,591
Adults/Slot	416	433	439	442

\* Based on counties within a 60-minutes drive time from Philadelphia - adjusted for overlaps.  
 \*\* Adult population 21+. Adult population in 2015 estimated based on historic growth from 2010 to 2014.  
 Source: HLT Advisory Inc. based on Pennsylvania Gaming Control Board Gaming Revenue Reports, Delaware Lottery data, US Census Bureau and HLT estimates.

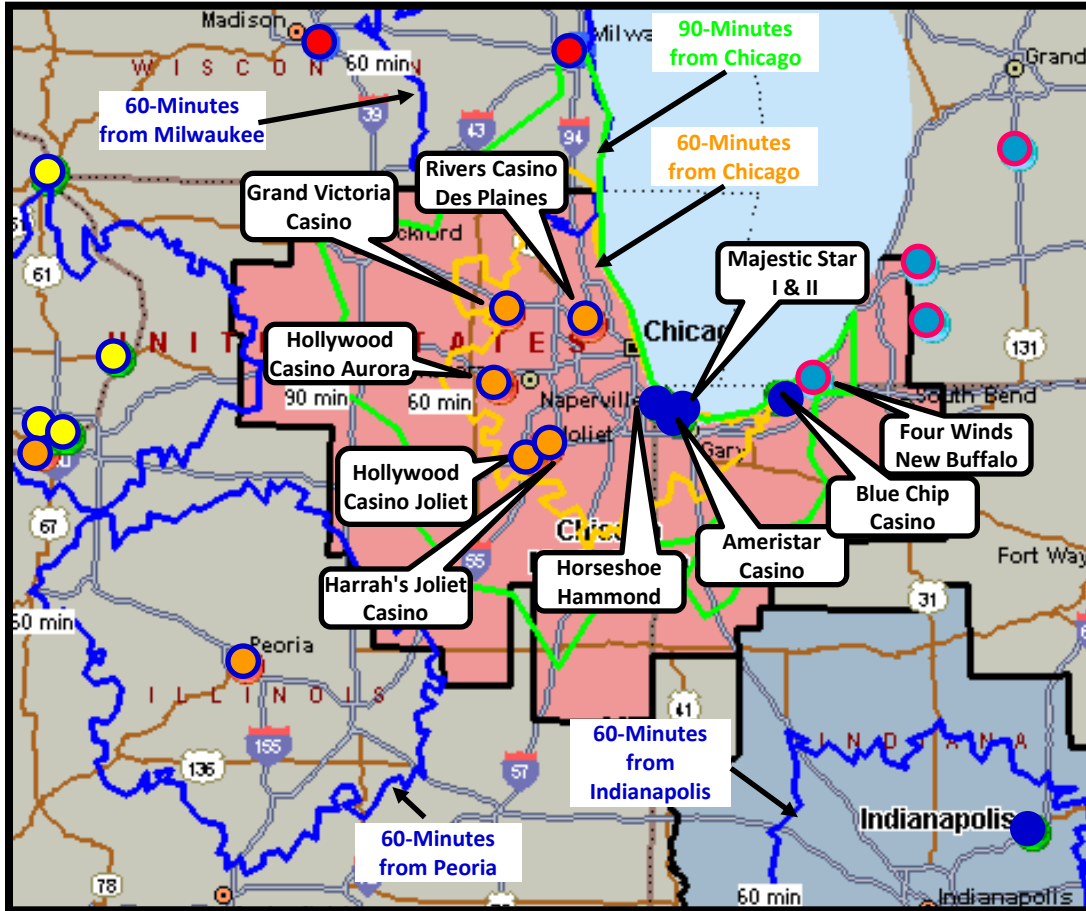
Note: A second casino licence in the city of Philadelphia has been awarded and is currently being developed (2,000 slots, 125 tables).



# Appendix B: Comparison Markets - Pittsburgh



# Appendix B: Comparison Markets - Chicago



- Illinois Casinos
- Michigan Casinos
- Wisconsin Casinos
- Iowa Casinos
- Indiana Casinos

Chicago Casino Market Area*				
	FY2012	FY2013	FY2014	FY2015
Adult Population**	7,653,259	7,707,335	7,747,323	7,796,680
Number of Casinos	11	11	11	11
<b>Casino Win</b>				
Slot Win	\$2,179	\$2,140	\$2,003	\$1,882
Table Win	\$452	\$465	\$459	\$476
Casino Win	\$2,631	\$2,605	\$2,462	\$2,358
<b>VLT Win</b>				
VLT Win	n.a.	\$49	\$206	\$368
Total Casino & VLT	\$2,631	\$2,654	\$2,668	\$2,726
<b>Win/Adult</b>				
Slot Win	\$285	\$278	\$259	\$241
Table Win	\$59	\$60	\$59	\$61
Total Win	\$344	\$338	\$318	\$302
VLT Win	n.a.	\$6	\$27	\$47
Total Casino & VLT	\$344	\$344	\$344	\$350
<b>Gaming Supply Adequacy</b>				
Slots	17,346	17,616	16,970	16,567
Adults/Slot	441	438	457	471
VLTs	n.a.	2,862	7,484	9,351
Adults/VLT	n.a.	2,693	1,035	834
Slots & VLTs	17,346	20,478	24,454	25,918
Adults/EGD	441	376	317	301

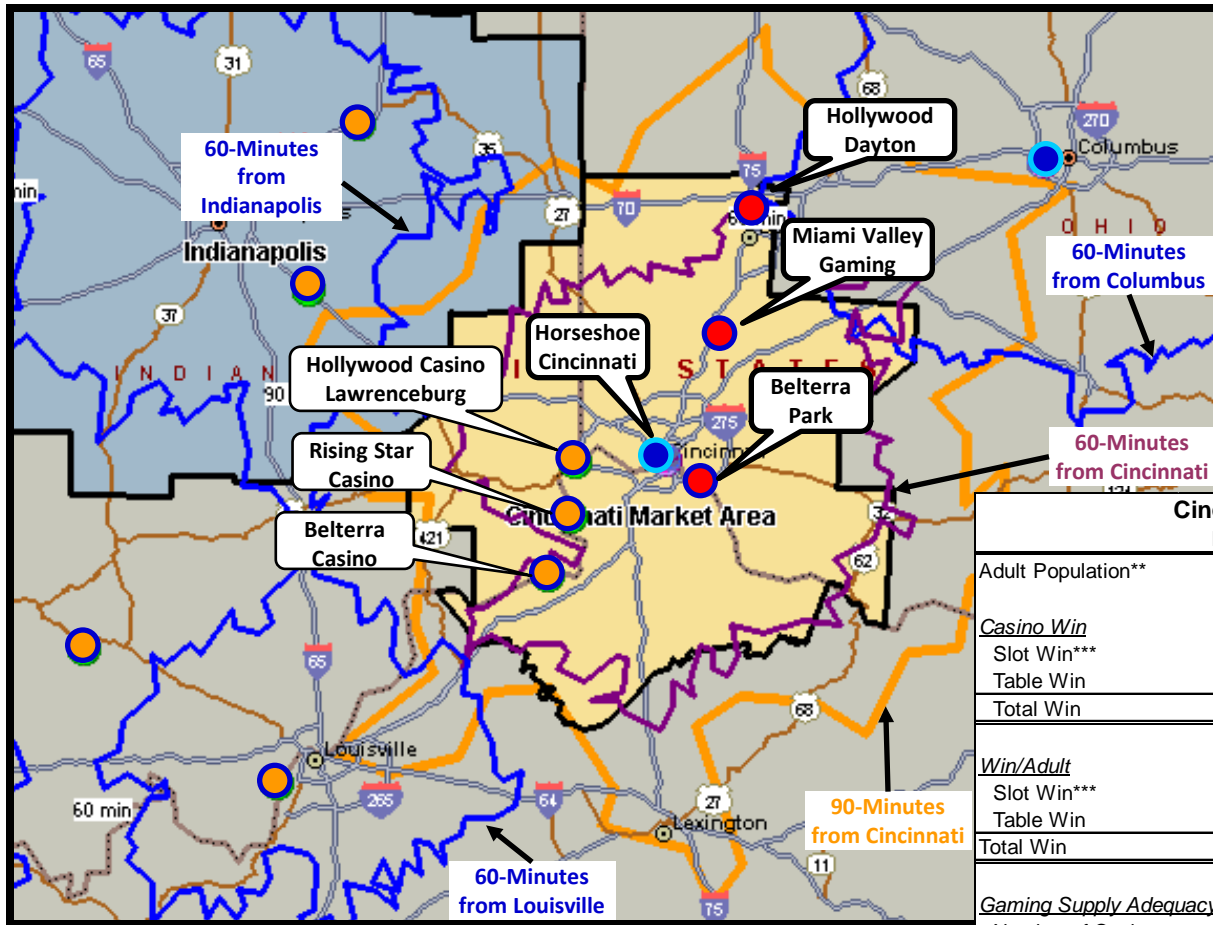
\* Based on counties within a 90-minutes drive time from Chicago - adjusted for overlaps.

\*\* Adult population 21+

Source: HLT Advisory Inc. based on Illinois Gaming Board, Indiana Gaming Commission, Michigan Gaming Control Board, Journal Interactive, US Census Bureau and HLT estimates.

Note: HLT believes that a portion of the VLT revenue is competitive with casinos.

# Appendix B: Comparison Markets – Cincinnati



- Indian Casinos
- Ohio Casinos
- Ohio Racetracks

Cincinnati Casino Market Area*				
	FY2012	FY2013	FY2014	FY2015
Adult Population**	2,034,120	2,045,388	2,057,014	2,068,169
<i>Casino Win</i>				
Slot Win***	\$577.0	\$535.8	\$568.5	\$662.3
Table Win	\$94.4	\$95.1	\$114.3	\$113.6
Total Win	\$671.4	\$630.9	\$682.8	\$775.9
<i>Win/Adult</i>				
Slot Win***	\$284	\$262	\$276	\$320
Table Win	\$46	\$47	\$56	\$55
Total Win	\$330	\$308	\$332	\$375
<i>Gaming Supply Adequacy</i>				
Number of Casinos	3	4	6	7
Slots***	5,905	7,234	9,681	9,810
Adults/Slot	344	283	212	211

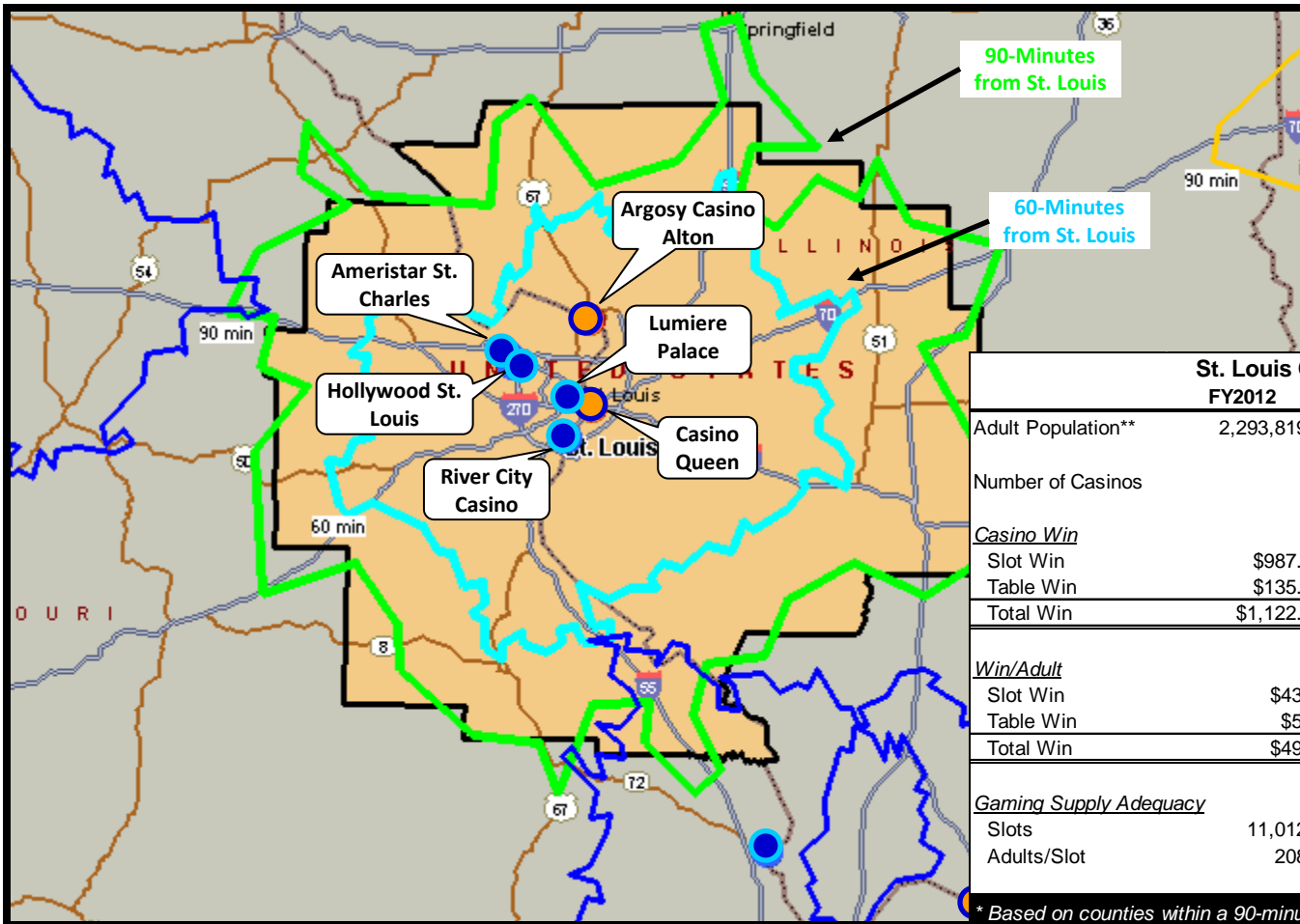
\* Based on counties within a 60-minute drive time from Cincinnati - adjusted for overlaps.

\*\* Adult population 21+. Adult population in 2015 estimated based on historic growth from 2010 to 2014.

\*\*\* Assumes only 80% of slot win and slot supply generated by Dayton Valley

Source: HLT Advisory Inc. based on Indiana Gaming Commission, Ohio Casino Control Commission, US Census Bureau and HLT estimates.

# Appendix B: Comparison Markets – St. Louis



- Illinois Casinos
- Missouri Casinos

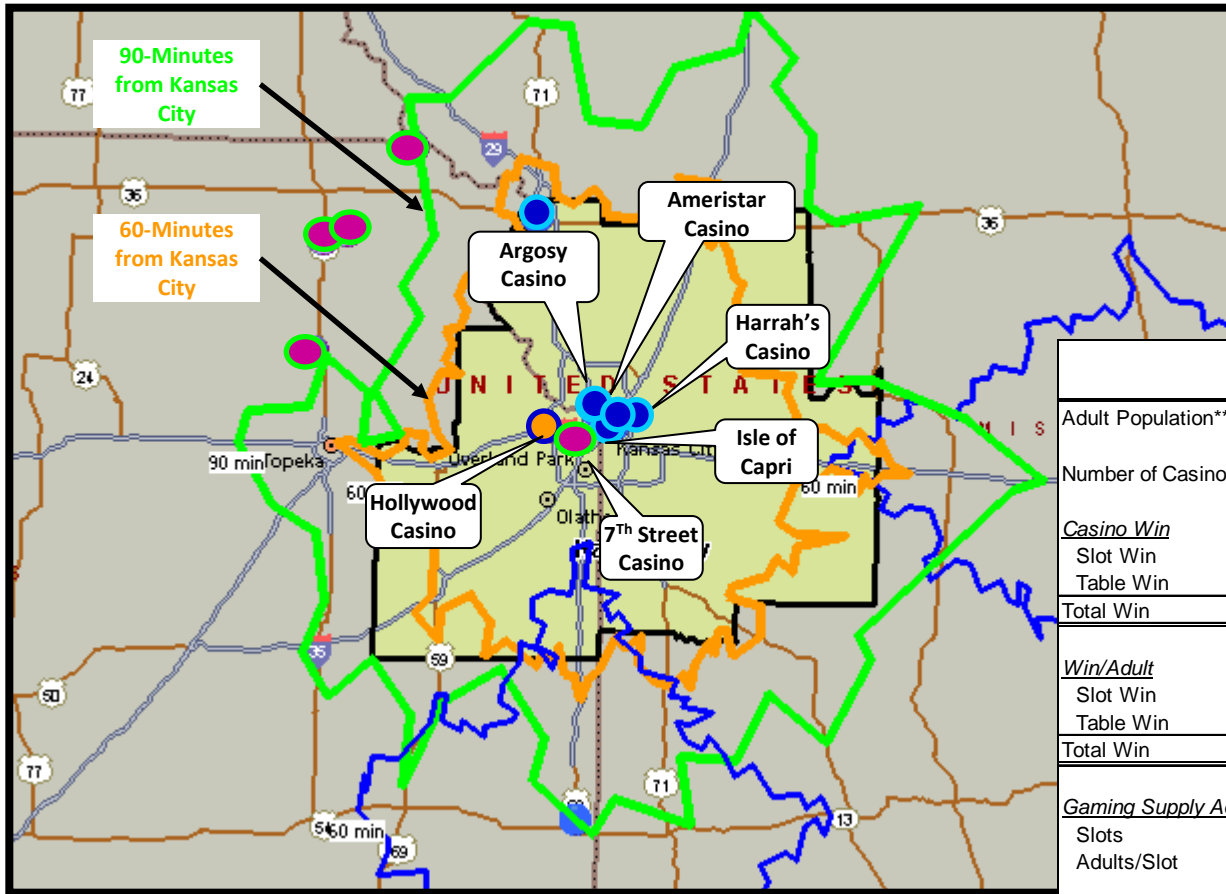
St. Louis Casino Market Area*				
	FY2012	FY2013	FY2014	FY2015
Adult Population**	2,293,819	2,306,348	2,317,163	2,329,513
Number of Casinos	6	6	6	6
<i>Casino Win</i>				
Slot Win	\$987.7	\$943.8	\$878.1	\$921.2
Table Win	\$135.2	\$131.1	\$128.3	\$135.3
<b>Total Win</b>	<b>\$1,122.9</b>	<b>\$1,075.0</b>	<b>\$1,006.4</b>	<b>\$1,056.5</b>
<i>Win/Adult</i>				
Slot Win	\$431	\$409	\$379	\$395
Table Win	\$59	\$57	\$55	\$58
<b>Total Win</b>	<b>\$490</b>	<b>\$466</b>	<b>\$434</b>	<b>\$454</b>
<i>Gaming Supply Adequacy</i>				
Slots	11,012	10,996	10,644	10,627
Adults/Slot	208	210	218	219

\* Based on counties within a 90-minute drive time from St. Louis - adjusted for overlaps.

\*\* Adult population 21+

Source: HLT Advisory based on Illinois Gaming Board, Missouri Gaming Commission, US Census Bureau and HLT estimates.

# Appendix B: Comparison Markets – Kansas City



- Kansas State Casinos
- Kansas Tribal Casinos
- Missouri Casinos

Kansas City Casino Market Area*				
	FY2012	FY2013	FY2014	FY2015
Adult Population**	1,636,088	1,653,407	1,670,221	1,687,078
Number of Casinos	6	6	6	6
<u>Casino Win</u>				
Slot Win	\$713.0	\$701.3	\$673.3	\$678.0
Table Win	\$83.9	\$94.9	\$94.5	\$101.5
<b>Total Win</b>	<b>\$796.8</b>	<b>\$796.2</b>	<b>\$767.8</b>	<b>\$779.5</b>
<u>Win/Adult</u>				
Slot Win	\$436	\$424	\$403	\$402
Table Win	\$51	\$57	\$57	\$60
<b>Total Win</b>	<b>\$487</b>	<b>\$482</b>	<b>\$460</b>	<b>\$462</b>
<u>Gaming Supply Adequacy</u>				
Slots	7,502	9,259	9,047	8,760
Adults/Slot	218	179	185	193

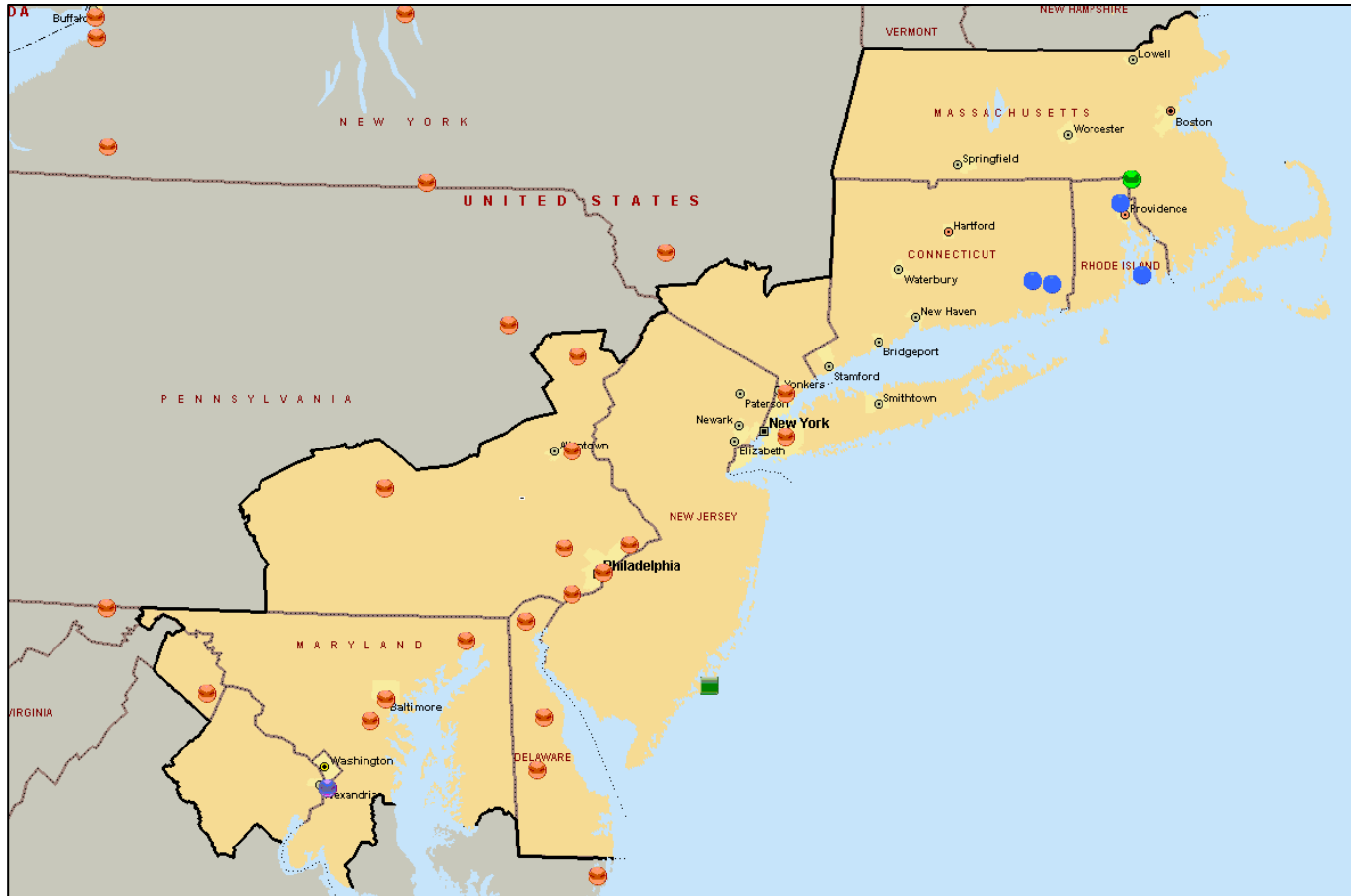
\* Based on counties within a 60-minute drive time from Kansas City - adjusted for overlaps.

\*\* Adult population 21+

Source: HLT Advisory Inc. based on reports from the Kansas Racing and Gaming Commission, Missouri Gaming Commission, US Census Bureau and HLT estimates.

# Appendix B: Northeastern US

Within the Northeastern region there is overlap in gaming market areas. To some extent, facilities draw gaming revenue from adjacent market areas. As such, the Northeastern market should be looked at in totality to analyze market trends.

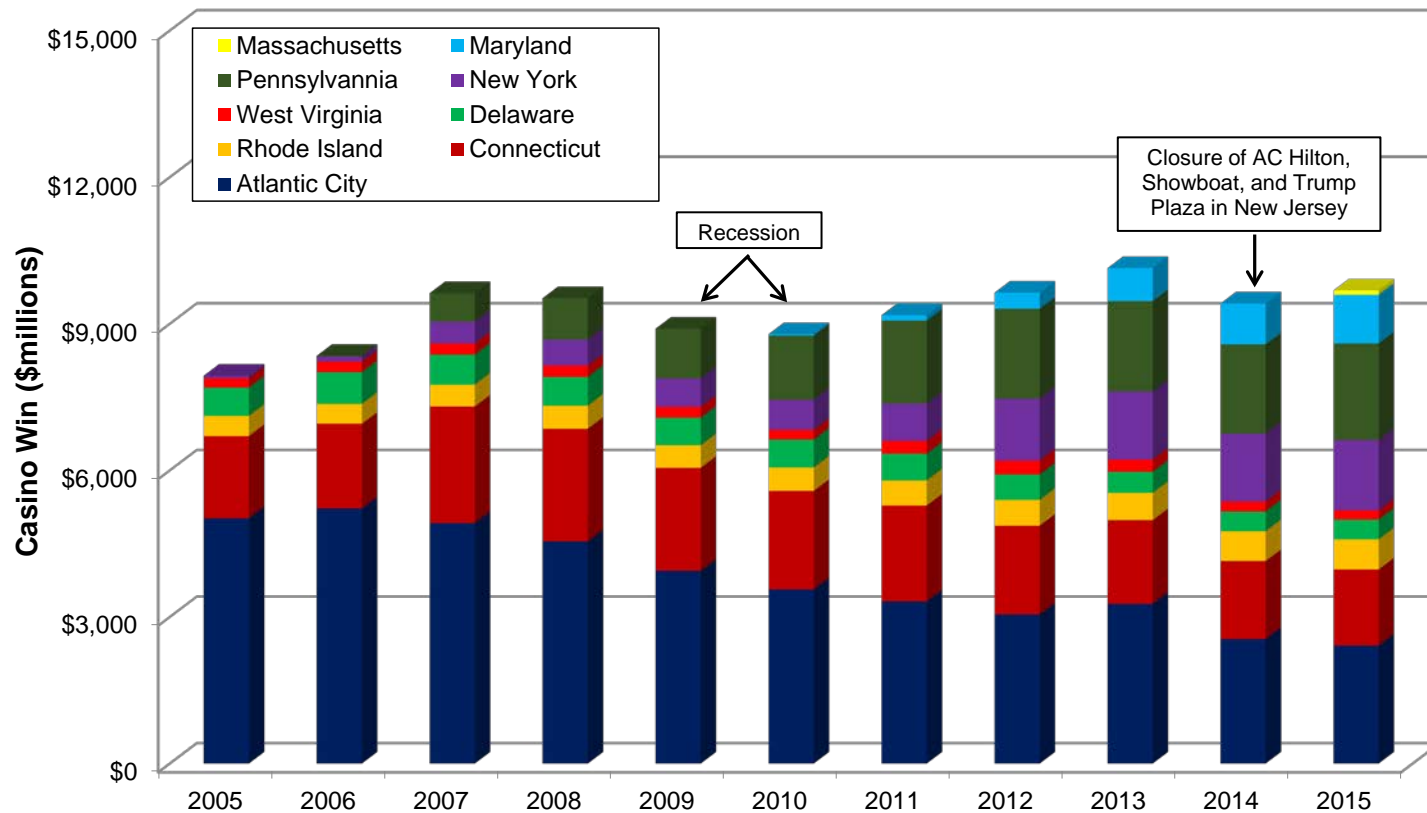




# Appendix B: Northeastern US

Overall, casino win has grown each year with the exception of 2009-2010 (recession) and 2014 (closure of three facilities in Atlantic City). Total market area win is \$9.7 billion.

## Northeastern Casino Win Trend



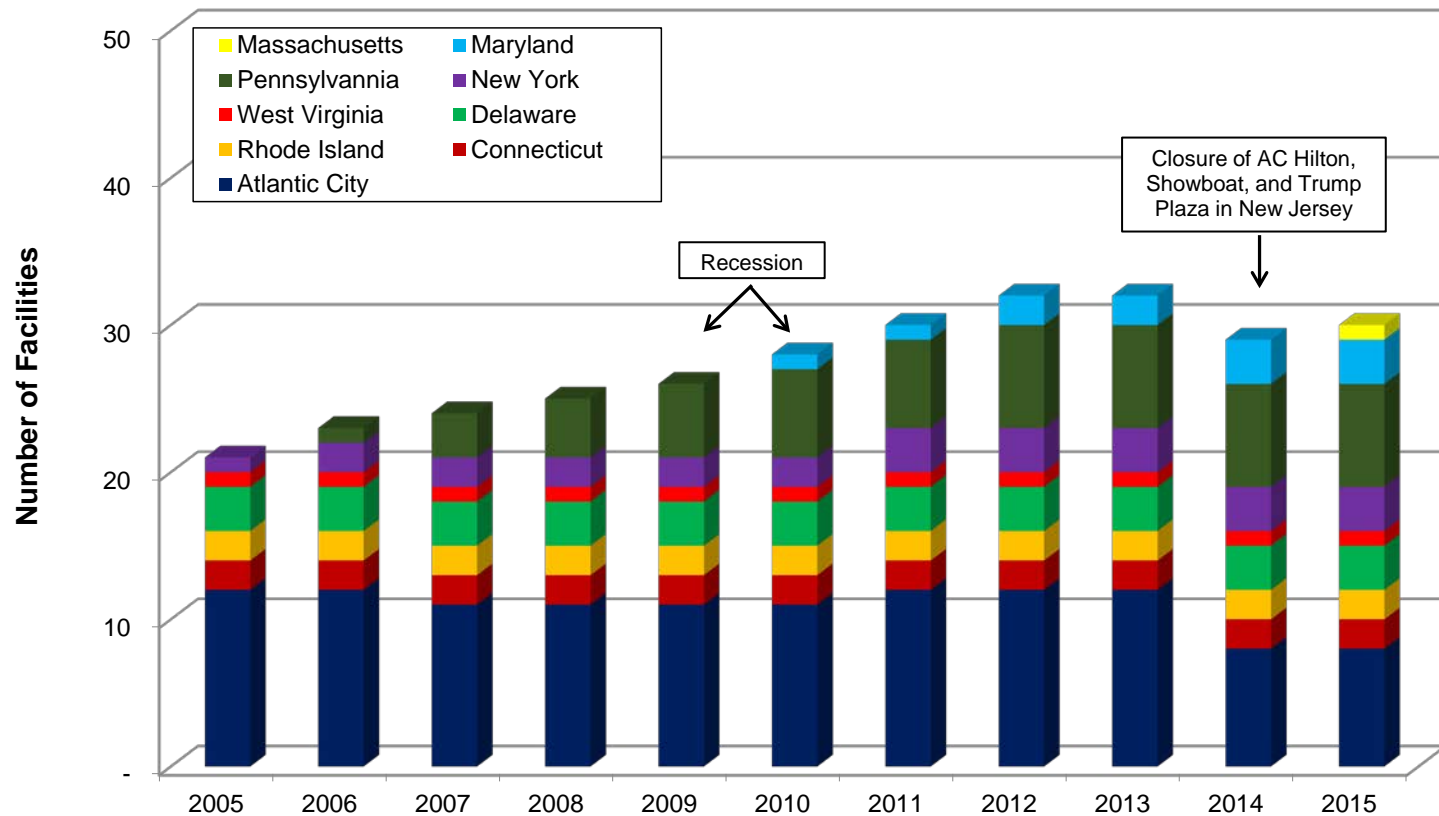
Source: HLT Advisory Inc. based on state gaming commission data and HLT estimates. All state data is on a calendar year end except for West Virginia (Year End June 30) and Connecticut table data (Year End November 30).

Note: Includes 50% of win from Hollywood Casino, PA, Mount Airy Casino, PA, and Charles Town, WV. Includes 75% of win from Monticello Raceway, NY

# Appendix B: Northeastern US

From 2005 to 2015 the number of casino facilities increased from 21 to 30. Over the same time period, Atlantic City casinos decreased from 12 to 8.

### Northeastern Casino Number of Facilities Trend



Source: HLT Advisory Inc. based on state gaming commission data and HLT estimates. All state data is on a calendar year end except for West Virginia (Year End June 30) and Connecticut table data (Year End November 30).

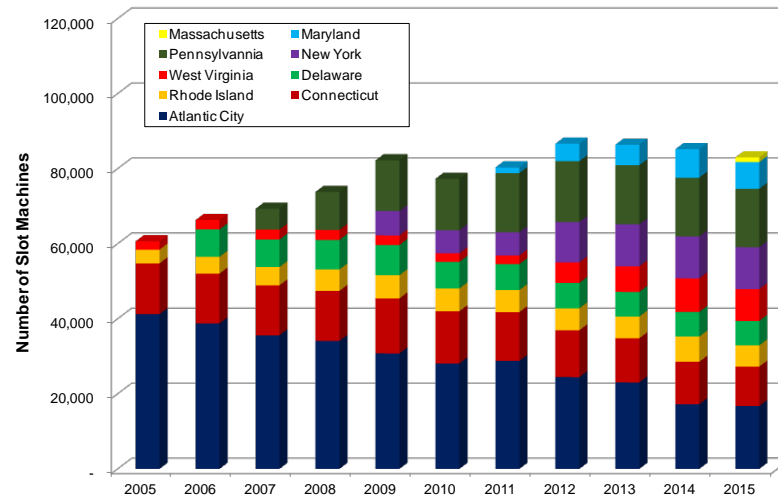
# Appendix B: Northeastern US

Number of devices impacts size of market and investment decisions. After a certain amount, the number of devices:

- does not have an impact (positive) on size of market; and
- impacts investment decisions (lower ROI).

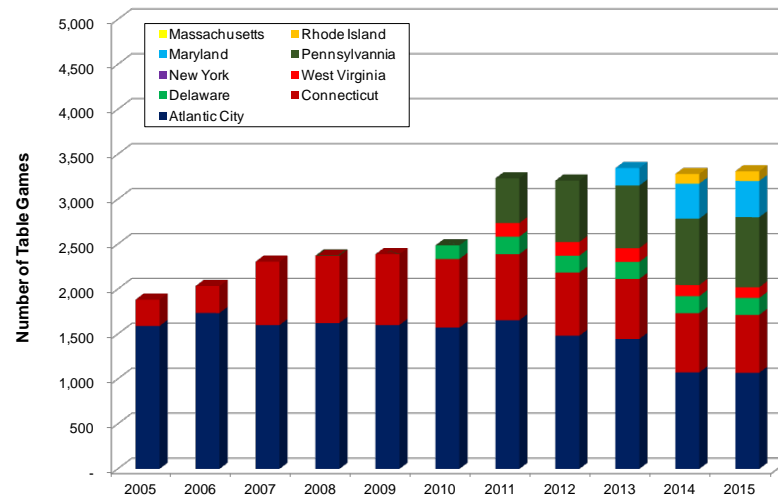
Location is another variable that impacts size of market.

Northeastern Casino Slot Supply Trend



Source: HLT Advisory Inc. based on state gaming commission data and HLT estimates. Data is based on fiscal year end slot supply.

Northeastern Casino Table Supply Trend



Source: HLT Advisory Inc. based on State gaming commission data and HLT estimates. Data is based on fiscal year end slot supply.

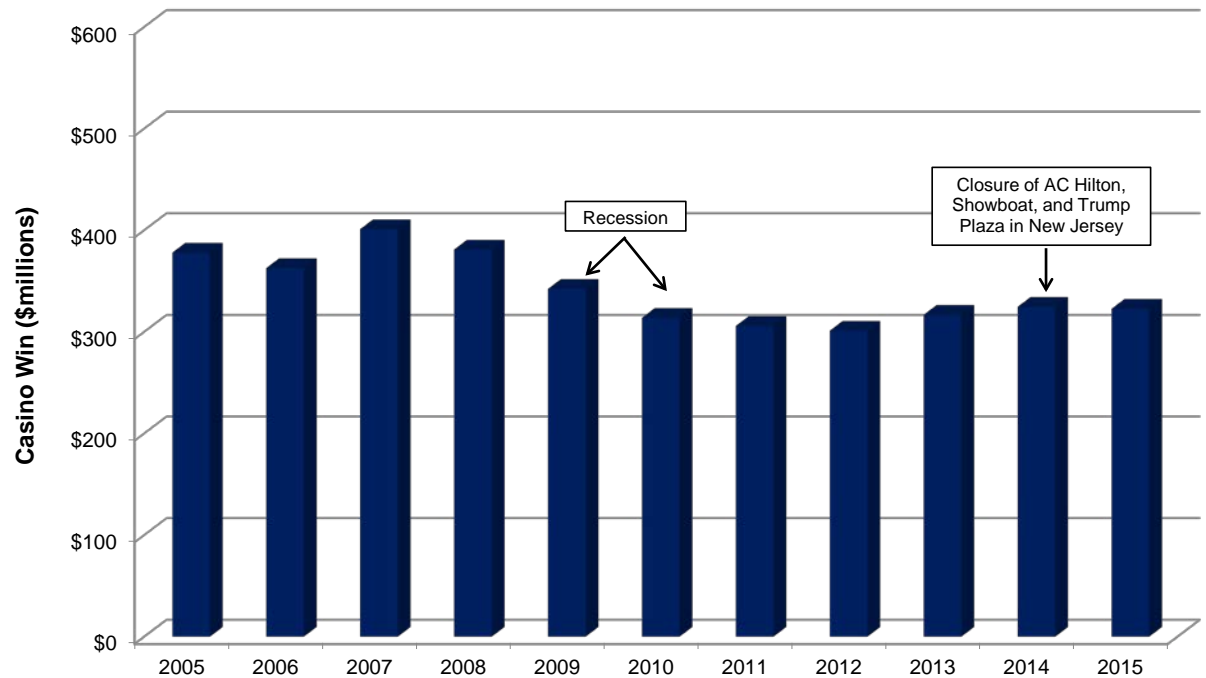
# Appendix B: Northeastern US

The average win per casino has decreased from \$378 million in 2005 to \$323 million in 2015.

Casinos by Win Level - 2015	
Win Level (\$millions)	# Facilities
>\$400	9
\$200-\$400	5
\$100-\$200	11
\$<100	5
<b>Total</b>	<b>30</b>

Source: HLT Advisory Inc. based on state gaming commission data and HLT estimates.

Northeastern Average Casino Win per Facility



Source: HLT Advisory Inc. based on state gaming commission data and HLT estimates. All state data is on a calendar year end except for West Virginia (Year End June 30) and Connecticut table data (Year End November 30).

# Appendix C: Full Competition Market Shares by Facility

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

Source: HLT Advisory Inc. estimates.

# Appendix C: Full Competition GGR at \$300/Adult

Market Areas	Adult Population	GGR/ Adult	Total Market GGR	Massachusetts Gaming Facilities - Full Competition with \$300/Adult								Total Captured	Uncaptured	Total Market	
				Category 2		Category 1 - Resort Casinos				Total Massachusetts	Rhode Island				Connecticut
				Penn	Boston	Springfield	Taunton								
<b>Massachusetts Market Areas</b>															
Central Boston	781,625	\$300	\$234,487,500	\$11,724,375	\$175,865,625	\$11,724,375	\$11,724,375	\$211,038,750	\$11,724,375	\$11,724,375	\$234,487,500	\$0	\$234,487,500		
Central Boston - North	386,575	\$300	\$115,972,500	\$5,798,625	\$86,979,375	\$5,798,625	\$5,798,625	\$104,375,250	\$5,798,625	\$5,798,625	\$115,972,500	\$0	\$115,972,500		
Central Boston - South	228,442	\$300	\$68,532,600	\$10,279,890	\$34,266,300	\$3,426,630	\$10,279,890	\$58,252,710	\$3,426,630	\$6,853,260	\$68,532,600	\$0	\$68,532,600		
Subtotal Central Boston	1,396,642	\$300	\$418,992,600	\$27,802,890	\$297,111,300	\$20,949,630	\$27,802,890	\$373,666,710	\$20,949,630	\$24,376,260	\$418,992,600	\$0	\$418,992,600		
Boston Suburbs - North	506,576	\$300	\$151,972,800	\$0	\$113,979,600	\$7,598,640	\$15,197,280	\$136,775,520	\$7,598,640	\$7,598,640	\$151,972,800	\$0	\$151,972,800		
Boston Suburbs - Northwest	315,355	\$300	\$94,606,500	\$4,730,325	\$42,572,925	\$14,190,975	\$14,190,975	\$75,685,200	\$4,730,325	\$14,190,975	\$94,606,500	\$0	\$94,606,500		
Boston Suburbs - Southwest	187,800	\$300	\$56,340,000	\$14,085,000	\$14,085,000	\$8,451,000	\$11,268,000	\$47,889,000	\$4,225,500	\$4,225,500	\$56,340,000	\$0	\$56,340,000		
Boston Suburbs - South	179,337	\$300	\$53,801,100	\$16,140,330	\$10,760,220	\$2,690,055	\$13,450,275	\$43,040,880	\$4,035,083	\$6,725,138	\$53,801,100	\$0	\$53,801,100		
Subtotal Boston Suburbs	1,189,068	\$300	\$356,720,400	\$34,955,655	\$181,397,745	\$32,930,670	\$54,106,530	\$303,390,600	\$20,589,548	\$32,740,253	\$356,720,400	\$0	\$356,720,400		
Raynham	144,658	\$300	\$43,397,400	\$9,764,415	\$4,339,740	\$2,169,870	\$20,613,765	\$36,887,790	\$4,339,740	\$2,169,870	\$43,397,400	\$0	\$43,397,400		
Plainville	102,830	\$300	\$30,849,000	\$12,339,600	\$3,084,900	\$1,542,450	\$6,169,800	\$23,136,750	\$3,856,125	\$3,856,125	\$30,849,000	\$0	\$30,849,000		
Massachusetts Southwest	317,485	\$300	\$95,245,500	\$9,524,550	\$4,762,275	\$4,762,275	\$47,622,750	\$66,671,850	\$14,286,825	\$14,286,825	\$95,245,500	\$0	\$95,245,500		
Massachusetts Southeast	230,619	\$300	\$69,185,700	\$10,377,855	\$6,918,570	\$3,459,285	\$41,511,420	\$62,267,130	\$3,459,285	\$3,459,285	\$69,185,700	\$0	\$69,185,700		
Cape Cod	194,390	\$300	\$58,317,000	\$0	\$5,831,700	\$2,915,850	\$34,990,200	\$43,737,750	\$8,747,550	\$5,831,700	\$58,317,000	\$0	\$58,317,000		
Subtotal Southern Massachusetts	989,982	\$300	\$296,994,600	\$42,006,420	\$24,937,185	\$14,849,730	\$150,907,935	\$232,701,270	\$34,689,525	\$29,603,805	\$296,994,600	\$0	\$296,994,600		
Leominster	150,114	\$300	\$45,034,200	\$2,251,710	\$15,761,970	\$11,258,550	\$6,755,130	\$36,027,360	\$2,251,710	\$6,755,130	\$45,034,200	\$0	\$45,034,200		
Worcester/Milford	394,984	\$300	\$118,495,200	\$5,924,760	\$29,623,800	\$29,623,800	\$17,774,280	\$82,946,640	\$17,774,280	\$17,774,280	\$118,495,200	\$0	\$118,495,200		
Massachusetts North Central	111,892	\$300	\$33,567,600	\$0	\$1,678,380	\$2,654,080	\$1,678,380	\$30,210,840	\$0	\$3,356,760	\$33,567,600	\$0	\$33,567,600		
Massachusetts South Central - Springfield	435,035	\$300	\$130,510,500	\$0	\$6,525,525	\$104,408,400	\$6,525,525	\$117,459,450	\$0	\$13,051,050	\$130,510,500	\$0	\$130,510,500		
Massachusetts West	109,573	\$300	\$32,871,900	\$0	\$1,643,595	\$26,297,520	\$1,643,595	\$29,584,710	\$0	\$3,287,190	\$32,871,900	\$0	\$32,871,900		
Subtotal West & Central Massachusetts	1,201,598	\$300	\$360,479,400	\$8,176,470	\$55,233,270	\$198,442,350	\$34,376,910	\$296,229,000	\$20,025,990	\$44,224,410	\$360,479,400	\$0	\$360,479,400		
<b>Subtotal Massachusetts</b>	<b>4,777,290</b>	<b>\$300</b>	<b>\$1,433,187,000</b>	<b>\$112,941,435</b>	<b>\$558,679,500</b>	<b>\$267,172,380</b>	<b>\$267,194,265</b>	<b>\$1,205,987,580</b>	<b>\$96,254,693</b>	<b>\$130,944,728</b>	<b>\$1,433,187,000</b>	<b>\$0</b>	<b>\$1,433,187,000</b>		
<b>Neighbouring States Market Areas</b>															
New Hampshire Southwest	268,310	\$300	\$80,493,000	\$0	\$28,172,550	\$16,098,600	\$4,024,650	\$48,295,800	\$0	\$8,049,300	\$56,345,100	\$24,147,900	\$80,493,000		
New Hampshire East	453,493	\$300	\$136,047,900	\$0	\$68,023,950	\$6,802,395	\$13,604,790	\$88,431,135	\$6,802,395	\$13,604,790	\$108,838,320	\$27,209,580	\$136,047,900		
Subtotal New Hampshire Areas	721,803	\$300	\$216,540,900	\$0	\$96,196,500	\$22,900,995	\$17,629,440	\$136,726,935	\$6,802,395	\$21,654,090	\$165,183,420	\$51,357,480	\$216,540,900		
Rhode Island North	579,520	\$300	\$173,856,000	\$13,039,200	\$8,692,800	\$8,692,800	\$17,385,600	\$47,810,400	\$91,274,400	\$34,771,200	\$173,856,000	\$0	\$173,856,000		
Rhode Island South	189,311	\$300	\$56,793,300	\$0	\$2,839,665	\$2,839,665	\$5,679,330	\$11,358,660	\$34,075,980	\$11,358,660	\$56,793,300	\$0	\$56,793,300		
Subtotal Rhode Island	768,831	\$300	\$230,649,300	\$13,039,200	\$11,532,465	\$11,532,465	\$23,064,930	\$59,169,060	\$125,350,380	\$46,129,860	\$230,649,300	\$0	\$230,649,300		
Connecticut East	468,861	\$300	\$140,658,300	\$0	\$7,032,915	\$7,032,915	\$7,032,915	\$21,098,745	\$7,032,915	\$112,526,640	\$140,658,300	\$0	\$140,658,300		
Connecticut North Central	734,366	\$300	\$220,309,800	\$0	\$11,015,490	\$66,092,940	\$11,015,490	\$88,123,920	\$0	\$132,185,880	\$220,309,800	\$0	\$220,309,800		
Connecticut West	1,382,839	\$300	\$414,851,700	\$0	\$20,742,585	\$41,485,170	\$20,742,585	\$82,970,340	\$0	\$331,881,360	\$414,851,700	\$0	\$414,851,700		
Subtotal Connecticut	2,586,066	\$300	\$775,819,800	\$0	\$38,790,990	\$114,611,025	\$38,790,990	\$192,193,005	\$7,032,915	\$576,593,880	\$775,819,800	\$0	\$775,819,800		
<b>Subtotal Neighbouring States</b>	<b>4,076,700</b>	<b>\$300</b>	<b>\$1,223,010,000</b>	<b>\$13,039,200</b>	<b>\$146,519,955</b>	<b>\$149,044,485</b>	<b>\$79,485,360</b>	<b>\$388,089,000</b>	<b>\$139,185,690</b>	<b>\$644,377,830</b>	<b>\$1,171,652,520</b>	<b>\$51,357,480</b>	<b>\$1,223,010,000</b>		
<b>Total Market Area</b>	<b>8,853,990</b>	<b>\$300</b>	<b>\$2,656,197,000</b>	<b>\$125,980,635</b>	<b>\$705,199,455</b>	<b>\$416,216,865</b>	<b>\$346,679,625</b>	<b>\$1,594,076,580</b>	<b>\$235,440,383</b>	<b>\$775,322,558</b>	<b>\$2,604,839,520</b>	<b>\$51,357,480</b>	<b>\$2,656,197,000</b>		

Source: HLT Advisory Inc. estimates.

# Appendix C: Full Competition GGR with Blended GGR/Adult

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

Source: HLT Advisory Inc. estimates.

# Appendix C: Full Competition GGR at \$350/Adult

Market Areas	Adult Population	GGR/ Adult	Massachusetts Gaming Facilities - Full Competition with \$350/Adult														
			Total Market GGR	Category 2				Category 1 - Resort Casinos				Total Massachusetts	Rhode Island	Connecticut	Total Captured	Uncaptured	Total Market
				Penn	Boston	Springfield	Taunton										
<b>Massachusetts Market Areas</b>																	
Central Boston	781,625	\$350	\$273,568,750	\$13,678,438	\$205,176,563	\$13,678,438	\$13,678,438	\$246,211,875	\$13,678,438	\$13,678,438	\$273,568,750	\$0	\$273,568,750				
Central Boston - North	386,575	\$350	\$135,301,250	\$6,765,063	\$101,475,938	\$6,765,063	\$6,765,063	\$121,771,125	\$6,765,063	\$6,765,063	\$135,301,250	\$0	\$135,301,250				
Central Boston - South	228,442	\$350	\$79,954,700	\$11,993,205	\$39,977,350	\$3,997,735	\$11,993,205	\$67,961,495	\$3,997,735	\$7,995,470	\$79,954,700	\$0	\$79,954,700				
Subtotal Central Boston	1,396,642	\$350	\$488,824,700	\$32,436,705	\$346,629,850	\$24,441,235	\$32,436,705	\$435,944,495	\$24,441,235	\$28,438,970	\$488,824,700	\$0	\$488,824,700				
Boston Suburbs - North	506,576	\$350	\$177,301,600	\$0	\$132,976,200	\$8,865,080	\$17,730,160	\$159,571,440	\$8,865,080	\$8,865,080	\$177,301,600	\$0	\$177,301,600				
Boston Suburbs - Northwest	315,355	\$350	\$110,374,250	\$5,518,713	\$49,668,413	\$16,556,138	\$16,556,138	\$88,299,400	\$5,518,713	\$16,556,138	\$110,374,250	\$0	\$110,374,250				
Boston Suburbs - Southwest	187,800	\$350	\$65,730,000	\$16,432,500	\$16,432,500	\$9,859,500	\$13,146,000	\$55,870,500	\$4,929,750	\$4,929,750	\$65,730,000	\$0	\$65,730,000				
Boston Suburbs - South	179,337	\$350	\$62,767,950	\$18,830,385	\$12,553,590	\$3,138,398	\$15,691,988	\$50,214,360	\$4,707,596	\$7,845,994	\$62,767,950	\$0	\$62,767,950				
Subtotal Boston Suburbs	1,189,068	\$350	\$416,173,800	\$40,781,598	\$211,630,703	\$38,419,115	\$63,124,285	\$353,955,700	\$24,021,139	\$38,196,961	\$416,173,800	\$0	\$416,173,800				
Raynham	144,658	\$350	\$50,630,300	\$11,391,818	\$5,063,030	\$2,531,515	\$24,049,393	\$43,035,755	\$5,063,030	\$2,531,515	\$50,630,300	\$0	\$50,630,300				
Plainville	102,830	\$350	\$35,990,500	\$14,396,200	\$3,599,050	\$1,799,525	\$7,198,100	\$26,992,875	\$4,498,813	\$4,498,813	\$35,990,500	\$0	\$35,990,500				
Massachusetts Southwest	317,485	\$350	\$111,119,750	\$11,111,975	\$5,555,988	\$5,555,988	\$55,559,875	\$77,783,825	\$16,667,963	\$16,667,963	\$111,119,750	\$0	\$111,119,750				
Massachusetts Southeast	230,619	\$350	\$80,716,650	\$12,107,498	\$8,071,665	\$4,035,833	\$48,429,900	\$72,644,985	\$4,035,833	\$4,035,833	\$80,716,650	\$0	\$80,716,650				
Cape Cod	194,390	\$350	\$68,036,500	\$0	\$6,803,650	\$3,401,825	\$40,821,900	\$51,027,375	\$10,205,475	\$6,803,650	\$68,036,500	\$0	\$68,036,500				
Subtotal Southern Massachusetts	989,982	\$350	\$346,493,700	\$49,007,490	\$29,093,383	\$17,324,685	\$176,059,258	\$271,484,815	\$40,471,113	\$34,537,773	\$346,493,700	\$0	\$346,493,700				
Leominster	150,114	\$350	\$52,539,900	\$2,626,995	\$18,388,965	\$13,134,975	\$7,880,985	\$42,031,920	\$2,626,995	\$7,880,985	\$52,539,900	\$0	\$52,539,900				
Worcester/Milford	394,984	\$350	\$138,244,400	\$6,912,220	\$34,561,100	\$34,561,100	\$20,736,660	\$96,771,080	\$20,736,660	\$20,736,660	\$138,244,400	\$0	\$138,244,400				
Massachusetts North Central	111,892	\$350	\$39,162,200	\$0	\$1,958,110	\$31,329,760	\$1,958,110	\$35,245,980	\$0	\$3,916,220	\$39,162,200	\$0	\$39,162,200				
Massachusetts South Central - Springfield	435,035	\$350	\$152,262,250	\$0	\$7,613,113	\$121,809,800	\$7,613,113	\$137,036,025	\$0	\$15,226,225	\$152,262,250	\$0	\$152,262,250				
Massachusetts West	109,573	\$350	\$38,358,550	\$0	\$1,917,528	\$30,680,440	\$1,917,528	\$34,515,495	\$0	\$3,835,055	\$38,358,550	\$0	\$38,358,550				
Subtotal West & Central Massachusetts	1,201,598	\$350	\$420,559,300	\$9,539,215	\$64,438,815	\$231,516,075	\$40,106,395	\$345,600,500	\$23,363,655	\$51,595,145	\$420,559,300	\$0	\$420,559,300				
<b>Subtotal Massachusetts</b>	<b>4,777,290</b>	<b>\$350</b>	<b>\$1,672,051,500</b>	<b>\$131,765,008</b>	<b>\$651,792,750</b>	<b>\$311,701,110</b>	<b>\$311,726,643</b>	<b>\$1,406,985,510</b>	<b>\$112,297,141</b>	<b>\$152,768,849</b>	<b>\$1,672,051,500</b>	<b>\$0</b>	<b>\$1,672,051,500</b>				
<b>Neighbouring States Market Areas</b>																	
New Hampshire Southwest	268,310	\$350	\$93,908,500	\$0	\$32,867,975	\$18,781,700	\$4,695,425	\$56,345,100	\$0	\$9,390,850	\$65,735,950	\$28,172,550	\$93,908,500				
New Hampshire East	453,493	\$350	\$158,722,550	\$0	\$79,361,275	\$7,936,128	\$15,872,255	\$103,169,658	\$7,936,128	\$15,872,255	\$126,978,040	\$31,744,510	\$158,722,550				
Subtotal New Hampshire Areas	721,803	\$350	\$252,631,050	\$0	\$112,229,250	\$26,717,828	\$20,567,680	\$159,514,758	\$7,936,128	\$25,263,105	\$192,713,990	\$59,917,060	\$252,631,050				
Rhode Island North	579,520	\$350	\$202,832,000	\$15,212,400	\$10,141,600	\$10,141,600	\$20,283,200	\$55,778,800	\$106,486,800	\$40,566,400	\$202,832,000	\$0	\$202,832,000				
Rhode Island South	189,311	\$350	\$66,258,850	\$0	\$3,312,943	\$3,312,943	\$6,625,885	\$13,251,770	\$39,755,310	\$13,251,770	\$66,258,850	\$0	\$66,258,850				
Subtotal Rhode Island	768,831	\$350	\$269,090,850	\$15,212,400	\$13,454,543	\$13,454,543	\$26,909,085	\$69,030,570	\$146,242,110	\$53,818,170	\$269,090,850	\$0	\$269,090,850				
Connecticut East	468,861	\$350	\$164,101,350	\$0	\$8,205,068	\$8,205,068	\$8,205,068	\$24,615,203	\$8,205,068	\$131,281,080	\$164,101,350	\$0	\$164,101,350				
Connecticut North Central	734,366	\$350	\$257,028,100	\$0	\$12,851,405	\$77,108,430	\$12,851,405	\$102,811,240	\$0	\$154,216,860	\$257,028,100	\$0	\$257,028,100				
Connecticut West	1,382,839	\$350	\$483,993,650	\$0	\$24,199,683	\$48,399,365	\$24,199,683	\$96,798,730	\$0	\$387,194,920	\$483,993,650	\$0	\$483,993,650				
Subtotal Connecticut	2,586,066	\$350	\$905,123,100	\$0	\$45,256,155	\$133,712,863	\$45,256,155	\$224,225,173	\$8,205,068	\$672,692,860	\$905,123,100	\$0	\$905,123,100				
<b>Subtotal Neighbouring States</b>	<b>4,076,700</b>	<b>\$350</b>	<b>\$1,426,845,000</b>	<b>\$15,212,400</b>	<b>\$170,939,948</b>	<b>\$173,885,233</b>	<b>\$92,732,920</b>	<b>\$452,770,500</b>	<b>\$162,383,305</b>	<b>\$751,774,135</b>	<b>\$1,366,927,940</b>	<b>\$59,917,060</b>	<b>\$1,426,845,000</b>				
<b>Total Market Area</b>	<b>8,853,990</b>	<b>\$350</b>	<b>\$3,098,896,500</b>	<b>\$146,977,408</b>	<b>\$822,732,698</b>	<b>\$485,586,343</b>	<b>\$404,459,563</b>	<b>\$1,859,756,010</b>	<b>\$274,680,446</b>	<b>\$904,542,984</b>	<b>\$3,038,979,440</b>	<b>\$59,917,060</b>	<b>\$3,098,896,500</b>				

Source: HLT Advisory Inc. estimates.



# Appendix D: Full Competition – Scenario 1

## Market Shares by Facility

Full Competition (Two Resort Casinos in Region C) (%) - Scenario 1													
Market Areas	Category 2	Category 1 - Resort Casinos					Subtotal	Total Massachusetts	Rhode Island	Connecticut	Total Captured	Uncaptured	Total Market
	Penn	Boston	Springfield	Brockton	Taunton								
<b>Massachusetts Market Areas</b>													
Central Boston	5.0%	75.0%	5.0%	5.0%	5.0%	90.0%	95.0%	2.5%	2.5%	100.0%	0.0%	100.0%	
Central Boston - North	0.0%	75.0%	5.0%	5.0%	5.0%	90.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%	
Central Boston - South	10.0%	45.0%	5.0%	15.0%	12.5%	77.5%	87.5%	5.0%	7.5%	100.0%	0.0%	100.0%	
<b>Subtotal Central Boston</b>													
Boston Suburbs - North	0.0%	75.0%	5.0%	5.0%	5.0%	90.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%	
Boston Suburbs - Northwest	5.0%	45.0%	15.0%	10.0%	10.0%	80.0%	85.0%	5.0%	10.0%	100.0%	0.0%	100.0%	
Boston Suburbs - Southwest	20.0%	22.5%	10.0%	20.0%	10.0%	62.5%	82.5%	7.5%	10.0%	100.0%	0.0%	100.0%	
Boston Suburbs - South	17.5%	17.5%	5.0%	27.5%	15.0%	65.0%	82.5%	7.5%	10.0%	100.0%	0.0%	100.0%	
<b>Subtotal Boston Suburbs</b>													
Raynham	10.0%	5.0%	5.0%	35.0%	35.0%	80.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%	
Plainville	35.0%	5.0%	5.0%	15.0%	15.0%	40.0%	75.0%	12.5%	12.5%	100.0%	0.0%	100.0%	
Massachusetts Southwest	10.0%	5.0%	5.0%	22.5%	32.5%	65.0%	75.0%	12.5%	12.5%	100.0%	0.0%	100.0%	
Massachusetts Southeast	5.0%	10.0%	5.0%	37.5%	32.5%	85.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%	
Cape Cod	0.0%	5.0%	5.0%	40.0%	40.0%	90.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%	
<b>Subtotal Southern Massachusetts</b>													
Leominster	5.0%	35.0%	25.0%	7.5%	7.5%	75.0%	80.0%	5.0%	15.0%	100.0%	0.0%	100.0%	
Worcester/Milford	5.0%	22.5%	22.5%	10.0%	10.0%	65.0%	70.0%	15.0%	15.0%	100.0%	0.0%	100.0%	
Massachusetts North Central	0.0%	5.0%	80.0%	2.5%	2.5%	90.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%	
Massachusetts South Central - Springfield	0.0%	5.0%	80.0%	2.5%	2.5%	90.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%	
Massachusetts West	0.0%	5.0%	80.0%	2.5%	2.5%	90.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%	
<b>Subtotal West &amp; Central Massachusetts</b>													
<b>Subtotal Massachusetts</b>													
<b>Neighbouring States Market Areas</b>													
New Hampshire Southwest	0.0%	35.0%	20.0%	2.5%	2.5%	60.0%	60.0%	0.0%	10.0%	70.0%	30.0%	100.0%	
New Hampshire East	0.0%	50.0%	5.0%	5.0%	5.0%	65.0%	65.0%	5.0%	10.0%	80.0%	20.0%	100.0%	
<b>Subtotal New Hampshire Areas</b>													
Rhode Island North	5.0%	5.0%	5.0%	7.5%	7.5%	25.0%	30.0%	55.0%	15.0%	100.0%	0.0%	100.0%	
Rhode Island South	0.0%	5.0%	5.0%	7.5%	7.5%	25.0%	25.0%	55.0%	20.0%	100.0%	0.0%	100.0%	
<b>Subtotal Rhode Island</b>													
Connecticut East	0.0%	5.0%	5.0%	2.5%	2.5%	15.0%	15.0%	5.0%	80.0%	100.0%	0.0%	100.0%	
Connecticut North Central	0.0%	5.0%	30.0%	2.5%	2.5%	40.0%	40.0%	0.0%	60.0%	100.0%	0.0%	100.0%	
Connecticut West	0.0%	5.0%	10.0%	2.5%	2.5%	20.0%	20.0%	0.0%	80.0%	100.0%	0.0%	100.0%	
<b>Subtotal Connecticut</b>													
<b>Subtotal Neighbouring States</b>													

Source: HLT Advisory Inc. estimates.







# Appendix D: Full Competition – Scenario 2

## Market Shares by Facility

Market Areas	Full Competition (Two Resort Casinos in Region C) (%) - Scenario 2											
	Category 2 Penn	Category 1 - Resort Casinos					Total Massachusetts	Rhode Island	Connecticut	Total Captured	Uncaptured	Total Market
<b>Massachusetts Market Areas</b>												
Central Boston	5.0%	75.0%	5.0%	5.0%	5.0%	90.0%	95.0%	2.5%	2.5%	100.0%	0.0%	100.0%
Central Boston - North	0.0%	75.0%	5.0%	5.0%	5.0%	90.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Central Boston - South	10.0%	42.5%	5.0%	10.0%	20.0%	77.5%	87.5%	5.0%	7.5%	100.0%	0.0%	100.0%
<b>Subtotal Central Boston</b>												
Boston Suburbs - North	0.0%	75.0%	5.0%	5.0%	5.0%	90.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Boston Suburbs - Northwest	5.0%	45.0%	15.0%	10.0%	10.0%	80.0%	85.0%	5.0%	10.0%	100.0%	0.0%	100.0%
Boston Suburbs - Southwest	20.0%	20.0%	10.0%	10.0%	22.5%	62.5%	82.5%	7.5%	10.0%	100.0%	0.0%	100.0%
Boston Suburbs - South	15.0%	17.5%	5.0%	15.0%	30.0%	67.5%	82.5%	7.5%	10.0%	100.0%	0.0%	100.0%
<b>Subtotal Boston Suburbs</b>												
Raynham	10.0%	5.0%	5.0%	30.0%	40.0%	80.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Plainville	30.0%	5.0%	5.0%	15.0%	22.5%	47.5%	77.5%	10.0%	12.5%	100.0%	0.0%	100.0%
Massachusetts Southwest	10.0%	5.0%	5.0%	20.0%	37.5%	67.5%	77.5%	10.0%	12.5%	100.0%	0.0%	100.0%
Massachusetts Southeast	5.0%	10.0%	5.0%	30.0%	40.0%	85.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
Cape Cod	0.0%	5.0%	5.0%	30.0%	50.0%	90.0%	90.0%	5.0%	5.0%	100.0%	0.0%	100.0%
<b>Subtotal Southern Massachusetts</b>												
Leominster	5.0%	35.0%	25.0%	5.0%	10.0%	75.0%	80.0%	5.0%	15.0%	100.0%	0.0%	100.0%
Worcester/Milford	5.0%	22.5%	22.5%	7.5%	12.5%	65.0%	70.0%	15.0%	15.0%	100.0%	0.0%	100.0%
Massachusetts North Central	0.0%	5.0%	80.0%	2.5%	2.5%	90.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%
Massachusetts South Central - Springfield	0.0%	5.0%	80.0%	2.5%	2.5%	90.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%
Massachusetts West	0.0%	5.0%	80.0%	2.5%	2.5%	90.0%	90.0%	0.0%	10.0%	100.0%	0.0%	100.0%
<b>Subtotal West &amp; Central Massachusetts</b>												
<b>Subtotal Massachusetts</b>												
<b>Neighbouring States Market Areas</b>												
New Hampshire Southwest	0.0%	35.0%	20.0%	2.5%	2.5%	60.0%	60.0%	0.0%	10.0%	70.0%	30.0%	100.0%
New Hampshire East	0.0%	50.0%	5.0%	5.0%	5.0%	65.0%	65.0%	5.0%	10.0%	80.0%	20.0%	100.0%
<b>Subtotal New Hampshire Areas</b>												
Rhode Island North	5.0%	5.0%	5.0%	5.0%	15.0%	30.0%	35.0%	50.0%	15.0%	100.0%	0.0%	100.0%
Rhode Island South	0.0%	5.0%	5.0%	5.0%	15.0%	30.0%	30.0%	50.0%	20.0%	100.0%	0.0%	100.0%
<b>Subtotal Rhode Island</b>												
Connecticut East	0.0%	5.0%	5.0%	2.5%	2.5%	15.0%	15.0%	5.0%	80.0%	100.0%	0.0%	100.0%
Connecticut North Central	0.0%	5.0%	30.0%	2.5%	2.5%	40.0%	40.0%	0.0%	60.0%	100.0%	0.0%	100.0%
Connecticut West	0.0%	5.0%	10.0%	2.5%	2.5%	20.0%	20.0%	0.0%	80.0%	100.0%	0.0%	100.0%
<b>Subtotal Connecticut</b>												
<b>Subtotal Neighbouring States</b>												

Source: HLT Advisory Inc. estimates.









# Operations Plan

Massachusetts Gaming Commission

April 2016

# Operations Plan: Introduction

Reasonableness of the Applicant's operating plan given the current and likely future gaming environment in Massachusetts.

Key issues to investigate:

- Applicant's understanding of internal controls.
- Consistency of business plan with a regional casino and to financial projections.
- Applicant's financial projections are consistent with their business plans.

Note: Throughout this section, data from MGM/Springfield's and Wynn/Everett's application are presented for comparison purposes only. While some of the physical parameters of these facilities have been updated to reflect development phase revisions, financial projections/estimates have not been updated (these estimates are based on the Applicant's original submission) unless otherwise noted.

# Internal Controls: Introduction

## Expectations of Applicant:

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

## Assessment Approach:

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

# Internal Controls: Applicants' Experience

- The internal control standards and extent of regulatory oversight have an impact on operating costs (of both the licensee and the commission).
- Brockton/MG&E recognize the importance of internal controls and have experience working in a regulated environment.
  - Brockton/MG&E acknowledged that they will abide by Massachusetts internal control regulations and provided a draft internal control manual.
  - Brockton/MG&E proposed casino management company (Rush Street Gaming, LLC) has experience developing and adhering to internal controls in Mississippi, Pennsylvania and Illinois.

# Consistency of Business Plan: Introduction

## Expectations of Applicant:

- Business plan is consistent with a regional casino and demonstrates connection to financial projections.

## Assessment Approach:

- Reviewed and assessed key components of the business plan to assess Applicant's understanding of a regional casino market/operating strategies.

These key components are:

- Slot product plan
- Table games product plan
- Food and beverage plan
- Hotel plan
- Retail/other plan
- Parking plan
- Marketing plan

Note: Financial data (revenue and expenses) in this section refers to Year 3 operations unless otherwise noted.

# Consistency of Business Plan: Slot Product Plan

A slot product plan is a fundamental component of a gaming facility's operations. Key elements would typically include number and types of machines, hold strategy, leased/owned, etc.

Category 1 - Resort Casinos Slot Product Mix						
By Denomination	Springfield/MGM		Everett/Wynn*		Brockton/ MG&E	
	Total	Mix %	Total	Mix %	Total	Mix %
\$0.01	1,440	48.0%	1,054	32.5%	1,216	57.9%
\$0.02	210	7.0%	105	3.2%	190	9.0%
\$0.05	270	9.0%	485	15.0%	64	3.0%
\$0.10	-	0.0%	53	1.6%	-	0.0%
\$0.25	360	12.0%	896	27.6%	300	14.3%
\$0.50	-	0.0%	53	1.6%	20	1.0%
\$1.00	510	17.0%	421	13.0%	226	10.8%
>\$1.00	210	7.0%	175	5.4%	84	4.0%
<b>Total</b>	<b>3,000</b>	<b>100.0%</b>	<b>3,242</b>	<b>100.0%</b>	<b>2,100</b>	<b>100.0%</b>
<\$0.10	1,920	64.0%	1,697	52.3%	1,470	70.0%

Source: HLT Advisory Inc. based on Applicant's submissions.  
\*Slot supply and mix is based on June 25, 2014 revisions.

Category 1 - Resort Casinos Slot Product				
	Springfield/ MGM	Everett/ Wynn*	Brockton/MG&E	
			Without Taunton	With Taunton
<b>Percentage of Slot Machines</b>				
Purchased	94.2%	90.0%	98.0%	98.0%
Leased	5.8%	10.0%	2.0%	2.0%
<b>Total</b>	<b>100%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Slot Machines</b>				
Purchased	2,827	2,918	2,058	2,058
Leased	173	324	42	42
<b>Total</b>	<b>3,000</b>	<b>3,242</b>	<b>2,100</b>	<b>2,100</b>
Gross Slot Win	\$462,565,996	\$566,271,682	\$377,821,982	\$305,549,096
Free Play				
Net Slot Win				
Win/Unit/Day				
Win/Unit/Day				
Slot Hold %	7.3%	7.5%	8.5%	8.5%
% Rated Play	78%	75%	58%	58%
Number of VIP Room Slot Machines	~60**	72	70	70

Source: HLT Advisory Inc. based on Applicant's submissions.  
n/p - Not provided.  
\*Wynn indicated 7-10% of gross slots win would be free play in the May 2014 response to clarification questions. Wynn's percentage of free play has been assumed to be 8.5%.  
\*\*HLT Assumption based on games \$10 and above.

# Consistency of Business Plan: Slot Product Plan

- Brockton/MG&E proposed 2,100 slot machines, less (~1,000) than both Springfield/MGM and Everett/Wynn.
- Brockton/MG&E proposed a win/unit/day (without Taunton) amount consistent with that proposed by Everett/Wynn (original submission).
- Brockton/MG&E proposed only 2% of slot machines to be leased, lower than would be expected in a competitive market (would expect 10%-15%). That said, Rush Street Gaming, LLC's other properties have **[redacted]**
- leased slot machines.
- Brockton/MG&E provided a reasonable slot plan in terms of size of VIP slot room (70 machines).
- Brockton/MG&E proposed a higher proportion of lower denomination machines (<\$0.10) than other Category 1 casinos (market differentiation from Everett/Wynn).
- Brockton/MG&E proposed an aggressive slot hold percentage (8.5%). We would expect a slot hold percentage of between 7-8% (after total market area is fully developed).
- Overall Brockton/MG&E's slot product plan is reasonable.

# Consistency of Business Plan: Table Product Plan

A table game product plan is a fundamental component of a gaming facility's operations. Key elements would typically include number and types of tables games, hold strategy, etc.

Category 1 - Resort Casinos Table Product				
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
VIP Room				
Square Footage	5,100	2,904	7,000	7,000
Tables	n/p	10	20	20
Table Win (Excluding Poker)	\$89,549,853	\$317,749,054	\$91,141,268	\$73,707,019
Poker Win	\$7,740,147	\$9,595,558	\$8,285,570	\$6,700,638
Win/Unit/Day (Excluding Poker)	\$3,271	\$6,088	\$2,497	\$2,019
Table Hold %	19.3%	20.0%	18.0%	18.0%
% Rated Play	74%	50%	74%	74%

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

Category 1 - Resort Casinos Table Product			
	Springfield/ MGM	Everett/ Wynn*	Brockton/ MG&E
Table Game Mix			
Blackjack	38	48	60
Baccarat**	6	46	6
Roulette	10	9	9
Craps	6	6	8
Big Six	1	1	1
Pai Gow (Poker/Tiles)	5	12	2
Other	9	21	14
Poker	25	25	24
Total	100	168	124

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

\*Table supply and mix is based on June 25, 2014 revisions.

\*\*Includes Midi and Mini Baccarat.



# Consistency of Business Plan: Table Product Plan

- Brockton/MG&E has proposed 124 table games (including 24 poker tables).
- Brockton/MG&E proposed table mix (e.g. more blackjack and less baccarat) suggests a different market focus than Everett/Wynn (market differentiation).
- Brockton/MG&E projected an overall win/unit/day consistent with their intended market differentiation and are in line with expectations of a North American regional casino.
- Overall, Brockton/MG&E's table game plan is reasonable.

# Consistency of Business Plan: Slot and Table Comparables

- Slot win/unit/day (net of free play) at Rush Street Gaming's Pennsylvania properties **[redacted]** are lower than Brockton/MG&E's proposed win/unit/day (\$411 without Taunton and \$332 with Taunton). **[redacted]**
- Brockton/MG&E's proposed table win/unit/day (\$2,497 without Taunton and \$2,019 with Taunton) is between table win/unit/day at Rush Street Gaming's Pennsylvania properties **[redacted]**
- Slot and table win/unit/day levels at Rivers Des Plaines are **[redacted]** due to supply restrictions and property location relative to competition and market area residents.

# Consistency of Business Plan: Food and Beverage (F&B) Plan

- Brockton/MG&E provided food and beverage plans which include appropriately themed restaurants with a total of 770 seats. Total number of seats is consistent with industry benchmarks for a North American regional casino (0.25 F&B seats per gaming position).
- Type of food and beverage offerings are in line with expectations of a North American regional casino, although Brockton/MG&E did not provide for a buffet which is commonplace in North American regional casinos.

Category 1 - Resort Casino Food and Beverage Plan			
	Springfield/ MGM*	Everett/ Wynn	Brockton/ MG&E
<u>F&amp;B Outlet 1</u>			
Number of Seats	619	100	160
Theme	Marketplace	Japanese/Sushi	Steakhouse
<u>F&amp;B Outlet 2</u>			
Number of Seats	172	100	100
Theme	Italian Steakhouse	Italian Steakhouse	Italian
<u>F&amp;B Outlet 3</u>			
Number of Seats	265	100	120
Theme	Pan-Asian dining	Chinese Noodle	Coffee Shop/Diner
<u>F&amp;B Outlet 4</u>			
Number of Seats	291	215	60
Theme	Sports bar	Sports Bar	Asian
<u>F&amp;B Outlet 5</u>			
Number of Seats	397	100	180
Theme	Contemporary Dining	Coffee Shop	Pub/Sports Bar
<u>F&amp;B Outlet 6</u>			
Number of Seats	102	85	150
Theme	Coffee Bar	Deli	Market Food Court
<u>Other F&amp;B Outlets</u>			
Number of Seats	220	460	
Theme	Deli, Fast Food	Four additional "to be determined"	

Source: H&T Advisory Inc. based on Applicant's submissions.  
\*F&B seats estimated using building square footage and total seats.

# Consistency of Business Plan: Food and Beverage (F&B) Plan

- Brockton/MG&E provided for 6 food outlets (Springfield/MGM and Everett Wynn provided for 8 and 10 restaurants respectively).
- While Brockton/MG&E covers as a percentage of patrons is reasonable at ~30% with and without Taunton, it is not consistent with the number of seats proposed. For example, projected total covers of 1.5 million without Taunton (5.34 turns per day) and 1.2 million with Taunton (4.32 turns per day) are aggressive.

Category 1 - Resort Casino Food and Beverage Analysis				
	Springfield/ MGM	Everett/ Wynn*	Brockton/ MG&E	
			Without Taunton	With Taunton
<b>Food and Beverage Outlets</b>				
Number of Food Outlets	8	10	6	6
Number of Seats	2,065	1,160	770	770
Number of Covers in Outlets	2,559,188	1,076,750	1,500,000	1,214,501
Number of Complex Patrons	8,124,278	7,424,884	4,935,119	3,838,000
Covers as % of Patrons	31.5%	14.5%	30.4%	31.6%
Average Covers	\$20.21	\$38.11	\$16.57	\$16.55
Covers per day	7,011	2,950	4,110	3,327
Estimated turns per day	3.40	2.54	5.34	4.32
Food Outlet Revenue**	\$51,713,775	\$41,035,125	\$24,856,709	\$20,101,914
Bar Revenue**	\$31,689,716	\$5,000,000	\$14,499,747	\$11,726,117
Bar Revenue per Patron	\$3.90	\$0.67	\$2.94	\$3.06

Source: HLT Advisory Inc. based on Applicant's submission.  
 \* F&B analysis is for Year 1.  
 \*\*Food outlet revenue and bar revenue does not include in-room dining and catering or convention catering.

# Consistency of Business Plan: Food and Beverage (F&B) Plan

- Brockton/MG&E will operate all 6 outlets (may explore outsourcing opportunities in future).
- Brockton/MG&E proposed F&B revenue as a percentage of gaming revenue (10%).
- Brockton/MG&E's promotional allowance amount (**[redacted]** of F&B revenue without Taunton and **[redacted]** with Taunton) indicates the food and beverage outlets will primarily be used to comp rated customers.

Category 1 - Resort Casino Food and Beverage Financial Information				
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
Total Gaming Revenue	\$499,521,301	\$845,483,200	\$414,278,489	\$335,031,904
F&B Revenue (Internally Operated)*	\$88,439,123	\$54,926,374	\$39,356,456	\$31,828,031
F&B Revenue (Externally Operated)*	\$0	\$13,870,000		
Total F&B Revenue*	\$88,439,123	\$68,796,374	\$39,356,456	\$31,828,031
F&B Revenue as % of Gaming Revenue	[redacted]	[redacted]	9.5%	9.5%
F&B Payroll (Internal)	\$44,499,099	\$33,694,306	\$18,665,390	\$16,630,791
F&B Cost of Sales (Internal)	\$25,432,316	\$17,733,072	\$15,151,979	\$12,289,196
Promotional Allowances F&B (Internal & External)	[redacted]	[redacted]	[redacted]	[redacted]
F&B Payroll as % of F&B Revenue (Internal)	[redacted]	[redacted]	47.4%	52.3%
F&B Cost of Sales % (Internal)	[redacted]	[redacted]	38.5%	38.6%
Promotional Allowances F&B as % of F&B Revenue (Internal & External)	[redacted]	[redacted]	[redacted]	[redacted]

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

\* F&B revenue includes food outlets, bars, in-room catering, convention catering and other F&B revenue.

# Consistency of Business Plan: Hotel Plan

Brockton/MG&E put forward a reasonable hotel plan consistent with their overall business plan.

- Brockton/MG&E's average daily rate is lower than what would be expected for a heavily comped property (**[redacted]** of revenue comped) in the Boston area.
- Rush Street Gaming, LLC does not currently operate hotels at any of their other casino properties.

Category 1 - Resort Casino Hotel Analysis				
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
Number of Rooms	250	500	250	250
Occupancy %	92.3%	90.9%	90.0%	90.0%
Average Daily Rate	\$186	\$278	\$150	\$150
RevPAR	\$172	\$253	\$135	\$135
Hotel Revenue	\$15,685,961	\$46,117,863	\$12,319,350	\$12,319,350
% Hotel Revenue Comped	[redacted]	[redacted]	[redacted]	[redacted]

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

# Consistency of Business Plan: Retail/Other Plan

- Brockton/MG&E only provided for 1,000 square feet of retail space which is consistent with a locals casino as opposed to a regional casino. This retail plan however is consistent with Rush Street Gaming, LLC's other casino properties.

	Category 1 - Resort Casino Retail/Other			
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
<u>Primary Retail</u>				
Square Footage	33,300	77,250	1,000	1,000
Theme	Outdoor Plaza (up to 15 tenants)	Premium retail stores.	n/a	n/a
<u>Other</u>				
Convention Space (sf)	19,388	32,942	15,600	15,600
Other Amenities	Bowling alley Cinema	Multi-purpose Space, Outdoor Venue	Lounge/ Nightclub (5,000 sf)	Lounge/ Nightclub (5,000 sf)
Retail/Other Revenue	\$23,033,640	\$50,408,117	\$1,657,114	\$1,340,128

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

# Consistency of Business Plan: Parking Plan

- Number of turns per day at Brockton/MG&E is consistent with Everett/Wynn.

Category 1 - Resort Casino Parking Analysis				
	Springfield/ MGM	Everett/ Wynn <sup>5</sup>	Brockton/ MG&E	
			Without Taunton	With Taunton
Annual Number of Patrons <sup>1</sup>	8,124,278	7,649,301	4,935,119	3,838,000
Average Number of Patrons per Day	22,258	20,957	13,521	10,515
% Arriving by Vehicle <sup>2</sup>	85%	75%	85%	85%
Average Number of Patrons Arriving by Vehicle per Day	18,920	15,718	11,493	8,938
Number of Patrons per Vehicle <sup>2</sup>	1.5	1.5	1.5	1.5
Number of Patron Vehicles	12,613	10,478	7,662	5,959
Employee Vehicles per Day <sup>3</sup>			500	500
Total Vehicles per Day	12,613	10,478	8,162	6,459
Number of Parking Spaces	3,375	3,736	3,003	3,003
Number of Turns per Day <sup>4</sup>	3.7	2.8	2.7	2.2

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

1-Applicant's patron estimates.

2-HLT estimates.

3-Wynn provided off-site parking for employees. HLT estimated on-site staff parking for Springfield/MGM and Brockton/MG&E.

4-Total vehicles per day / number of parking spaces.

5-Number of parking spaces are based on June 25, 2014 revisions.

Note: Springfield/MGM and Everett/Wynn number of parking spaces had been updated based on MGC's 2015 annual report. The annual number of patrons has not been revised from the original submissions.



# Consistency of Business Plan: Marketing Plan

Marketing Strategies	Market Focus and Marketing Activities		
	Springfield/MGM	Everett/Wynn	Brockton/ MG&E
<b>Marketing Strategies</b>			
<b>In-State</b>	<ul style="list-style-type: none"> <li>* Leveraging M life loyalty program</li> <li>* Cross-marketing (other MGM resorts and other venues)</li> <li>* Collaborating with local and regional tourism agencies</li> <li>* Sponsoring and promoting regional events</li> <li>* Partnering with local and regional bus operators.</li> </ul>	<ul style="list-style-type: none"> <li>* Advertising</li> <li>* Direct response</li> <li>* On-line and social marketing</li> <li>* Public relations</li> <li>* Local sponsorships</li> <li>* Event marketing</li> <li>* Cross-promotional outreach</li> </ul>	<ul style="list-style-type: none"> <li>* Radio</li> <li>* Digital</li> <li>* Print</li> <li>* Television (local sports and cable)</li> <li>* Out-of-home</li> <li>* Social media</li> <li>* Event-based advertising</li> </ul>
<b>Out of State (cross marketing)</b>	<ul style="list-style-type: none"> <li>* MARKETING initiatives are heavily weighted towards "M Life" database.</li> <li>* Other out-of-state initiatives include: leveraging MGM brand, cross-MARKETING with existing MGM resorts, collaboration with local tourism, CVBs, MassMutual Center, local Entertainment venues and attractions, sponsoring and promoting regional special events, and leveraging transportation</li> </ul>	<ul style="list-style-type: none"> <li>* Focus marketing efforts on underserved premium gaming market in Northeast.</li> <li>* Cross-market the property to Wynn resorts existing database of international customers</li> <li>* More than 100-person domestic sales and services program.</li> <li>* 275 full-time international marketing employees located in Las Vegas, Macau, Hong Kong, Singapore, Japan, Taiwan, and Latin America</li> </ul>	<ul style="list-style-type: none"> <li>* Promoting area historical landmarks, venues and special events.</li> <li>* Bundling with hotel and charter bus packages.</li> <li>* Support and promotion of the Greater Boston Convention and Visitors Bureau, the Metro South Chamber of Commerce, and the Massachusetts Offices of Travel and Tourism.</li> <li>* Advertising in bordering regions.</li> <li>* Establishing charter bus businesses from neighboring states.</li> <li>* Seek opportunities for out-of-state visitors and premium players. Could offer premium player trips from other Rush Street Gaming operated casinos.</li> </ul>
<b>Entertainment</b>	<ul style="list-style-type: none"> <li>* MGM intends to drive business to downtown Springfield through partnership with Entertainment venues (MassMutual Center, Symphony Hall/CityStage). Events such as: concerts, ice skating, sporting events, festivals, farmers markets, craft fairs, headliner entertainment</li> </ul>	<ul style="list-style-type: none"> <li>* Production shows</li> <li>* Rotating headliners co-ordinated with local venues - No specifics provided</li> </ul>	<ul style="list-style-type: none"> <li>* Multi-purpose event space used to attract corporate business groups, parties, family celebrations and entertainment acts—all of which will bring incremental customers to the property</li> </ul>
<b>Sports (cross marketing)</b>	<ul style="list-style-type: none"> <li>* Sports - College Basketball at MassMutual, Springfield Armor, "Express Comps" to Boston Professional Sports, Museum Quadrangle/Basketball Hall of Fame, "Express Comps" to golf, Jiminy Peak Mountain Resort</li> </ul>	<ul style="list-style-type: none"> <li>* Partnered with TD Garden to provide its guests with prime access to major sporting events and concerts</li> <li>* Explore sponsorships with the New England Patriots, New England Revolution and Boston Red Sox</li> </ul>	<ul style="list-style-type: none"> <li>* Commercials on regional sports networks.</li> <li>* Consider event opportunities with local sports franchises</li> </ul>
<b>Local Partners (cross marketing)</b>	<ul style="list-style-type: none"> <li>* Entertainment - MassMutual, Symphony Hall/CityStage, MPAC, Six Flags</li> <li>* Sports - College Basketball at MassMutual, Springfield Armor, "Express Comps" to Boston Professional Sports, Museum Quadrangle/Basketball Hall of Fame, "Express Comps" to golf, Jiminy Peak Mountain Resort</li> <li>* Convention/Meetings - MassMutual Center (joint marketing/sales programs)</li> </ul>	<ul style="list-style-type: none"> <li>* "Plans to enter into partnerships with local and regional businesses in order to promote the cultural, entertainment, and tourist attractions of Boston and Massachusetts."</li> <li>* Potential partnerships include a "Best of Boston" dining concept in the retail area of the integrated resort; a concierge program coordinated with major local tourist, cultural, and historical programs; and cross-promotional sponsorships with local businesses."</li> <li>* Will cultivate and maintain a solid relationship with the GBCVB.</li> </ul>	<ul style="list-style-type: none"> <li>* Will evaluate partnering with well-known local restaurant groups, similar to Rivers Casino in Des Plaines partnering with Gibsons Restaurant Group</li> <li>* Will forge partnerships with local merchants and take advantage of synergies with local venues such as The Shaw's Center, Campanelli Stadium, and Brockton's unique distinction as the home of Rocky Marciano</li> </ul>
<b>Food and Beverage</b>	<ul style="list-style-type: none"> <li>* F&amp;B comps are provided to M Life members. MGM will partner with local partners with respect to farmers market and festival events</li> </ul>	<ul style="list-style-type: none"> <li>* Potential "Best of Boston" dining concept to celebrate the region's best chefs may be implemented on an annual basis.</li> <li>* Non-gaming loyalty card "Private Access" rewards frequent visitation by leisure guests for non-gaming amenities</li> </ul>	<ul style="list-style-type: none"> <li>* Highlight the "single-level gaming floor surrounded by food and beverage venues" in marketing communications.</li> <li>* Player card will leverage food and beverage outlets offering complimentary or discounted items to card holders.</li> </ul>

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

# Consistency of Business Plan: Marketing Plan

Loyalty Program	Marketing Activities (cont'd)		
	Springfield/MGM	Everett/Wynn	Brockton/ MG&E
Name	* M Life	* Red Card (Gaming), Private Access (Non-Gaming)	* Rush Rewards
Existing Customer Base	* 60+ million worldwide (430k members within 100 miles of Springfield)	* "Most robust database of high-value casino guests in the US" No quantification provided. (Private Access (non-gaming loyalty card) is restricted to 5,000 members)	* Used at other Rush Street managed properties (Pittsburgh, Philadelphia, and Des Plaines). Not anticipating merging of the programs across properties, but will recognize a patron's status.
Tier Levels	5 levels (Sapphire, Pearl, Gold, Platinum, NOIR)	Breaks down audiences by spend bucket using theoretical win. No mention of specific tiers.	"The players club will have multiple tiers based on level of play and customer worth, allowing for differentiated treatment and marketing re-investment"
Points Redeemable for	* Discounts on rooms, shows and participating retail shops, presale tickets to events, concerts and fights, discounts on "Express Comps", priority hotel check-in, valet, taxi service, complimentary limo service, guaranteed hotel, show, restaurant reservations, access to exclusive online offers from "M Life" * MGM has reciprocal partnership arrangements with Hyatt, Southwest Airlines and Royal Caribbean	* Rooms * Dining * Golf * Entertainment	* Free play * Food and beverage items * Hotel rooms * Invitation-only events
GGR from Cardholders	[REDACTED]	[REDACTED]	[REDACTED]
Other Marketing Activities			
Direct Mail Program	* M Life customers in the Midwest, Northeast, Southeast and Eastern Canada along with the 430k members within 100 miles of Springfield	* Mention of direct mail to database. Use of "slightly richer" offers restricted to specific date where facilities are less busy.	* Direct mail, email, apps, and social media applications will all be methods for communicating with and marketing to the player database
Advertising Plan	* Planned use of a variety of advertising methods to non-M Life customers - tv/cable, digital, print, radio, direct mail, billboards, email, attendance at consumer travel shows * Affiliate marketing (300+ websites), travel trade advertising, mobile apps (SMS, QR Code Program), online media, search engine optimization, social media, collaboration with Tourism Agencies	* Detailed advertising plan includes Pre-opening (6 months prior), * Launch Campaign (3-12 months) and Sustaining Media (Year 2). * Advertising includes Magazine, Newspaper, Outdoor, Radio and Television. Local and Regional marketing is largely sustained through all 3 phases. A significant National advertising plan is undertaken in the pre-opening and launch phases that includes National Magazines, Radio, and Network Television as well as Times Square Billboards(Regional). * Also includes a detailed internet marketing plan.	* Spot television (including timely advertisements) * Cable television (use broad rotation for maximum reach and efficiency) * Radio (preferred stations include classic rock, news, and sports) * Print (timely print vehicles for brand development) * Out-Of-Home (bus posters, billboards) * Digital (Search and search retargeting, mobile, direct site buys) * Social Media (campaigns for Facebook and Twitter)

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

# Consistency of Business Plan: Marketing Plan

	Springfield/MGM	Marketing Activities (cont'd) Everett/Wynn	Brockton/ MG&E
Junkets	<ul style="list-style-type: none"> <li>* "Currently, we have not targeted junket operators for MGM Springfield."</li> </ul>	<ul style="list-style-type: none"> <li>* "Wynn does not anticipate incorporating junkets as part of its marketing plan at this time"</li> </ul>	<ul style="list-style-type: none"> <li>* "The use of junkets will provide charter buses and modes of transportation from the airports and tourist heavy areas to MG&amp;E Casino Resort"</li> </ul>
Bus Program	<ul style="list-style-type: none"> <li>* MGM will use motorcoach marketing, block booking on airlines, charter flights for VIP M Life members, Amtrak to drive patrons to Springfield from NY, Philadelphia, Hartford, Baltimore and Washington D.C.</li> </ul>	<ul style="list-style-type: none"> <li>* "Wynn hopes to minimize any reliance on bus programs, if any are employed at all."</li> </ul>	<ul style="list-style-type: none"> <li>* Amenities including the hotel and event space will allow MG&amp;E to pursue tourism business outside the local market that includes a busing program.</li> <li>* As an example, at Rivers Des Plaines partnered with local shuttle providers who would charge a fare to passengers, and the casino would offer complimentary meals as a promotion for the bus program.</li> </ul>
Promotions Strategy	<ul style="list-style-type: none"> <li>* Slot and Table games events</li> <li>* Poker tournaments</li> <li>* Giveaways</li> <li>* Exclusive marketing deals with local sports teams, colleges, and entertainment venues</li> </ul>	<ul style="list-style-type: none"> <li>* Slot and Table games events</li> <li>* Fights (Boxing or UFC)</li> <li>* Concerts</li> <li>* Holiday celebrations</li> <li>* Wynn's New Years Eve Celebration</li> <li>* Media Familiarization Trips</li> </ul>	<ul style="list-style-type: none"> <li>* Prizes</li> <li>* Drawings</li> <li>* Events</li> <li>* Promotional allowances at non-gaming amenities</li> </ul>
Public Relations	<ul style="list-style-type: none"> <li>* Ongoing media coverage, on-site media center, employ PR firm(s) for media relations strategy, collaboration with GSCVB, collaborate with local partners (e.g., MassMutual, Basketball Hall of Fame), media fam trips each year, red carpet events</li> </ul>	<ul style="list-style-type: none"> <li>* Focus on securing media coverage in affluent local, regional, national, and international publications and programs. Will also place an emphasis on securing and maintaining highly regarded national awards and recognitions that assist in defining the resort as a trusted brand.</li> </ul>	<ul style="list-style-type: none"> <li>* Prior to the opening, MG&amp;E focus on creating awareness and anticipation in the market through traditional and new media advertising, public relations, and job recruitment.</li> </ul>
Grand Opening	<ul style="list-style-type: none"> <li>* Multi-day itinerary, media outlets from hospitality, travel, trade, entertainment etc., collaborate with GSCVB to serve as media hosts, partner with local attractions to showcase Springfield, press conference, fireworks, red carpet, celebrity appearances.</li> </ul>	<ul style="list-style-type: none"> <li>* Extend invitations to relevant national, regional and local media as well as key industry influencers.</li> </ul>	<ul style="list-style-type: none"> <li>* Campaigns will be developed for Facebook and Twitter, encouraging fans, followers, and friends to share and spread the timeline for countdown to the Grand Opening of MG&amp;E Resort Casino.</li> </ul>

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

- Brockton/MG&E indicated in their financial submission that annual bus and junket customers are "not material enough to quantify". Given the low projected annual passenger volume and minimal annual expense associated with busing programs, busing and junkets are not a significant segment of their proposed marketing plan.

# Consistency of Business Plan: Marketing Plan

- Brockton/MG&E's marketing costs are aligned with their respective marketing and business plans they put forward.
- Brockton/MG&E is focussed on promotional allowances (**[redacted]** of non-gaming revenue).
- Brockton/MG&E proposed marketing expenses and promotional allowances (combined) are in line with SugarHouse Philadelphia and Rivers Des Plaines.

**[redacted]**

# Consistency of Business Plan: Marketing Plan – Summary

- Marketing approach is aligned with Brockton/MG&E's proposed complex and view of the market opportunity (market differentiation from Everett/Wynn).
- Rush Street Gaming (the proposed operator) has operating experience in other regional markets (Pittsburgh, Philadelphia, Chicago) that are comparable to Massachusetts. Albeit in these markets, the Rush Street Gaming property is located closest to the urban core relative to competition.
- The proposed player card program will allow for customer points earned on loyalty programs to be utilized in food and beverage outlets, hotel and retail.
- Will not be merged with existing Rush Rewards program but patron's status from other Rush properties will be recognized.
- Brockton/MG&E does not believe that bus and junket customers will be material (by way of comparison Springfield/MGM estimated bus charters will generate less than **[redacted]** of total gaming revenue).
- Projected marketing expenditures are aligned with the proposed marketing plan and are in line with what would be expected for a North American regional casino.

# Financial Projections: Introduction

## Expectations of Applicant:

- Financial projections and related key performance indicators are consistent with their business plans.

## Assessment Approach:

- Reviewed the Applicant's budgets and financial projections to ensure they reflect the operational plans and programs provided throughout the Applicant's response and they are consistent with a regional casino and other industry benchmarks.

Note: All financial projections presented in this section are for Year 3 of operations (assumed to be stabilized year of operations).

# Financial Projections: Operating Statement

- Brockton/MG&E projects \$476 million in total revenue without Taunton and \$387 million with Taunton.
- Brockton/MG&E's payroll as percent of total revenue (17%-19%) is in line with the other category 1 casinos.
- Brockton/MG&E's marketing costs (excluding free play and promotional allowances) equal **[redacted]** of gaming revenue at, consistent with Springfield/MGM.
- Brockton/MG&E's EBITDA (without Taunton) as percent of gaming revenue and as a percent of total revenue is slightly higher than Springfield/MGM.

**[redacted]**

# Financial Projections: Operating Revenue

- Brockton/MG&E projects significantly less non-gaming revenue than other category 1 casinos.

**[redacted]**



# Financial Projections: Operating Revenue

- Brockton/MG&E's non-gaming revenue as a percent of gaming revenue **[redacted]** is more indicative of a locals serving casino.
- Brockton/MG&E's non-gaming revenue as a percent of gaming revenue is consistent with Rivers Pittsburgh (excluding hotel revenue).

**[redacted]**

Non-Gaming Revenue - Ratios				
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
F&B Revenue as % of Gaming Revenue	[redacted]	[redacted]	9.5%	9.5%
Entertainment Revenue as % of Gaming Revenue	[redacted]	[redacted]	0.2%	0.2%
Retail Revenue as % of Gaming Revenue	[redacted]	[redacted]	0.4%	0.4%
Hotel Revenue as % of Gaming Revenue	[redacted]	[redacted]	3.0%	3.7%
Other Income as % of Gaming Revenue	[redacted]	[redacted]	1.8%	1.8%
<b>Total Non-Gaming Revenue as % of Gaming Revenue</b>	[redacted]	[redacted]	<b>14.9%</b>	<b>15.6%</b>

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

# Financial Projections: Payroll

- Brockton/MG&E total payroll is significantly lower than other Category 1 casinos.

Category 1 - Resort Casinos Casino Complex Projected Payroll				
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
<i>Payroll (inclusive of benefit costs)</i>				
Slots			\$1,449,239	\$1,320,047
Table Games			\$18,356,046	\$15,179,733
Security				
Surveillance				
Cage			\$4,315,590	\$3,484,120
Marketing			\$5,896,251	\$5,706,072
Food and Beverage			\$18,665,390	\$16,630,791
Hotel			\$5,360,436	\$5,354,571
Entertainment			\$0	\$0
Other Non-Gaming			\$4,693,961	\$3,905,116
Executive			\$1,213,629	\$1,213,415
IT			\$1,213,592	\$1,100,401
Purchasing			\$0	\$0
Accounting			\$4,720,224	\$4,412,585
Compliance and Legal			\$1,031,316	\$1,030,728
Human Resources			\$940,126	\$939,699
Other Administration			\$0	\$0
Facilities (includes cleaning staff)			\$7,342,306	\$6,587,512
<b>Total Payroll (inclusive of benefit costs)</b>	<b>\$134,770,474</b>	<b>\$178,085,772</b>	<b>\$82,041,148</b>	<b>\$72,886,942</b>

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

# Financial Projections: Payroll Ratios

- Brockton/MG&E's slot payroll as a percentage of slot revenue at 0.5% is low. Brockton/MG&E advises that a number of slot roles (slot attendants, supervisors, managers, etc.) are included in other departments (e.g. marketing).
- Brockton/MG&E's table game payroll as a percentage of table game revenue at 18.2%-18.6% is low as compared to Springfield/MGM (both casinos projecting ~\$100 million in table win).
- Brockton/MG&E's total payroll as a percentage of total revenue is slightly lower than Springfield/MGM.

	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
Slots as % of Slot Revenue			0.5%	0.5%
Table as % of Table Revenue			18.2%	18.6%
Security as % of Gaming Revenue			1.2%	1.3%
Surveillance as % of Gaming Revenue			0.4%	0.5%
Cage as % of Gaming Revenue			1.0%	1.0%
Casino Operations as % of Gaming Revenue			7.5%	7.8%

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

	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
F&B as % of F&B Revenue	50.3%	61.3%	47.4%	52.3%
Entertainment as % of Entertainment Revenue	n/a	14.6%	n/a	n/a
Hotel as % of Hotel Revenue	28.6%	32.1%	43.5%	43.5%
Marketing as % of Gaming Revenue				
Other Non-Gaming as % of Gaming Revenue	1.4%	0.3%	1.1%	1.2%
Administration as % of Gaming Revenue	2.8%	1.5%	2.2%	2.6%
Facilities as % of Gaming Revenue	2.2%	2.8%	1.8%	2.0%

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

n/a- Not applicable.

	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
Total Payroll as % of Gaming Revenue	27.0%	21.1%	19.8%	21.8%
Total Payroll as % of Total Revenue	21.5%	17.9%	17.2%	18.8%

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

# Financial Projections: Other Expenses

- In total Brockton/MG&E's other operating expenses are in line with other category 1 casinos.
- Brockton/MG&E does include a management fee paid to Rush Street Gaming. Excluding this management fee, other operating expenses equal 10.1% of gaming revenue (lower than other Category 1 casinos).

	Other Operating Expenses Summary			
	Springfield/ MGM	Everett/ Wynn	Brockton/ MG&E	
			Without Taunton	With Taunton
Insurance	\$3,841,871	\$5,232,645	\$2,080,800	\$2,080,800
Property Taxes/Host Agreement Payments	\$27,131,520	\$32,652,216	\$12,000,000	\$9,538,218
Professional Fees	\$5,021,088	\$0	\$3,121,200	\$3,121,200
Repairs and Maintenance	\$4,371,500	\$9,055,402	\$3,381,300	\$3,381,300
Utilities	\$8,601,152	\$20,930,580	\$3,901,500	\$3,901,500
Supplies	\$2,530,792	\$7,598,996	\$3,499,500	\$2,948,173
Management Fees	n/a	n/a	\$18,589,673	\$13,630,471
Other Expenses	\$19,508,250	\$37,604,461	\$14,062,418	\$13,755,500
<b>Total Other Operating Expenses</b>	<b>\$71,006,172</b>	<b>\$113,074,300</b>	<b>\$60,636,390</b>	<b>\$52,357,162</b>
<i>as % of Gaming Revenue</i>	<i>14.2%</i>	<i>13.4%</i>	<i>14.6%</i>	<i>15.6%</i>

*Source: HLT Advisory Inc. based on Applicant's submissions.  
n/a- Not applicable.*