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## 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.

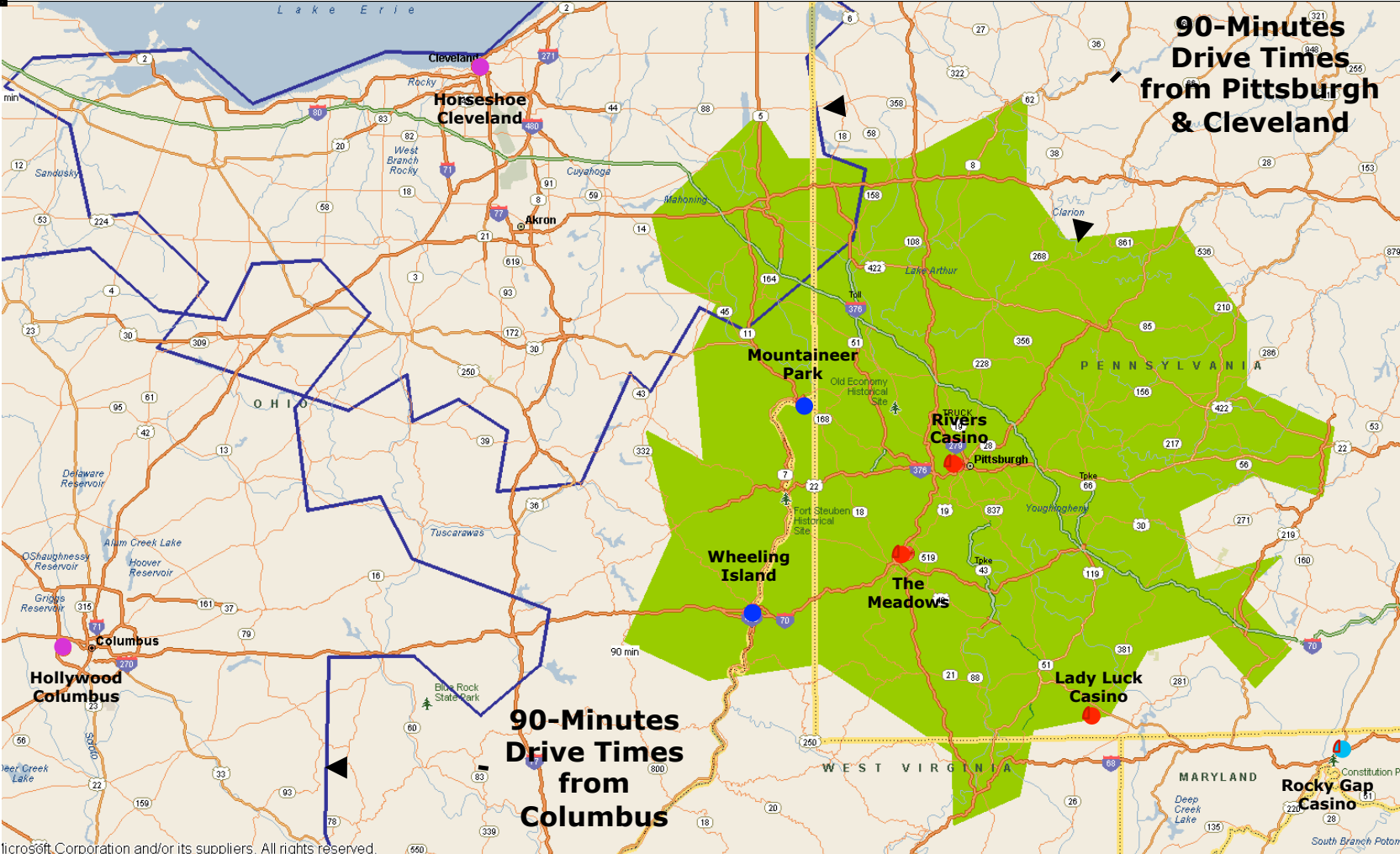
# Appendix A: Spectrum 2010 Report

## 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>
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).				

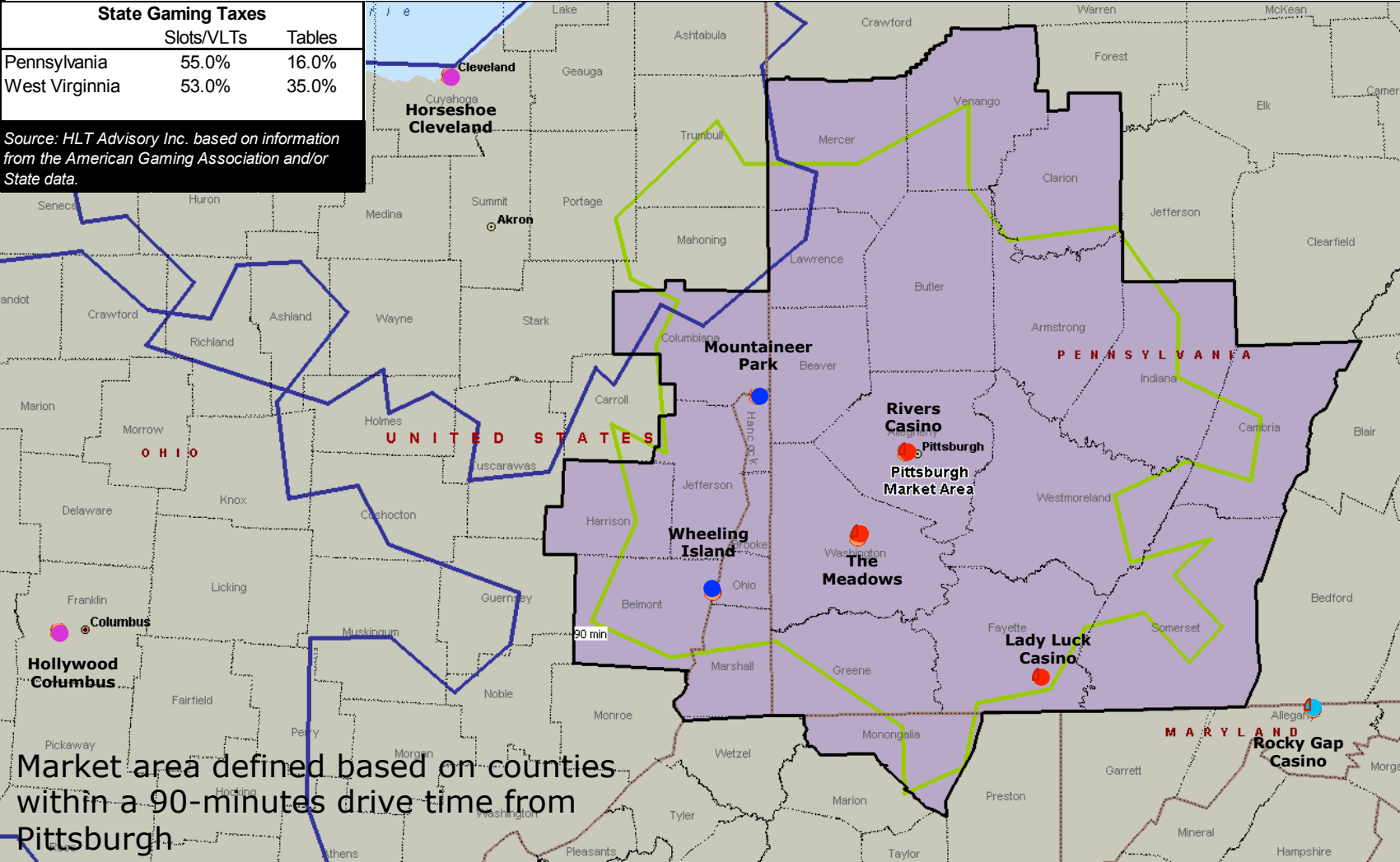
# Appendix B: Comparison Markets Pittsburgh



# Appendix B: Comparison Markets Pittsburgh

State Gaming Taxes		
	Slots/VLTs	Tables
Pennsylvania	55.0%	16.0%
West Virginia	53.0%	35.0%

Source: HLT Advisory Inc. based on information from the American Gaming Association and/or State data.



Market area defined based on counties within a 90-minutes drive time from Pittsburgh

# Appendix B: Comparison Markets

## Pittsburgh

Pittsburgh Market Area Population by County				
State	County	Total population	Gamer Population 21+	Gamer Population % of Total
Pennsylvania	Cambria	141,584	107,820	76%
Pennsylvania	Clarion	39,646	29,167	74%
Pennsylvania	Venango	54,272	41,018	76%
Pennsylvania	Mercer	115,655	85,827	74%
Pennsylvania	Butler	184,970	136,433	74%
Pennsylvania	Armstrong	68,409	52,545	77%
Pennsylvania	Indiana	88,218	64,426	73%
Pennsylvania	Westmoreland	363,395	279,715	77%
Pennsylvania	Lawrence	89,871	67,586	75%
Pennsylvania	Beaver	170,245	129,967	76%
Pennsylvania	Allegheny	1,229,338	936,219	76%
Pennsylvania	Somerset	76,957	60,024	78%
Pennsylvania	Fayette	135,660	104,084	77%
Pennsylvania	Washington	208,716	157,700	76%
Pennsylvania	Greene	38,085	28,928	76%
<b>Subtotal</b>		<b>3,005,021</b>	<b>2,281,458</b>	<b>76%</b>
Ohio	Columbiana	106,507	80,113	75%
Ohio	Harrison	15,714	11,844	75%
Ohio	Jefferson	68,389	51,740	76%
Ohio	Belmont	69,671	53,733	77%
		<b>260,281</b>	<b>197,430</b>	<b>76%</b>
West Virginia	Hancock	30,305	23,377	77%
West Virginia	Brooke	23,853	18,335	77%
West Virginia	Ohio	44,075	33,246	75%
West Virginia	Monongalia	100,332	73,149	73%
West Virginia	Marshall	32,674	24,867	76%
		<b>231,239</b>	<b>172,974</b>	<b>75%</b>
<b>Total Pittsburgh Market Area</b>		<b>3,496,541</b>	<b>2,651,862</b>	<b>76%</b>

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

### Population and Gaming Supply

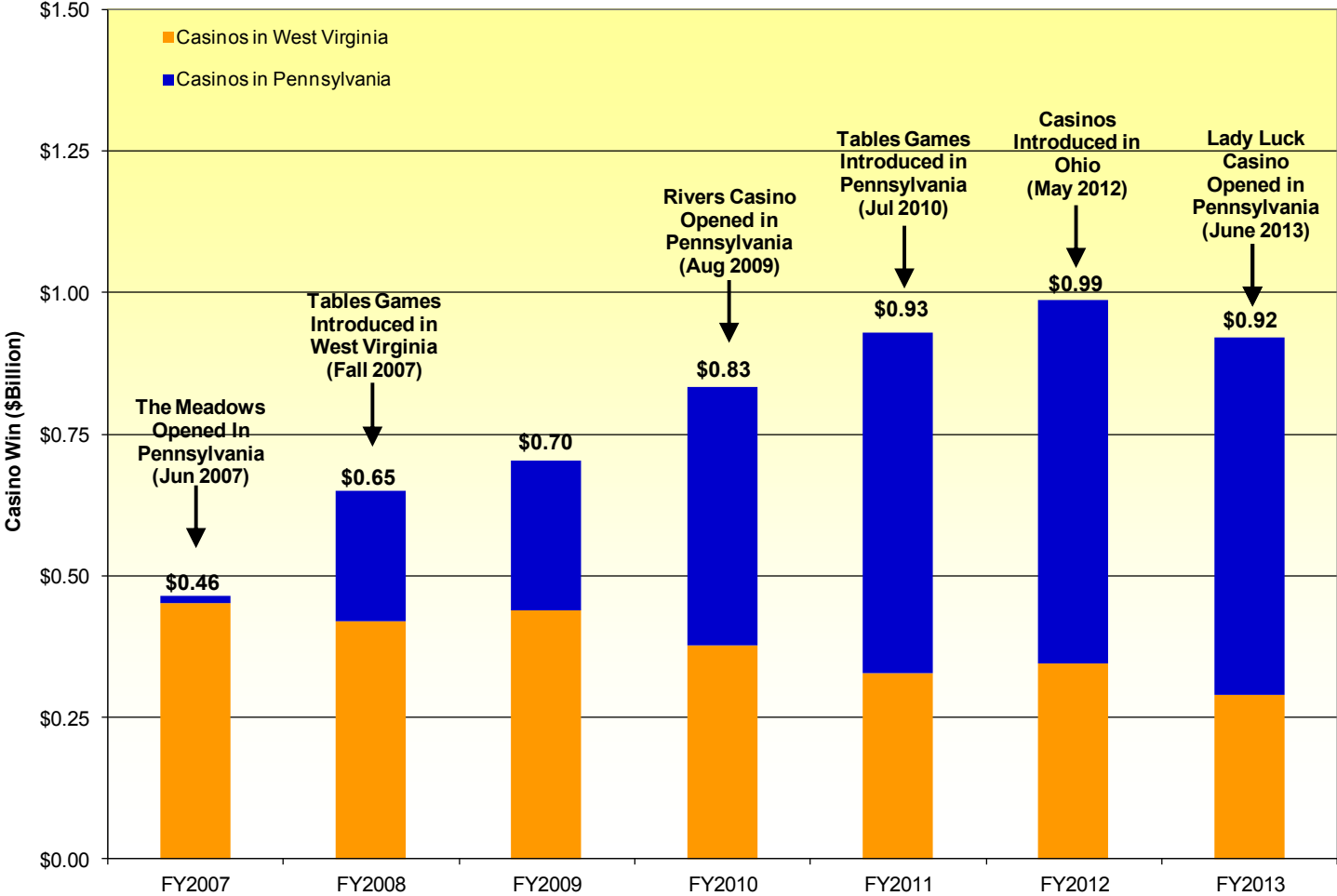
- Market Area Adult Population (21+) estimated at 2.7 million.
- Five casino within market area (three in Pennsylvania and two in West Virginia).
- Total current GGR \$919.1 million.

	Pittsburgh Market Area Existing Casino Facilities					
	Current Performance*			Number of Devices		
	Slots	Tables	Total	Slots	Tables	
<i>Pennsylvania Casinos</i>						
Rivers Casino	\$283,332,873	\$69,280,996	\$352,613,869	2,960	113	
The Meadows	\$240,805,246	\$35,983,833	\$276,789,078	3,316	75	
Lady Luck*	\$46,777	\$8,856	\$55,633	600	28	
<b>Subtotal</b>	<b>\$524,184,895</b>	<b>\$105,273,685</b>	<b>\$629,458,580</b>	<b>6,876</b>	<b>216</b>	
<i>West Virginia</i>						
Mountaineer Park	\$160,785,428	\$21,803,634	\$182,589,063	1,992	51	
Wheeling Island	\$98,933,885	\$8,168,309	\$107,102,194	1,406	33	
<b>Subtotal</b>	<b>\$259,719,313</b>	<b>\$29,971,943</b>	<b>\$289,691,257</b>	<b>3,398</b>	<b>84</b>	
<b>Total Pittsburgh Market</b>	<b>\$783,904,208</b>	<b>\$135,245,628</b>	<b>\$919,149,837</b>	<b>10,274</b>	<b>300</b>	

\* FY2013 ending June 2013.  
 \*\* Casino opened in June 2013.  
 Source: HLT Advisory Inc. based on information from Pennsylvania Gaming Control Board, West Virginia Lottery and casino city.

# Appendix B: Comparison Markets Pittsburgh

**Pittsburgh Area Casino Gross Gaming Revenue Trends**



Source: HLT Advisory Inc. based on data from the Pennsylvania Gaming Control Board.

# Appendix B: Comparison Markets Pittsburgh

Pittsburgh Area Casino Performance (\$Million)*								
Casino Name	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
<b>Slot Revenue</b>								
The Meadows		\$13.4	\$231.2	\$264.5	\$261.1	\$250.5	\$251.4	\$240.8
Rivers Casino					\$195.5	\$262.6	\$283.4	\$283.3
Lady Luck**								\$0.0
<b>Subtotal Pennsylvania</b>		\$13.4	\$231.2	\$264.5	\$456.5	\$513.1	\$534.8	\$524.2
<b>% Change</b>			1625%	14%	73%	12%	4%	-2%
Mountaineer Park	\$252.3	\$249.5	\$216.6	\$198.0	\$174.2	\$160.6	\$177.8	\$160.8
Wheeling Island	\$196.8	\$200.5	\$156.5	\$158.9	\$128.5	\$121.2	\$124.0	\$98.9
<b>Subtotal West Virginia</b>	\$449.1	\$450.0	\$373.1	\$356.9	\$302.7	\$281.8	\$301.8	\$259.7
<b>% Change</b>			-17%	-4%	-15%	-7%	7%	-14%
<b>Subtotal Slots</b>	\$449.1	\$463.4	\$604.3	\$621.4	\$759.2	\$794.9	\$836.6	\$783.9
<b>Table Revenue</b>								
The Meadows						\$32.0	\$35.7	\$36.0
Rivers Casino						\$57.7	\$70.0	\$69.3
Lady Luck**								\$0.0
<b>Subtotal Pennsylvania</b>						\$89.7	\$105.7	\$105.3
<b>% Change</b>							18%	0%
Mountaineer Park			\$26.3	\$49.2	\$44.5	\$30.0	\$30.0	\$21.8
Wheeling Island			\$19.1	\$32.2	\$28.5	\$14.5	\$12.8	\$8.2
<b>Subtotal West Virginia</b>			\$45.4	\$81.4	\$73.0	\$44.5	\$42.9	\$30.0
<b>% Change</b>				79%	-10%	-39%	-4%	-30%
<b>Subtotal Tables</b>			\$45.4	\$81.4	\$73.0	\$134.3	\$148.6	\$135.2
<b>Gaming Revenues</b>								
The Meadows		\$13.4	\$231.2	\$264.5	\$261.1	\$282.5	\$287.1	\$276.8
Rivers Casino					\$195.5	\$320.3	\$353.4	\$352.6
Lady Luck**								\$0.1
<b>Subtotal Pennsylvania</b>		\$13.4	\$231.2	\$264.5	\$456.5	\$602.8	\$640.5	\$629.5
<b>% Change</b>				14%	73%	32%	6%	-2%
Mountaineer Park	\$252.3	\$249.5	\$242.9	\$247.3	\$218.6	\$190.7	\$207.8	\$182.6
Wheeling Island	\$196.8	\$200.5	\$175.6	\$191.0	\$157.1	\$135.7	\$136.8	\$107.1
<b>Subtotal West Virginia</b>	\$449.1	\$450.0	\$418.5	\$438.3	\$375.7	\$326.4	\$344.7	\$289.7
<b>% Change</b>			-7%	5%	-14%	-13%	6%	-16%
<b>Total Pittsburgh</b>	\$449.1	\$463.4	\$649.7	\$702.8	\$832.2	\$929.2	\$985.2	\$919.1

\* FY ending June 30.

\*\* Casino opened in June 2013.

Source: HLT Advisory Inc. based on information from Pennsylvania Gaming Control Board and West Virginia Lottery.

# Appendix B: Comparison Markets

## Pittsburgh - Captured GGR/Adult Estimate

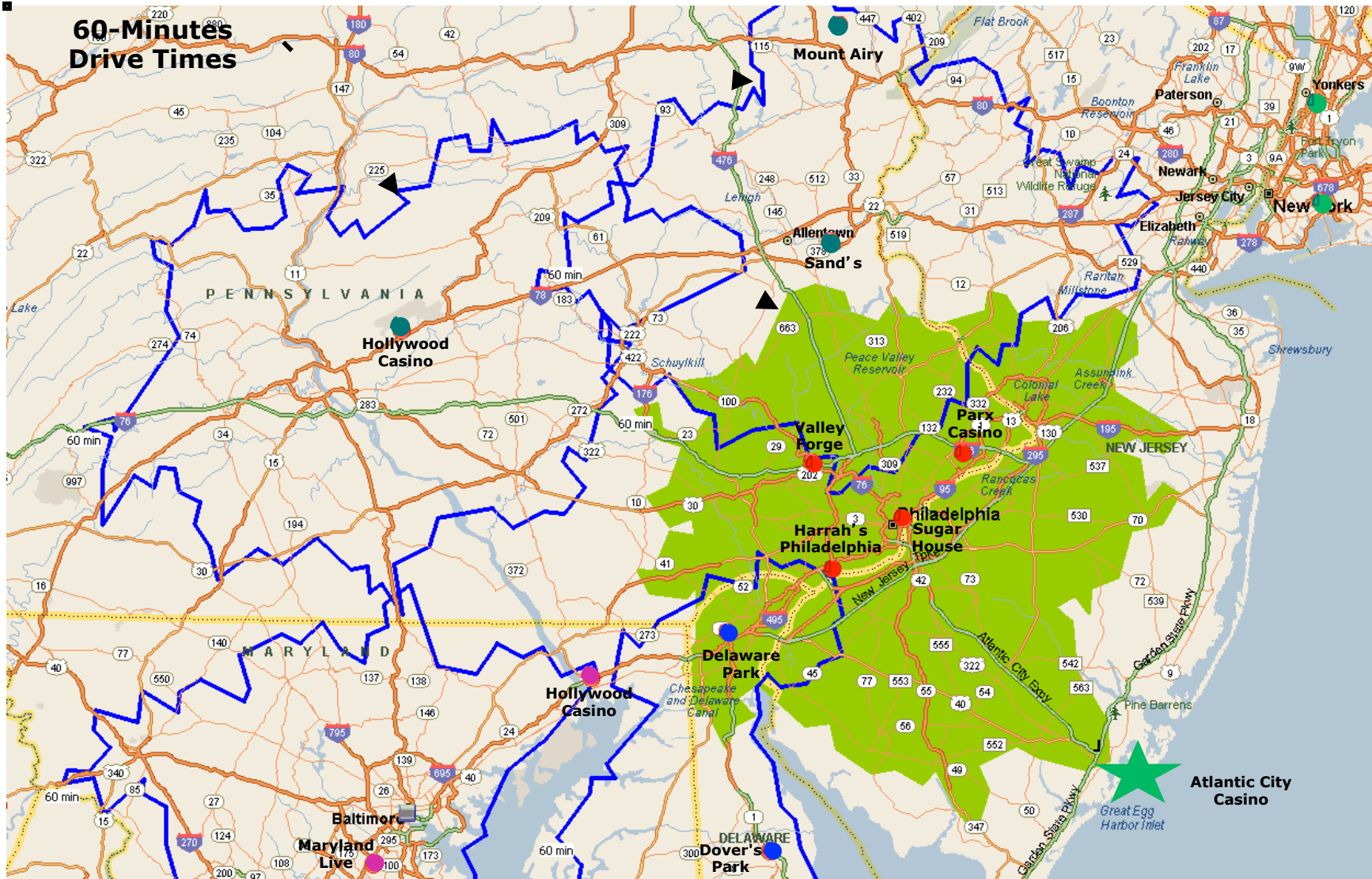
If we assumed all GGR generated at the identified facilities originates from within the defined market area (~90 minute drive-time from Pittsburgh urban core), the Pittsburgh market has a captured GGR per adult rate of ~\$350. That said, a substantial portion of the West Virginia casinos' business likely originates from Ohio (beyond the defined Pittsburgh market area).

If we assumed that half of West Virginia casinos' GGR originates outside the defined market area, the Pittsburgh market area has a captured GGR per adult rate of ~\$300.

Pittsburgh Market Area GGR and GGR/Adult Estimates			
	GGR	GGR % Distribution	GGR/ Adult
Adult Population	2,651,862		
<i>Pennsylvania Casinos</i>			
Slot Win	\$524,184,895	57.0%	\$198
Table Win	\$105,273,685	11.5%	\$40
<b>Subtotal Pennsylvania</b>	<b>\$629,458,580</b>	<b>68.5%</b>	<b>\$237</b>
<i>West Virginia Casinos</i>			
Slot Win	\$259,719,313	28.3%	\$98
Table Win	\$29,971,943	3.3%	\$11
<b>Subtotal West Virginia</b>	<b>\$289,691,257</b>	<b>31.5%</b>	<b>\$109</b>
<b>Total Pittsburgh Market Area</b>	<b>\$919,149,837</b>	<b>100.0%</b>	<b>\$347</b>
<i>Source: HLT Advisory Inc. based on information from Pennsylvania Gaming Control Board, West Virginia Lottery, US Census Bureau and HLT estimates.</i>			



# Appendix B: Comparison Markets Philadelphia

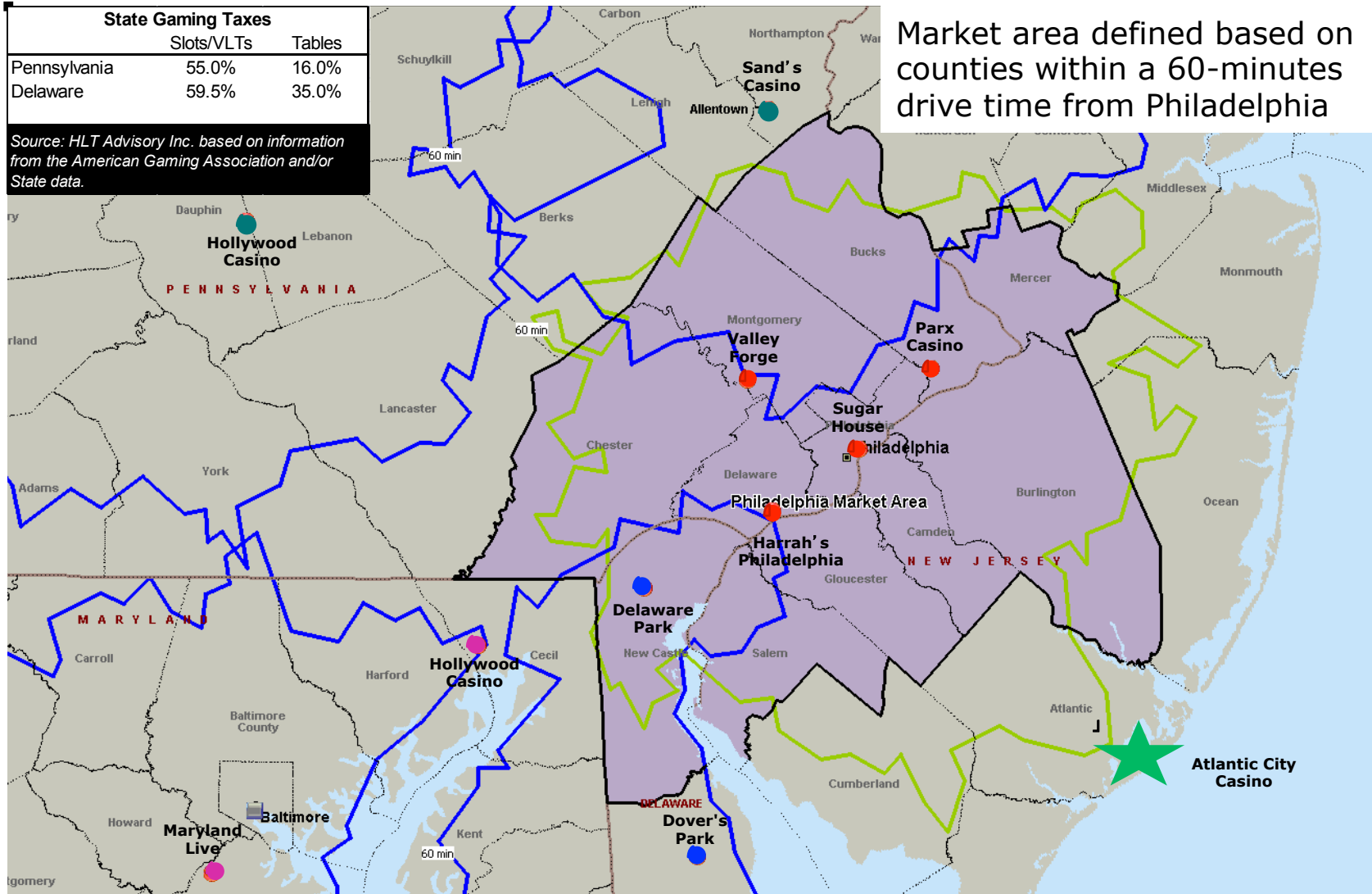


# Appendix B: Comparison Markets Philadelphia

State Gaming Taxes		
	Slots/VLTs	Tables
Pennsylvania	55.0%	16.0%
Delaware	59.5%	35.0%

Source: HLT Advisory Inc. based on information from the American Gaming Association and/or State data.

Market area defined based on counties within a 60-minutes drive time from Philadelphia



# Appendix B: Comparison Markets Philadelphia

Pittsburgh Market Area Population by County				
State	County	Total population	Gamer Population 21+	Gamer Population % of Total
Pennsylvania	Bucks	627,053	465,150	74%
Pennsylvania	Chester	506,575	361,632	71%
Pennsylvania	Delaware	561,098	403,686	72%
Pennsylvania	Montgomery	808,460	597,409	74%
Pennsylvania	Philadelphia	1,547,607	1,112,813	72%
Subtotal Pennsylvania		4,050,793	2,940,690	73%
Delaware	New Castle	546,076	391,477	72%
Subtotal Delaware		546,076	391,477	72%
New Jersey	Burlington	451,336	332,574	74%
New Jersey	Camden	513,539	370,772	72%
New Jersey	Gloucester	289,586	209,074	72%
New Jersey	Mercer	368,303	266,737	72%
New Jersey	Salem	65,774	48,250	73%
Subtotal New Jersey		1,688,538	1,227,406	73%
<b>Total Philadelphia</b>		<b>6,285,407</b>	<b>4,559,573</b>	<b>73%</b>

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

## Population and Gaming Supply

- Market Area Adult Population (21+) estimated at 4.6 million.
- Five casino within market area (four in Pennsylvania and one in Delaware).
- Total current GGR \$1.3 billion.

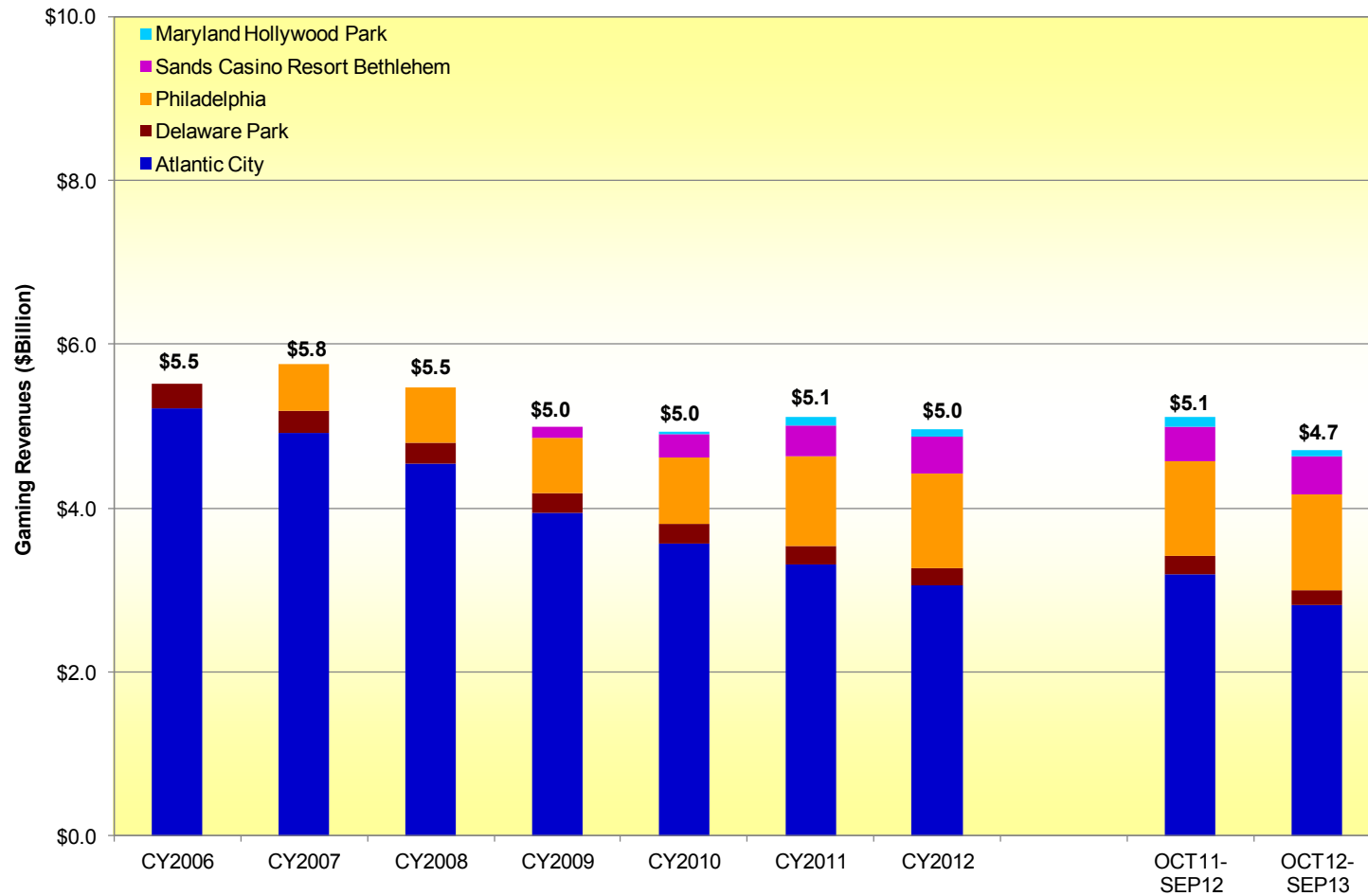
Philadelphia Market Area Existing Casino Facilities					
Casinos	Current Performance*			Number of Devices	
	Slots	Tables	Total	Slots	Tables
<u>Pennsylvania Casinos</u>					
Parx Casino	\$373,491,166	\$116,073,435	\$489,564,601	3,361	166
Harrah's Philadelphia	\$240,437,437	\$78,189,710	\$318,627,148	2,805	126
SugarHouse Casino	\$183,028,836	\$84,520,980	\$267,549,816	1,604	58
Valley Forge Casino Resort	\$60,068,946	\$32,515,263	\$92,584,209	600	50
Subtotal	\$857,026,385	\$311,299,389	\$1,168,325,773	8,370	400
<u>Delaware Casinos</u>					
Delaware Park	\$148,339,200	\$29,066,199	\$177,405,399	2,298	45
Subtotal	\$148,339,200	\$29,066,199	\$177,405,399	2,298	45
<b>Total Philadelphia</b>	<b>\$1,005,365,585</b>	<b>\$340,365,588</b>	<b>\$1,345,731,172</b>	<b>10,668</b>	<b>445</b>

\* Twelve months ending September 2013.

Source: HLT Advisory Inc. based on the Pennsylvania Gaming Control Board and Delaware Lottery monthly reports.

# Appendix B: Comparison Markets Philadelphia

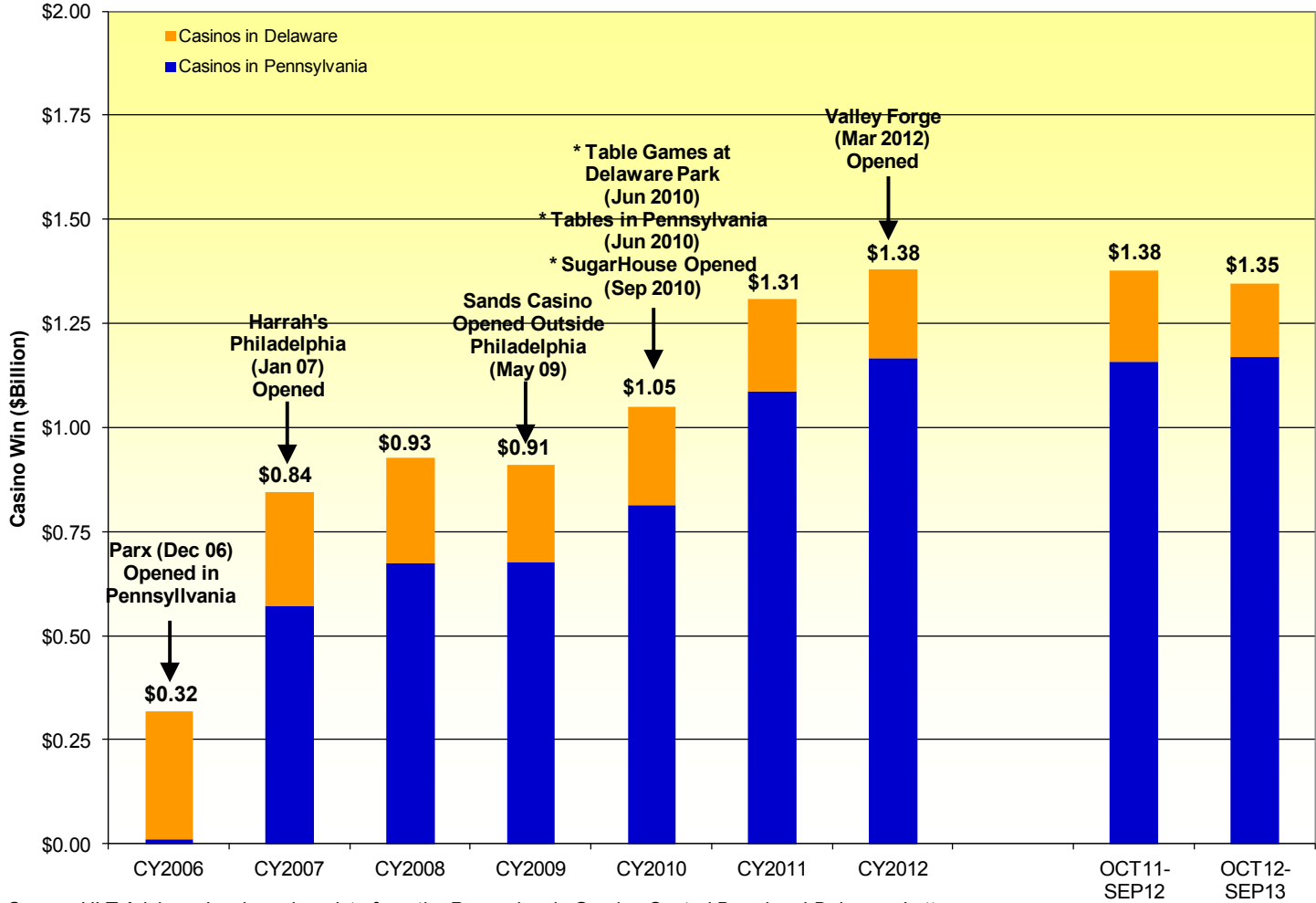
## Casino Revenue Performance in the Broader Regional Casino Market Area



Source: HLT Advisory Inc. based on data available from various State gaming entities.

# Appendix B: Comparison Markets Philadelphia

## Philadelphia Market Area Casino Gross Gaming Revenue



Source: HLT Advisory Inc. based on data from the Pennsylvania Gaming Control Board and Delaware Lottery.

# Appendix B: Comparison Markets

## Philadelphia - Captured GGR/Adult Estimate

If we assume all GGR generated at identified facilities originates from within the defined market area (~60 minute drive-time from Philadelphia urban core), the Philadelphia market area has a captured GGR per adult rate of ~\$300.

<b>Philadelphia Market Area GGR and GGR/Adult Estimates</b>			
	GGR	GGR % Distribution	GGR/ Adult
Adult Population	4,559,573		
<i><u>Pennsylvania Casinos</u></i>			
Slot Win	\$857,026,385	63.7%	\$188
Table Win	\$311,299,389	23.1%	\$68
<b>Subtotal Pennsylvania</b>	<b>\$1,168,325,773</b>	<b>86.8%</b>	<b>\$256</b>
<i><u>Delaware Casinos</u></i>			
Slot Win	\$148,339,200	11.0%	\$33
Table Win	\$29,066,199	2.2%	\$6
<b>Subtotal Delaware</b>	<b>\$177,405,399</b>	<b>13.2%</b>	<b>\$39</b>
<b>Total Philadelphia Market Area</b>	<b>\$1,345,731,172</b>	<b>100.0%</b>	<b>\$295</b>
<i>Source: HLT Advisory Inc. based on information from Pennsylvania Gaming Control Board, Delaware Lottery, US Census Bureau and HLT estimates.</i>			

# Appendix C: Full Competition Market Shares by Facility

Market Areas	Massachusetts Gaming Facilities - Full Competition (%)								Total Captured	Uncaptured	Total Market
	Category 2 Penn	Category 1 - Resort Casinos			Total Massachusetts	Rhode Island	Connecticut				
		Boston	Springfield	Taunton							
<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%	
<b>Subtotal Central Boston</b>											
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%	
<b>Subtotal Boston Suburbs</b>											
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%	
<b>Subtotal Southern Massachusetts</b>											
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%	
<b>Subtotal West &amp; Central Massachusetts</b>											
<b>Subtotal Massachusetts</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%	
<b>Subtotal New Hampshire Areas</b>											
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%	
<b>Subtotal Rhode Island</b>											
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%	
<b>Subtotal Connecticut</b>											
<b>Subtotal Neighbouring States</b>											

Source: HLT Advisory Inc. estimates.

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

Massachusetts Gaming Facilities - Full Competition with \$300/Adult														
Market Areas	Adult Population	GGR/Adult	Total Market GGR	Category 1 - Resort Casinos				Total Massachusetts	Rhode Island	Connecticut	Total Captured	Uncaptured	Total Market	
				Category 2 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	
<b>Subtotal Central Boston</b>	<b>1,396,642</b>	<b>\$300</b>	<b>\$418,992,600</b>	<b>\$27,802,890</b>	<b>\$297,111,300</b>	<b>\$20,949,630</b>	<b>\$27,802,890</b>	<b>\$373,666,710</b>	<b>\$20,949,630</b>	<b>\$24,376,260</b>	<b>\$418,992,600</b>	<b>\$0</b>	<b>\$418,992,600</b>	
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	
<b>Subtotal Boston Suburbs</b>	<b>1,189,068</b>	<b>\$300</b>	<b>\$356,720,400</b>	<b>\$34,955,655</b>	<b>\$181,397,745</b>	<b>\$32,930,670</b>	<b>\$54,106,530</b>	<b>\$303,390,600</b>	<b>\$20,589,548</b>	<b>\$32,740,253</b>	<b>\$356,720,400</b>	<b>\$0</b>	<b>\$356,720,400</b>	
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	
<b>Subtotal Southern Massachusetts</b>	<b>989,982</b>	<b>\$300</b>	<b>\$296,994,600</b>	<b>\$42,006,420</b>	<b>\$24,937,185</b>	<b>\$14,849,730</b>	<b>\$150,907,935</b>	<b>\$232,701,270</b>	<b>\$34,689,525</b>	<b>\$29,603,805</b>	<b>\$296,994,600</b>	<b>\$0</b>	<b>\$296,994,600</b>	
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	\$26,854,080	\$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	
<b>Subtotal West &amp; Central Massachusetts</b>	<b>1,201,598</b>	<b>\$300</b>	<b>\$360,479,400</b>	<b>\$8,176,470</b>	<b>\$55,233,270</b>	<b>\$198,442,350</b>	<b>\$34,376,910</b>	<b>\$296,229,000</b>	<b>\$20,025,990</b>	<b>\$44,224,410</b>	<b>\$360,479,400</b>	<b>\$0</b>	<b>\$360,479,400</b>	
<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	
<b>Subtotal New Hampshire Areas</b>	<b>721,803</b>	<b>\$300</b>	<b>\$216,540,900</b>	<b>\$0</b>	<b>\$96,196,500</b>	<b>\$22,900,995</b>	<b>\$17,629,440</b>	<b>\$136,726,935</b>	<b>\$6,802,395</b>	<b>\$21,654,090</b>	<b>\$165,183,420</b>	<b>\$51,357,480</b>	<b>\$216,540,900</b>	
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	
<b>Subtotal Rhode Island</b>	<b>768,831</b>	<b>\$300</b>	<b>\$230,649,300</b>	<b>\$13,039,200</b>	<b>\$11,532,465</b>	<b>\$11,532,465</b>	<b>\$23,064,930</b>	<b>\$59,169,060</b>	<b>\$125,350,380</b>	<b>\$46,129,860</b>	<b>\$230,649,300</b>	<b>\$0</b>	<b>\$230,649,300</b>	
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	
<b>Subtotal Connecticut</b>	<b>2,586,066</b>	<b>\$300</b>	<b>\$775,819,800</b>	<b>\$0</b>	<b>\$38,790,990</b>	<b>\$114,611,025</b>	<b>\$38,790,990</b>	<b>\$192,193,005</b>	<b>\$7,032,915</b>	<b>\$576,593,880</b>	<b>\$775,819,800</b>	<b>\$0</b>	<b>\$775,819,800</b>	
<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 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
<b>Subtotal Central Boston</b>	<b>1,396,642</b>	<b>\$353</b>	<b>\$492,989,900</b>	<b>\$32,073,860</b>	<b>\$351,181,513</b>	<b>\$24,649,495</b>	<b>\$32,073,860</b>	<b>\$439,978,728</b>	<b>\$24,649,495</b>	<b>\$28,361,678</b>	<b>\$492,989,900</b>	<b>\$0</b>	<b>\$492,989,900</b>
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
<b>Subtotal Boston Suburbs</b>	<b>1,189,068</b>	<b>\$290</b>	<b>\$345,350,550</b>	<b>\$37,080,239</b>	<b>\$170,422,136</b>	<b>\$32,043,290</b>	<b>\$53,717,365</b>	<b>\$293,263,030</b>	<b>\$20,250,516</b>	<b>\$31,837,004</b>	<b>\$345,350,550</b>	<b>\$0</b>	<b>\$345,350,550</b>
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
<b>Subtotal Southern Massachusetts</b>	<b>989,982</b>	<b>\$328</b>	<b>\$324,399,050</b>	<b>\$49,190,958</b>	<b>\$27,280,774</b>	<b>\$16,219,953</b>	<b>\$162,115,824</b>	<b>\$254,807,508</b>	<b>\$37,488,371</b>	<b>\$32,103,171</b>	<b>\$324,399,050</b>	<b>\$0</b>	<b>\$324,399,050</b>
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
<b>Subtotal West &amp; Central Massachusetts</b>	<b>1,201,598</b>	<b>\$332</b>	<b>\$399,286,750</b>	<b>\$8,482,558</b>	<b>\$58,022,703</b>	<b>\$226,121,268</b>	<b>\$36,929,453</b>	<b>\$329,555,980</b>	<b>\$21,319,538</b>	<b>\$48,411,233</b>	<b>\$399,286,750</b>	<b>\$0</b>	<b>\$399,286,750</b>
<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
<b>Subtotal New Hampshire Areas</b>	<b>721,803</b>	<b>\$275</b>	<b>\$198,495,825</b>	<b>\$0</b>	<b>\$88,180,125</b>	<b>\$20,992,579</b>	<b>\$16,160,320</b>	<b>\$125,333,024</b>	<b>\$6,235,529</b>	<b>\$19,849,583</b>	<b>\$151,418,135</b>	<b>\$47,077,690</b>	<b>\$198,495,825</b>
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
<b>Subtotal Rhode Island</b>	<b>768,831</b>	<b>\$375</b>	<b>\$288,311,625</b>	<b>\$16,299,000</b>	<b>\$14,415,581</b>	<b>\$14,415,581</b>	<b>\$28,831,163</b>	<b>\$73,961,325</b>	<b>\$156,687,975</b>	<b>\$57,662,325</b>	<b>\$288,311,625</b>	<b>\$0</b>	<b>\$288,311,625</b>
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
<b>Subtotal Connecticut</b>	<b>2,586,066</b>	<b>\$307</b>	<b>\$794,772,550</b>	<b>\$0</b>	<b>\$39,738,628</b>	<b>\$118,419,901</b>	<b>\$39,738,628</b>	<b>\$197,897,156</b>	<b>\$8,791,144</b>	<b>\$588,084,250</b>	<b>\$794,772,550</b>	<b>\$0</b>	<b>\$794,772,550</b>
<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

Massachusetts Gaming Facilities - Full Competition with \$350/Adult													
Market Areas	Adult Population	GGR/Adult	Total Market GGR	Category 1 - Resort Casinos				Total Massachusetts	Rhode Island	Connecticut	Total Captured	Uncaptured	Total Market
				Category 2 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
<b>Subtotal Central Boston</b>	<b>1,396,642</b>	<b>\$350</b>	<b>\$488,824,700</b>	<b>\$32,436,705</b>	<b>\$346,629,850</b>	<b>\$24,441,235</b>	<b>\$32,436,705</b>	<b>\$435,944,495</b>	<b>\$24,441,235</b>	<b>\$28,438,970</b>	<b>\$488,824,700</b>	<b>\$0</b>	<b>\$488,824,700</b>
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
<b>Subtotal Boston Suburbs</b>	<b>1,189,068</b>	<b>\$350</b>	<b>\$416,173,800</b>	<b>\$40,781,598</b>	<b>\$211,630,703</b>	<b>\$38,419,115</b>	<b>\$63,124,285</b>	<b>\$353,955,700</b>	<b>\$24,021,139</b>	<b>\$38,196,961</b>	<b>\$416,173,800</b>	<b>\$0</b>	<b>\$416,173,800</b>
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	\$48,429,990	\$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
<b>Subtotal Southern Massachusetts</b>	<b>989,982</b>	<b>\$350</b>	<b>\$346,493,700</b>	<b>\$49,007,490</b>	<b>\$29,093,383</b>	<b>\$17,324,685</b>	<b>\$176,059,258</b>	<b>\$271,484,815</b>	<b>\$40,471,113</b>	<b>\$34,537,773</b>	<b>\$346,493,700</b>	<b>\$0</b>	<b>\$346,493,700</b>
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	\$152,262,250	\$152,262,250	\$0	\$152,262,250
Massachusetts West	109,573	\$350	\$38,350,550	\$0	\$1,917,528	\$30,680,440	\$1,917,528	\$34,515,495	\$0	\$3,835,055	\$38,350,550	\$0	\$38,350,550
<b>Subtotal West &amp; Central Massachusetts</b>	<b>1,201,598</b>	<b>\$350</b>	<b>\$420,559,300</b>	<b>\$9,539,215</b>	<b>\$64,438,815</b>	<b>\$231,516,075</b>	<b>\$40,106,395</b>	<b>\$345,600,500</b>	<b>\$23,363,655</b>	<b>\$51,595,145</b>	<b>\$420,559,300</b>	<b>\$0</b>	<b>\$420,559,300</b>
<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
<b>Subtotal New Hampshire Areas</b>	<b>721,803</b>	<b>\$350</b>	<b>\$252,631,050</b>	<b>\$0</b>	<b>\$112,229,250</b>	<b>\$26,717,828</b>	<b>\$20,567,680</b>	<b>\$159,514,758</b>	<b>\$7,936,128</b>	<b>\$25,263,105</b>	<b>\$192,713,990</b>	<b>\$59,917,060</b>	<b>\$252,631,050</b>
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
<b>Subtotal Rhode Island</b>	<b>768,831</b>	<b>\$350</b>	<b>\$269,090,850</b>	<b>\$15,212,400</b>	<b>\$13,454,543</b>	<b>\$13,454,543</b>	<b>\$26,909,085</b>	<b>\$69,030,570</b>	<b>\$146,242,110</b>	<b>\$53,818,170</b>	<b>\$269,090,850</b>	<b>\$0</b>	<b>\$269,090,850</b>
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
<b>Subtotal Connecticut</b>	<b>2,586,066</b>	<b>\$350</b>	<b>\$905,123,100</b>	<b>\$0</b>	<b>\$45,256,155</b>	<b>\$133,712,863</b>	<b>\$45,256,155</b>	<b>\$224,225,173</b>	<b>\$8,205,068</b>	<b>\$672,692,860</b>	<b>\$905,123,100</b>	<b>\$0</b>	<b>\$905,123,100</b>
<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.

# Operations Plan

Massachusetts Gaming Commission  
September 2014

# 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 "resort casino" and to financial projections.
- Applicant's financial projections are consistent with their business plans.

# 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).
  - Massachusetts internal controls are yet to be established.
- Revere/Mohegan and Everett/Wynn recognize the importance of internal controls and have experience working in a regulated environment.

Internal Controls		
	Revere/Mohegan	Everett/Wynn
Internal Controls	Mohegan Sun used their Pocono	Provided the following:
Examples Provided	Downs operation to demonstrate their experience with internal controls, and provided the following: -Mohegan Sun at Pocono Downs Internal Controls Manual -Mohegan Sun Massachusetts(MSM) Job Compendium -MSM Staff Counts -MSM Ownership Structure	-Detail of existing Internal Audit Practices -Operating Charter -Policies and Procedures -Organization Chart -2013 Audit Plan -Proposed Audits -Compliance Reports -Internal Controls Matrix -Quarterly Status Report -Remediation and Reporting Procedures -Cage Accountability and Audit -Surveillance Policies and Procedures -Security Operating Policies and Procedures

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

# Consistency of Business Plan: Introduction

## Expectations of Applicant:

- Business plan is consistent with a resort 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 resort 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 to Operations Plan: Everett/Wynn Application Revisions

On June 25, 2014 Everett/Wynn made revisions to their application as part of their final EIR. These revisions included the following:

<b>Everett/Wynn Application Revisions</b>			
	Original Application	Revised Application	Change
Number of Slots	3,072	3,242	170
Number of Tables	150	168	18
Hotel (Rooms)	500	504	4
Parking (Spaces)	2,909	3,700	791
Year 1 Gaming Revenue (\$millions)	\$804.1	\$836.0	\$31.9
Year 1 EBITDA (\$millions)	\$310.6	\$314.8	\$4.2

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

Everett/Wynn did not provide all of the detail schedules related to these revisions. Accordingly all information presented in remainder of the document are based on Everett/Wynn's original application 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 (e.g. hold strategy, denomination mix, leased/owned, etc.)

Category 1 - Resort Casinos Slot Product Mix						
By Denomination	Springfield/MGM		Revere/Mohegan*		Everett/Wynn**	
	Total	Mix %	Total	Mix %	Total	Mix %
\$0.01	1,440	48.0%	2,511	59.8%	1,054	32.5%
\$0.02	210	7.0%	126	3.0%	105	3.2%
\$0.05	270	9.0%	168	4.0%	485	15.0%
\$0.10	-	0.0%	-	0.0%	53	1.6%
\$0.25	360	12.0%	678	16.1%	896	27.6%
\$0.50	-	0.0%	42	1.0%	53	1.6%
\$1.00	510	17.0%	420	10.0%	421	13.0%
\$2.00	-	0.0%	-	0.0%	26	0.8%
\$5.00	150	5.0%	168	4.0%	105	3.2%
\$10.00	30	1.0%	42	1.0%	11	0.3%
\$25.00	16	0.5%	25	0.6%	11	0.3%
\$50.00	7	0.2%	-	0.0%	11	0.3%
\$100.00	7	0.2%	20	0.5%	11	0.3%
<b>Total</b>	<b>3,000</b>	<b>100.0%</b>	<b>4,200</b>	<b>100.0%</b>	<b>3,242</b>	<b>100.0%</b>

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

\*Slot mix as provided in Clarification Questions. Note that the total number of slot machines in this attachment is slightly lower than the total provided in Mohegan's original application (4,240).

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

Category 1 - Resort Casinos Slot Product			
	Springfield/ MGM	Revere/ Mohegan*	Everett/ Wynn**
Percentage of Slot Machines			
Purchased	94.2%	87.5%	90.0%
Leased	5.8%	12.5%	10.0%
<b>Total</b>	<b>100%</b>	<b>100.0%</b>	<b>100.0%</b>
Number of Slot Machines			
Purchased	2,827	3,710	2,765
Leased	173	530	307
<b>Total</b>	<b>3,000</b>	<b>4,240</b>	<b>3,072</b>
Gross Slot Win	\$462,565,996	\$818,106,379	\$566,271,682
Free Play	\$60,334,695	\$74,373,307	\$48,133,093
<b>Net Slot Win</b>	<b>\$402,231,301</b>	<b>\$743,733,072</b>	<b>\$518,138,589</b>
Win/Unit/Day (after deduction of free play)	\$367.33	\$480.57	\$462.10
Win/Unit/Day (before deduction of free play)	\$422.43	\$528.63	\$505.02
Slot Hold %	7.3%	8.0%	7.5%
% Rated Play	78%	80%	75%
Number of VIP Room Slot Machines	~60***	82	72

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

n/p- Not provided.

\*Mohegan indicated 10-15% of slot machines would be leased in the May 2014 response to clarification questions. Mohegan's percentage of leased games has been assumed to be 12.5%.

\*\*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

- Revere/Mohegan has proposed ~1,000 more slot machines than Everett/Wynn (based on June 25, 2014 revisions).
- Both Applicants provide for a higher than expected win/unit/day amount. We would expect win/unit/day of approximately \$300.
- Both Applicants have provided for a reasonable slot plan in terms of:
  - percentage of leased games (10%-15%)
  - amount of lower denomination slots (greater than 50%)
  - VIP slot room
  - slot hold percentage (7%-8%).

# 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.

Category 1 - Resort Casinos			
Table Product	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
VIP Room			
Square Footage	5,100	n/p	2,904
Tables	n/p	16	10
Table Win (Excluding Poker)	\$89,549,853	\$156,464,986	\$317,749,054
Poker Win	\$7,740,147	\$10,201,942	\$9,595,558
Win/Unit/Day (Excluding Poker)	\$3,271	\$4,287	\$6,964
Table Hold %	19.3%	15.0%	20.0%
% Rated Play	74%	73%	50%
<i>Source: HLT Advisory Inc. based on Applicant's submission.</i>			
<i>n/p- Not provided.</i>			

Category 1 - Resort Casinos			
Table Product	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn*
Table Game Mix			
Blackjack	38	40	48
Baccarat	3	5	-
Mini-Baccarat	3	7	17
Midi-Baccarat	-	-	29
Roulette	10	12	9
Craps	6	8	6
Big Six	1	1	1
Sic-Bo	-	1	4
Spanish 21	2	2	-
Pai Gow (Poker/Tiles)	5	10	12
Caribbean Stud	2	-	2
3-Card/4-Card Poker	5	8	6
Let it Ride	-	6	4
Texas Hold 'Em	-	-	5
Poker	25	20	25
Total	100	120	168
<i>Source: HLT Advisory Inc. based on Applicant's submission.</i>			
<i>n/p- Not provided.</i>			
<i>*Table supply and mix is based on June 25, 2014 revisions.</i>			

# Consistency of Business Plan: Table Product Plan

- Everett/Wynn has proposed 48 more table games (based on June 25, 2014 revisions) than Revere/Mohegan.
- Everett/Wynn's VIP room includes 10 tables and Revere/Mohegan provided for 16 tables in their VIP room. We would have expected that Everett/Wynn would have proposed a larger VIP room given their intended "high-end" focus (greater than 35 tables).
- Revere/Mohegan projects a win/unit/day that is in the range that would be expected for a North American regional casino located in an urban market (only casino located in that urban area).
- Everett/Wynn is projecting a win/unit/day much higher than what would be expected for a North American regional casino located in an urban market (only casino located in that urban area). That said, this is consistent with their intended focus on "high-end" market and their experience in other markets (Las Vegas, Macau).
- Everett/Wynn has proposed 46 Baccarat games (based on June 25, 2014 revisions). This is consistent with a focus on international play.
- Overall, Revere/Mohegan's table game plan is reasonable and reflective of its intended local market focus (Boston urban area).
- Overall, Everett/Wynn's table game plan is reasonable and reflective of its intended focus on the "high-end" and international play market.

# Consistency of Business Plan: Slot and Table Comparables

- Slot win/unit/day at Mohegan's and Wynn's other domestic properties (~\$200-\$300 range) are lower than what they are projecting in Massachusetts (~\$500).
- Mohegan's table win/unit/day at its Connecticut facility (\$2,855) is lower than its proposed Massachusetts facility (\$4,287) but consistent with the Massachusetts market opportunity.
- Wynn's Las Vegas casino out performs the Las Vegas market with respect to win/table/day.
- Macau operations at Wynn are not comparable to the Massachusetts market.

<b>Las Vegas Comparison</b>			
	Sands Properties	Wynn Properties	Total Las Vegas Strip (23 Casinos)
Slot Revenue (\$000s)	\$176,101	\$177,452	\$2,593,182
Table Revenue (\$000s)	\$524,654	\$657,927	\$3,303,662
Total Casino Revenue (\$000s)	\$700,755	\$835,379	\$5,896,844
Slot Machines	2,350	1,854	34,589
Table Games	250	230	2,308
Win/Slot/Day	\$205	\$262	\$205
Win/Table/Day	\$5,750	\$7,837	\$3,922

*Source: HLT Advisory Inc. based on company annual reports and the Nevada Gaming Abstracts.*

<b>Win per Unit per Day - Applicants' Other Properties</b>				
	Mohegan Tribal Gaming Authority		Wynn	
	Connecticut	Pocono Downs	Las Vegas	Macau
Slot Revenue (\$000s)	\$618,680	\$220,127	\$177,452	\$245,578
Table Revenue (\$000s)	\$300,099	\$39,547	\$657,927	\$4,694,924
Poker Revenue (\$000s)	\$9,867	\$3,957	n/a	n/a
Total Revenue (\$000s)	\$928,646	\$263,631	\$835,379	\$4,940,502
Slots	5,553	2,332	1,854	866
Tables	285	66	230	493
Poker	42	18	n/a	n/a
Slot Win/Unit/Day	\$305	\$259	\$262	\$777
Table Win/Unit/Day	\$2,885	\$1,642	\$7,837	\$26,091
Poker Win/Unit/Day	\$644	\$602	n/a	n/a

*Source: HLT Advisory Inc. based on company annual reports, gaming commission documents, and HLT estimates.  
n/a-Not available.*

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

- Revere/Mohegan and Everett/Wynn provided food and beverage plans which include appropriately themed restaurants. Total seats range from 1,160 at Everett/Wynn to 1,550 at Revere/Mohegan.
- Type of food and beverage offerings are in line with expectations of a North American regional casino, although neither Revere/Mohegan or Everett/Wynn provide for a buffet which is commonplace in North American regional casino.
- All F&B outlets at Revere/Mohegan are to be operated by third parties. Everett/Wynn provides for 6 F&B outlets internally, with the remaining 4 outlets being outsourced.

<b>Category 1 - Resort Casino</b>			
<b>Food and Beverage Plan</b>			
	Springfield/ MGM*	Revere/ Mohegan	Everett/ Wynn
<b>F&amp;B Outlet 1</b>			
Number of Seats	619	350	100
Theme	Market-style Buffet	Dave and Busters (or similar)	Japanese/Sushi
<b>F&amp;B Outlet 2</b>			
Number of Seats	172	220	100
Theme	Italian Steakhouse	Steakhouse	Italian Steakhouse
<b>F&amp;B Outlet 3</b>			
Number of Seats	265	220	100
Theme	Pan-Asian dining	Seafood	Chinese Noodle
<b>F&amp;B Outlet 4</b>			
Number of Seats	291	200	215
Theme	Sports bar	Sports Bar	Sports Bar
<b>F&amp;B Outlet 5</b>			
Number of Seats	397	200	100
Theme	Contemporary Dining	American	Coffee Shop
<b>F&amp;B Outlet 6</b>			
Number of Seats	102	100	85
Theme	Coffee Bar	Asian/Italian	Deli
<b>Other F&amp;B Outlets</b>			
Number of Seats	220	260	460
Theme	Deli, Fast Food	Four additional "Fast casual" restaurants	Four additional "to be determined"

*Source: HLT Advisory Inc. based on Applicant's submissions.*  
*\* F&B seats estimated using building square footage and total seats provided.*  
*n/p- Not provided*

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

- Both Revere/Mohegan and Everett/Wynn have provided for 10 food outlets (Revere/Mohegan provides for 1,550 seats and Everett/Wynn provides for 1,160 seats).
- It is not clear how Revere/Mohegan will achieve its projected cover counts (5.60 turns per day) given the limited seating available.
- Everett/Wynn's average cover (~\$38) is high and indicates they may not accommodate the lower end patron.
- Everett/Wynn only expects to capture 14% of its patrons in terms of covers. This is lower than what would be expected.

<b>Category 1 - Resort Casino Food and Beverage Analysis</b>			
	Springfield/ MGM	Revere/ Mohegan Sun*	Everett/ Wynn*
<u>Food and Beverage Outlets</u>			
Number of Food Outlets	8	10	10
Number of Seats	2,065	1,550	1,160
Number of Covers in Outlets	2,559,188	3,166,667	1,076,750
Number of Complex Patrons	8,124,278	7,802,863	7,424,884
Covers as % of Patrons	31.5%	40.6%	14.5%
Average Covers	\$20.21	\$22.50	\$38.11
Covers per day	7,011	8,676	2,950
Estimated turns per day	3.40	5.60	2.54
Food Outlet Revenue**	\$51,713,775	\$71,250,000	\$41,035,125
Bar Revenue**	\$31,689,716	\$6,387,500	\$5,000,000
Bar Revenue per Patron	\$3.90	\$0.82	\$0.67

*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

- All 10 Revere/Mohegan F&B outlets will be outsourced. Beverage service (e.g. Gaming floor bars) will be operated internally (92% of total F&B revenue outsourced) At Everett/Wynn 4 of 10 F&B outlets at will be outsourced (20% of F&B revenue).
- F&B revenue as a percentage of gaming revenue for both Applicants is lower than what would be expected.
- Everett/Wynn's promotional allowance amount (~37% of F&B revenue) while low, is consistent with operating practices of Wynn.

Category 1 - Resort Casino Food and Beverage Financial Information			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
Total Gaming Revenue	\$499,521,301	\$910,400,000	\$845,483,200
F&B Revenue (Internally Operated)*	\$88,439,123	\$7,050,269	\$54,926,374
F&B Revenue (Externally Operated)*	\$0	\$77,056,875	\$13,870,000
Total F&B Revenue*	\$88,439,123	\$84,107,144	\$68,796,374
F&B Revenue as % of Gaming Revenue	18%	9%	8%
F&B Payroll (Internal)	\$44,499,099	\$5,696,188	\$33,694,306
F&B Cost of Sales (Internal)	\$25,432,316	\$1,903,573	\$17,733,072
Promotional Allowances F&B (Internal & External)	\$52,602,757	\$44,135,791	\$25,095,597
F&B Payroll as % of F&B Revenue (Internal)	50.3%	80.8%	61.3%
F&B Cost of Sales Margin (Internal)	28.8%	27.0%	25.8%
Promotional Allowances F&B as % of F&B Revenue (Internal & External)	59.5%	52.5%	36.5%

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

Both Applicants put forward reasonable hotel plans consistent with their respective overall business plans.

- Revere/Mohegan’s average daily rate (for both hotels) is consistent with the Boston market and its “mid-market” brand (“3 and 4 star quality”).
- Everett/Wynn’s average daily rate is consistent with its high-end brand (“5 star”). Everett/Wynn’s promotional allowance (comped) amount (30% of hotel revenue) while low, is consistent with operating practices of Wynn.

Category 1 - Resort Casino					
Hotel Analysis					
	Metropolitan Boston	Springfield/ MGM	Revere/ Mohegan*		Everett/ Wynn
			Casino Hotel	Third Party Hotel	
Number of Rooms	20,947	250	300	200	500
Occupancy %	74.3%	92.3%	95.0%	83.2%	90.9%
Average Daily Rate	\$185	\$186	\$175	\$187	\$278
RevPAR	\$137	\$172	\$166	\$156	\$253
Hotel Revenue		\$15,685,961	\$18,921,961	\$11,372,295	\$46,117,863
% Hotel Revenue Comped		48.2%	46.7%	46.6%	30.0%

Source: HLT Advisory Inc. based on Applicant's submissions and PKF Trend reports.

\*Room counts of 300 and 200 were assumed by Revere/Mohegan when projecting Occupancy and Average Daily Rate. Room counts elsewhere in the Application have been stated as 325 rooms (casino hotel) and 175 rooms (third party hotel).

# Consistency of Business Plan: Retail/Other Plan

- Both Applicants provided limited details related to retail amenities. That said, both Applicants suggested they would attract premium retail brands. No commitments or agreements with such retailers are present in their Applications.
- Both Applicants do have considerable experience with respect to incorporating retail in their gaming complexes.

	<b>Category 1 - Resort Casino</b>		
	<b>Retail/Other</b>		
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn*
<u>Primary Retail</u>			
Square Footage	33,300	102,000	77,250
Theme	Outdoor Plaza (up to 15 tenants)	Specialty Retail, Kids Quest	Premium retail stores.
<u>Other</u>			
Convention Space (sf)	19,388	44,800	32,942
Other Amenities	Bowling alley Cinema	Dave & Busters or similar	Nightclub (30,392 sf)
Retail/Other Revenue	\$23,033,640	\$16,660,427	\$50,408,117
<i>Source: HLT Advisory Inc. based on Applicant's submissions and HLT estimates.</i>			
<i>n/a- Not applicable</i>			
<i>*Retail square footage is based on June 25, 2014 revisions.</i>			

# Consistency of Business Plan: Parking Plan

- Number of turns per day at Revere/Mohegan and Everett/Wynn is consistent.
- Both Applicants plan to provide offsite parking for employees.

<b>Category 1 - Resort Casino Parking Analysis</b>			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn <sup>5</sup>
Annual Number of Patrons <sup>1</sup>	8,124,278	8,071,342	7,649,301
Average Number of Patrons per Day	22,258	22,113	20,957
% Arriving by Vehicle <sup>2</sup>	85%	75%	75%
Average Number of Patrons Arriving by Vehicle per Day	18,920	16,585	15,718
Number of Patrons per Vehicle <sup>2</sup>	1.5	1.5	1.5
Number of Patron Vehicles	12,613	11,057	10,478
Employee Vehicles per Day <sup>3</sup>	750		
Total Vehicles per Day	13,363	11,057	10,478
Number of Parking Spaces	3,853	4,470	3,700
Number of Turns per Day <sup>4</sup>	3.5	2.5	2.8

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

*1-Applicant's patron estimates.*

*2-HLT estimates.*

*3-Mohegan Sun and Wynn provide off-site parking for employees.*

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

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

# Consistency of Business Plan: Marketing Plan

Marketing Strategies	Market Focus and Marketing Activities	
	Revere/Mohegan	Everett/Wynn
<b>Marketing Strategies</b>		
In-State	<ul style="list-style-type: none"> <li>Utilize newspaper, radio and television advertising as well as a direct mail program.</li> <li>Offer free play to customers based on gaming activity and customer's location (customers further or in close proximity to other facilities will receive higher offers).</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>
Out of State (cross marketing)	<ul style="list-style-type: none"> <li>Accessible to drive-in and bus market to the North, West and South.</li> <li>Good access from Logan International Airport.</li> <li>Heavy concentration of junket relationships in the East and Southeastern part of US. Relationships West to California and extending North to Toronto.</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>
Entertainment	<ul style="list-style-type: none"> <li>Agreement with Citi Center to cross-market each other's institutions.</li> <li>Use smaller spaces to generate excitement (950 seat multi-use space and casino style lounge with regional bands, DJs, etc.).</li> <li>Also partner with neighbouring Suffolk Downs to help boost the racing industry.</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>
Sports (cross marketing)	<ul style="list-style-type: none"> <li>Junket sales efforts will include Boston sports.</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>
Local Partners (cross marketing)	<ul style="list-style-type: none"> <li>Will offer a unique Regional Business Partnership Program that extends both our brand and benefits to local and regional retailers. More than 60 local retailers from the region have expressed interest in participating.</li> <li>Agreement with CitiCenter to cross-market each other's institutions.</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 Greater Boston Convention and Visitors Bureau.</li> </ul>
Food and Beverage	<ul style="list-style-type: none"> <li>Loyalty card points redeemable at both casino-owned and tenant owned retail, dining, and entertainment (RDE) facilities.</li> <li>Use of F&amp;B in bus promotional packages.</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>

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

# Consistency of Business Plan: Marketing Plan

Marketing Activities (cont'd)		
Loyalty Program	Mohegan Sun/Revere	Wynn/Everett
Name	<ul style="list-style-type: none"> <li>Momentum</li> </ul>	<ul style="list-style-type: none"> <li>Red Card (Gaming), Private Access (Non-Gaming)</li> </ul>
Existing Customer Base	<ul style="list-style-type: none"> <li>5 million (many of them in the Northeast)</li> </ul>	<ul style="list-style-type: none"> <li>"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)</li> </ul>
Tier Levels	<ul style="list-style-type: none"> <li>5 (Core, Leap, Ascend, Soar, Triumph)</li> </ul>	<ul style="list-style-type: none"> <li>Breaks down audiences by spend bucket using theoretical win. No mention of specific tiers.</li> </ul>
Points Redeemable for	<ul style="list-style-type: none"> <li>Casino owned and operated retail, dining and entertainment (RDE) establishments</li> <li>Tenant operated RDE establishments on site.</li> <li>All regional offsite points partnership RDE establishments with executed agreements.</li> </ul>	<ul style="list-style-type: none"> <li>Rooms</li> <li>Dining</li> <li>Golf</li> <li>Entertainment</li> </ul>
GGR from Cardholders	<ul style="list-style-type: none"> <li>~79%</li> </ul>	<ul style="list-style-type: none"> <li>~65%</li> </ul>
<b>Other Marketing Activities</b>		
Direct Mail Program	<ul style="list-style-type: none"> <li>To communicate: events and entertainment, Massachusetts regional activities, Massachusetts points program, promotional offers and rewards (tiered based on gaming play and mailed monthly), retail and restaurants, hotel and entertainment activities and promotions.</li> </ul>	<ul style="list-style-type: none"> <li>Mention of direct mail to database. Use of "slightly richer" offers restricted to specific dates where facilities are less busy.</li> </ul>
Advertising Plan	<ul style="list-style-type: none"> <li>What: television, radio, print, outdoor, social, web</li> <li>Where: Boston Metropolitan Area Boston/Cambridge/Quincy Boston/Worcester Manchester/Nashua Metropolitan Greater Providence</li> </ul>	<ul style="list-style-type: none"> <li>Detailed advertising plan includes pre-opening (6 months prior).</li> <li>Launch campaign (3-12 months) and sustaining media (Year 2).</li> <li>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).</li> <li>Also includes a detailed internet marketing plan.</li> </ul>

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

# Consistency of Business Plan: Marketing Plan

Marketing Activities (cont'd)		
	Revere/Mohegan	Everett/Wynn
Junkets	<ul style="list-style-type: none"> <li>Existing relationship with junkets throughout the US.</li> <li>Will work with MOTT and MASSPORT to solicit national and international junket play from the states, Canada, S. America, the United Kingdom, the Middle East and Asia. Solicitation will include commercial air/charter planes for large groups, private planes for high value small groups. Sales efforts will include Boston sports, "A" entertainment, regattas, marathon, golf, fishing and casino tournaments.</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>
Bus Program	<ul style="list-style-type: none"> <li>Combinations of casino free play, food &amp; beverage and/or overnight stay promotional packages.</li> <li>Packages will be determined based on market conditions.</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>
Promotions Strategy	<ul style="list-style-type: none"> <li>Gaming tournaments</li> <li>Sweepstakes</li> <li>Lottery collaborative</li> <li>Giveaways</li> <li>Scratch offs</li> <li>Hollywood celebrity appearances</li> <li>Celebrity cooking</li> <li>Film showings/premiers</li> <li>Sports celebrities</li> <li>Gift parties</li> <li>Wine &amp; spirit events</li> <li>Beer festivities</li> <li>Ethnic festivals</li> <li>Drawings</li> <li>BB Hall of Fame collaborative</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>
Public Relations	<ul style="list-style-type: none"> <li>Local and regional charitable needs.</li> <li>Community outreach through volunteerism.</li> <li>Active promotion of project benefits.</li> <li>Active outreach/communication with local community.</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>
Grand Opening	<ul style="list-style-type: none"> <li>Entertainment</li> <li>Celebrity appearances</li> <li>VIP appearances</li> <li>Promotional offerings</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>

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

# Consistency of Business Plan: Marketing Plan

- Revere/Mohegan has projected that they would receive 150,060 bus customers annually (411 per day). This represents approximately 10 buses per day. They estimate total annual revenue from the bus program would amount to \$10 million. This projected bus business is less than what we would expect for this facility.
- Everett/Wynn has projected that they would receive 740,000 bus customers annually (2,027 per day). Everett/Wynn has projected a bus expense of only ~\$2 million, and has indicated that most of these customers would not receive promotional offers. The average cost per bus customer of \$3 assumes Everett/Wynn would be investing minimal amounts into its bus program. The projected bus business is more than expected with such a minimal investment in the bus program.

- Revere/Mohegan anticipates a minor amount of junket business, while Everett/Wynn does not envision operating a junket program.

Category 1 - Resort Casino Bus/Junket Plan			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
<b>Bus:</b>			
Number of Customers	134,373	156,060	740,000
Total Bus Expenses (subsidies and offers)	\$6,568,138	\$9,675,720	\$1,946,124
Average cost per customer	\$49	\$62	\$3
<b>Junket:</b>			
Number of Customers	554	1,200	n/a
Total Junket Expenses (subsidies, comps, offers)	\$1,932,951	\$1,836,180	n/a
Average cost per customer	\$3,488	\$1,530	n/a

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

# Consistency of Business Plan: Marketing Plan

- Both Applicants marketing costs are aligned with their respective marketing and business plans they put forward.
- Revere/Mohegan is more focussed on promotional allowances, while Everett/Wynn is more focussed on promotions and special events.
- High amount of promotional allowances as a percentage of non-gaming revenue for Revere/Mohegan (207.1%) is due to its F&B outsourcing plan.

Marketing Expense Summary			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn*
Free Play	\$60,334,695	\$74,373,307	\$48,133,093
<i>as % of Slot Revenue</i>	13.0%	9.1%	8.5%
Promotional Allowances			
Food and Beverage	\$52,602,757	\$44,135,791	\$25,095,597
Hotel	\$7,563,418	\$8,827,158	\$13,835,359
Entertainment	\$0	\$8,827,158	\$650,720
Other	\$5,454,728	\$26,481,474	\$546,979
Total Promotional Allowances	\$65,620,904	\$88,271,581	\$40,128,656
<i>as % of total gaming revenue</i>	13.1%	9.7%	4.7%
<i>as % of non-gaming revenue</i>	51.6%	207.1%	26.5%
Marketing			
Advertising/Sponsorship	\$13,883,915	\$7,354,375	\$10,465,290
External "Comps"	\$1,060,294	\$0	\$0
Promotions	\$1,388,392	\$11,380,000	\$28,459,527
Special Events	\$1,666,070	\$5,462,400	\$21,745,813
Other Marketing	\$4,072,429	\$0	\$4,569,241
Total Marketing	\$22,071,100	\$24,196,775	\$65,239,870
<i>as % of total gaming revenue</i>	4.4%	2.7%	7.7%

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

\*Wynn indicated 7-10% of gross slots win would be free play in the May 7, 2014 response to clarification questions. Wynn's percentage of free play has been assumed to be 8.5%.

Category 1 Comparable Financial Ratios						
	MGM	Mohegan Tribal Gaming Authority	Wynn Las Vegas	Wynn Resorts	Caesars	Las Vegas Sands
Promotional Allowances as % of Gaming Revenue	13%	8%	28%	8%	20%	6%
Promotional Allowances as % of Non-Gaming Revenue	16%	39%	17%	25%	35%	23%
For the year ended	31-Dec-13	30-Sep-13	31-Dec-13	31-Dec-13	31-Dec-12	31-Dec-13

Source: HLT Advisory Inc. based on company annual reports.



# Consistency of Business Plan: Marketing Plan – Summary

## Revere/Mohegan

- Marketing approach is consistent with a North American regional resort casino with the added value of having access to a database of ~5 million existing customers (Mohegan Sun’s “Momentum Player Card”).
- Mohegan (the proposed operator) has operating experience in the Massachusetts market operating Mohegan Sun in Connecticut. Mohegan Sun Connecticut is a recognized brand in the Massachusetts market.
- The proposed player card program will allow for customer points earned on loyalty programs to be utilized in third party complex retail (including food and beverage outlets) and hotel complex components.
- While the bus program put forward is smaller than what we would expect, it is consistent with anticipated market sources (majority of customers originating from areas less than a 90 minute drive from the casino).
- Projected marketing expenditures are consistent with the proposed marketing plan.

# Consistency of Business Plan: Marketing Plan – Summary

## Everett/Wynn

- Marketing approach is different than a typical North American regional resort casino. Everett/Wynn states “Wynn will not employ the standard operating strategy used currently by almost all regional casino operators, which is reliant on the targeting of local gaming customers within a 90-minute drive radius through heavy promotional and mass-media spending”.
- The marketing plan focuses on the high-end segment that is in the Northeast and their existing database of domestic and international premium customers. The Wynn brand and the high-end (“5 star”) quality of its resort facilities/operations support this market plan focus:
  - Wynn has 275 international marketing employees located in seven countries.
  - Wynn has demonstrated the ability to attract the high-end gaming segment to its Las Vegas operations. In 2013, Wynn Las Vegas generated \$23 million in slot revenue (17% of total slot win) and \$450 million in table revenue (65% of total table win) from international players.
- Projected marketing expenditures are consistent with the proposed marketing plan.

# Consistency of Business Plan: Marketing Restriction

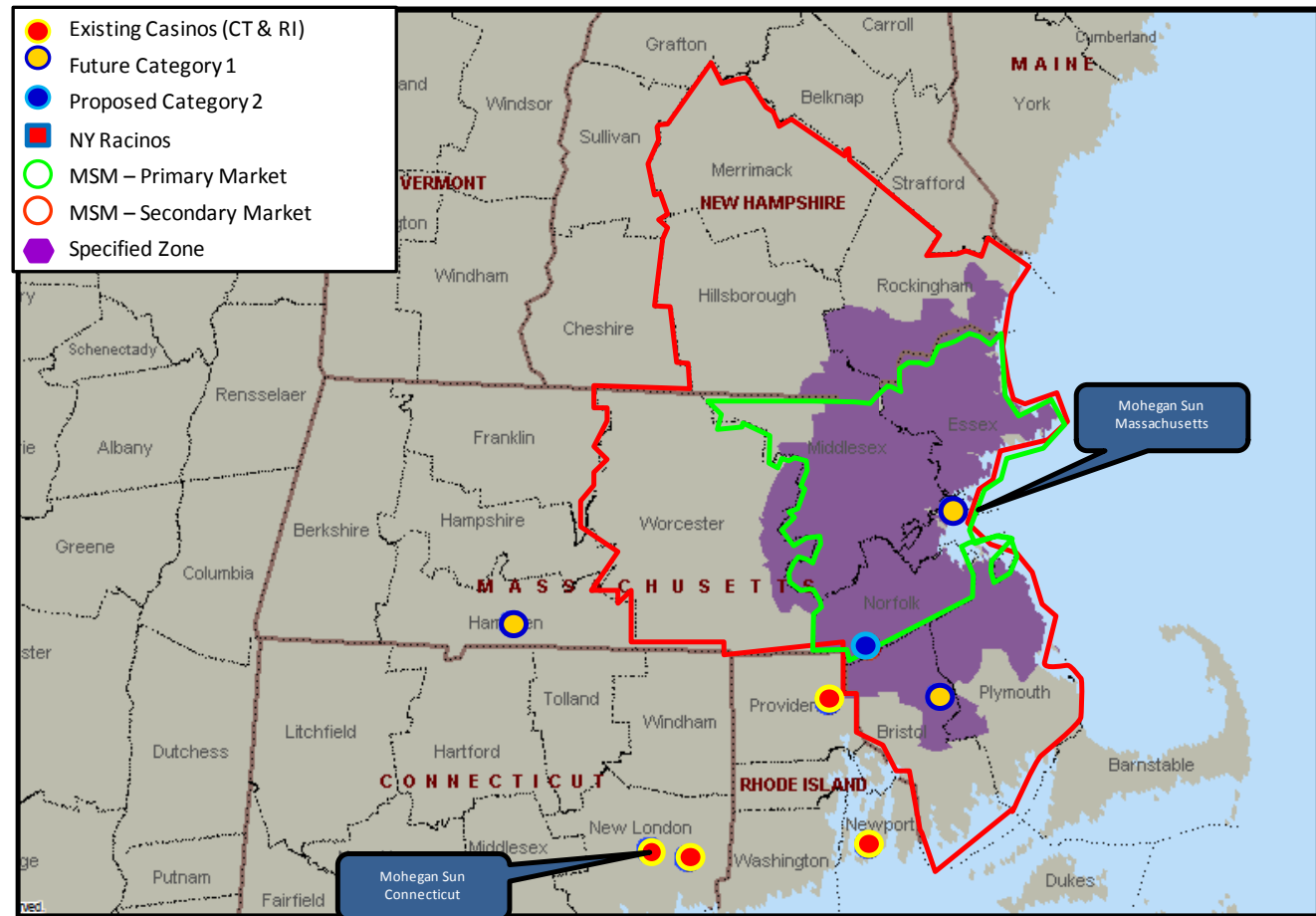
## **Revere/Mohegan – Additional Marketing Considerations**

In Section 4.06 (Sales; Promotions; Marketing Database; Technology systems) of the Hotel and Casino Management Agreement between MGA PALMER PARTNERS, LLC, and MGA GAMING MA, LLC, a marketing restriction program that will be imposed on the Massachusetts casino operation is detailed. The Applicant stated that this program was included in the agreement at the insistence of Brigade as part of its participation in the project. Key elements of the program include:

- MSM database and other Mohegan Sun property databases are to be kept separate and independent.
- Other Mohegan Sun properties share geographically relevant database (based on provided zip codes; the “Specified Zone” – see next page for map) with MSM upon opening of the Massachusetts facility in order to gain customer awareness.
- At regular periodic intervals (no less than once per month) other Mohegan properties review their database to determine which customers within the Specified Zone can be marketed to that have not enrolled in the MSM database.
- MSM will not share names of acquired patrons in their database with Mohegan Sun’s other properties unless expressly directed by Brigade.
- Marketing offers by Mohegan Sun’s other properties may not exceed (in terms of frequency or price) offers put forth to the same patron by MSM within the Specified Zone.
- A “neutral third party” will be employed to implement standards and procedures to ensure that the plan works as intended.

# Consistency of Business Plan: Marketing Restriction

The “specified zone” is shown on adjacent map. Revere/Mohegan’s defined Primary and Secondary Market zones are also shown on the map (see Market Assessment).



# Consistency of Business Plan: Marketing Restriction

The following is a summary of the assessment of the program.

- The Applicant states that Brigade and the MGC's interest are "perfectly aligned":
  - That said, Brigade managed funds currently hold debt (~\$95 million) in existing MTGA operations.
  - In the event Brigade sells its 60% interest to another third part, it is reasonable to assume that the new purchaser will see value in the program. That said, if Brigade sells its interest in the project to MTGA or a related entity, MGC's interest may not be protected. In this regard, the Applicant stated that they would work with MGC to ensure MGC's goals and objectives continue to be met. This however would likely require MGC to perform regulatory or audit functions over the program.
  - The Applicant has only provided for what the "spirit" of the marketing restriction program "rules" would be. They stated that a neutral third party will determine standards and procedures to monitor the program. It is not contemplated that MGC would be involved in the creation of these standards and procedures.
- The defined Specified Zone is not aligned with Massachusetts casino gaming objectives – a casino of the size and scope proposed would be expected to penetrate and compete in a much larger geographic market area that is beyond the boundaries of the defined Specified Zone.

# 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 responses of the Application and they are consistent with a resort 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 from MGM/Springfield have been included for comparability purposes. Applicants financial projections only include those aspects of the casino operation that they directly operate.

# Financial Projections: Operating Statement

- Revere/Mohegan projects \$953 million in total revenue while Everett/Wynn projects \$997 million.
- Revere/Mohegan included external comps in the promotional allowances line item, explaining why promotional allowances exceed non-gaming revenue.
- Payroll as percent of total revenue at Revere/Mohegan equals 9% versus 18% at Everett/Wynn.
- Marketing costs (excluding free play and promotional allowances) equals 3% of gaming revenue at Revere/Mohegan and 8% of gaming revenue at Everett/Wynn.
- EBITDA as percent of gaming revenue equals 30% at Revere/Mohegan and 39% at Everett/Wynn.

Category 1 - Resort Casinos			
Casino Complex Projected Income Statements			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
Gaming Revenue	\$499,521,301	\$910,400,000	\$845,483,200
Non-Gaming Revenue	\$127,158,724	\$42,632,657	\$151,452,355
<b>Total Revenue</b>	<b>\$626,680,025</b>	<b>\$953,032,657</b>	<b>\$996,935,555</b>
Less: Promotional Allowances	\$65,620,904	\$88,271,581	\$40,128,656
<b>Net Revenue</b>	<b>\$561,059,121</b>	<b>\$864,761,076</b>	<b>\$956,806,899</b>
Payroll (Inclusive of Benefit Costs)	\$134,770,474	\$85,096,002	\$178,085,772
Marketing	\$22,071,100	\$24,196,775	\$65,239,870
Other Expenses	\$120,694,556	\$251,452,208	\$178,605,384
<b>Total Expenses</b>	<b>\$277,536,130</b>	<b>\$360,744,985</b>	<b>\$421,931,027</b>
<i>Payroll as % of Total Revenue</i>	22%	9%	18%
<i>Marketing as % of Gaming Revenue</i>	4%	3%	8%
<b>EBITDA before undernoted</b>	<b>\$283,522,991</b>	<b>\$504,016,091</b>	<b>\$534,875,872</b>
Gaming Taxes & Fees	\$128,072,682	\$233,478,260	\$213,393,085
<b>EBITDA</b>	<b>\$155,450,309</b>	<b>\$270,537,831</b>	<b>\$321,482,787</b>
<i>EBITDA as % of Gaming Revenue</i>	31%	30%	38%
Interest	\$36,142,540	\$60,788,948	\$26,836,273
Depreciation	\$43,160,632	\$50,923,079	\$89,190,024
Property Charges*	\$0	\$0	\$10,000,000
<b>Net Income before Income Taxes</b>	<b>\$76,147,137</b>	<b>\$158,825,804</b>	<b>\$195,456,491</b>

Source: HLT Advisory Inc. based on Applicant's submissions.  
\*Wynn Resorts added "Property Charges" to the financial template provided as part of the RFA-2 Application.

# Financial Projections: Operating Revenue

- Revere/Mohegan and Everett/Wynn both project similar gaming revenue totals, but Revere/Mohegan projects 81% of win to be generated from slot machines versus just 61% at Everett/Wynn. This equates to \$225 million more (43%) in slot revenue at Revere/Mohegan versus Everett/Wynn.
- Everett/Wynn projects to earn 3.5 times or \$109 million more in non-gaming revenue than Revere/Mohegan. This is primarily due Revere/Mohegan outsourcing its restaurants and the third party hotel.

<b>Category 1 - Resort Casinos</b>			
<b>Casino Complex Projected Revenue</b>			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn*
<b><u>Gaming Revenues</u></b>			
Table Games Win	\$97,290,000	\$166,666,928	\$327,344,611
Gross Slot Win	\$462,565,996	\$818,106,379	\$566,271,682
Free Play	\$60,334,695	\$74,373,307	\$48,133,093
Net Slot Win	\$402,231,301	\$743,733,072	\$518,138,589
<b>Total Gaming Revenue</b>	<b>\$499,521,301</b>	<b>\$910,400,000</b>	<b>\$845,483,200</b>
<b><u>Non-Gaming Revenue</u></b>			
Food and Beverage	\$88,439,123	\$7,050,269	\$54,926,374
Hotel Revenue	\$15,685,961	\$18,921,961	\$46,117,863
Entertainment Revenue	\$7,371,572	\$0	\$20,930,580
Convention/Meeting Space Revenue	\$0	\$395,352	\$0
Retail Revenue	\$4,654,388	\$0	\$26,874,655
Other Non-Gaming	\$2,468,900	\$16,265,075	\$2,602,882
Other Income	\$8,538,779	\$0	\$0
<b>Total Non-Gaming Revenue</b>	<b>\$127,158,724</b>	<b>\$42,632,657</b>	<b>\$151,452,355</b>
<b>Gross Revenue</b>	<b>\$626,680,025</b>	<b>\$953,032,657</b>	<b>\$996,935,555</b>
<b>Promotional Allowances</b>			
Food and Beverage	-\$52,602,757	-\$44,135,791	-\$25,095,597
Hotel	-\$7,563,418	-\$8,827,158	-\$13,835,359
Entertainment	\$0	-\$8,827,158	-\$650,720
Other	-\$5,454,728	-\$26,481,474	-\$546,979
<b>Total Promotional Allowances</b>	<b>-\$65,620,904</b>	<b>-\$88,271,581</b>	<b>-\$40,128,656</b>
<b>Net Revenue</b>	<b>\$561,059,121</b>	<b>\$864,761,076</b>	<b>\$956,806,899</b>
<i>Source: HLT Advisory Inc. based on Applicant's submissions.</i>			
<i>*Wynn indicated 7-10% of gross slots win would be free play in the May 7, 2014 response to clarification questions. Wynn's percentage of free play has been assumed to be 8.5%.</i>			



# Financial Projections: Operating Revenue

- Revere/Mohegan’s non-gaming revenue as a percent of gaming revenue projection is 4.7%. This is low due to the outsourcing of the majority of non-gaming amenities to third parties.
- Everett/Wynn’s non-gaming revenue as a percent of gaming revenue projection of 17.9% is below other properties in Las Vegas, but consistent with what would be expected at a North American regional resort casino.

Non-Gaming Revenue - Ratios					
	Springfield/ MGM	Revere/ Mohegan			Everett/ Wynn
		MSM Only	Third Party	Total Complex	
F&B Revenue as % of Gaming Revenue	17.7%	0.8%	8.5%	9.2%	6.5%
Entertainment Revenue as % of Gaming Revenue	1.5%	0.0%	1.3%	1.3%	2.5%
Retail Revenue as % of Gaming Revenue	0.9%	0.0%	3.5%	3.5%	3.2%
Hotel Revenue as % of Gaming Revenue	3.1%	2.1%	1.4%	3.4%	5.5%
Other Income as % of Gaming Revenue	2.2%	1.8%	0.0%	1.8%	0.3%
Total Non-Gaming Revenue as % of Gaming Revenue	25.5%	4.7%	14.6%	19.3%	17.9%

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

Category 1 Comparable Financial Ratios			
	Applicants' Other Properties		
	MGM	Mohegan Tribal Gaming Authority	Wynn Las Vegas
F&B Revenue as % of Gaming Revenue	25%	7%	72%
Hotel as % of Gaming Revenue	28%	3%	55%
Retail, Entertainment and Other as % of Gaming Revenue	27%	10%	32%
Non-Gaming Revenue as % of Gaming Revenue	80%	21%	159%
For the year ended	31-Dec-13	30-Sep-13	31-Dec-13

Source: HLT Advisory Inc. based on company annual reports.




# Financial Projections: Payroll

- Revere/Mohegan total payroll is \$93 million lower than Everett/Wynn's. Revere/Mohegan's payroll is 48% of Everett/Wynn's total payroll. Of the \$93 million, \$38 million is in the areas of F&B and Hotel (areas outsourced by Revere/Mohegan).

<b>Category 1 - Resort Casinos</b>			
<b>Casino Complex Projected Payroll</b>			
	Springfield/ MGM	Revere/ Mohegan*	Everett/ Wynn
<i>Payroll (inclusive of benefit costs)</i>			
Slots	\$9,694,765	\$6,326,129	\$14,169,048
Table Games	\$23,877,002	\$27,303,505	\$53,045,120
Security	\$8,192,993	\$4,576,733	\$5,845,330
Surveillance	\$1,552,278	\$1,170,245	\$2,356,040
Cage	\$6,998,011	\$5,107,085	\$5,834,848
Marketing	\$3,189,490	\$5,082,695	\$5,590,494
Food and Beverage	\$44,499,099	\$5,696,188	\$33,694,306
Hotel	\$4,493,007	\$5,131,281	\$14,791,183
Entertainment	\$0	\$0	\$3,053,999
Other Non-Gaming	\$7,226,097	\$11,103,592	\$2,922,489
Executive	\$2,072,062	\$2,128,288	\$2,013,705
IT	\$2,230,495	\$1,369,074	\$3,188,188
Purchasing	\$487,389	\$50,552	\$309,004
Accounting	\$1,199,358	\$1,708,238	\$3,026,038
Compliance and Legal	\$181,938	\$236,937	\$578,062
Human Resources	\$2,151,682	\$1,076,223	\$1,054,052
Other Administration	\$5,531,345	\$0	\$2,637,793
Facilities (includes cleaning staff)	\$11,193,463	\$7,029,238	\$23,976,074
<b>Total Payroll (inclusive of benefit costs)</b>	<b>\$134,770,474</b>	<b>\$85,096,002</b>	<b>\$178,085,772</b>
<p><i>Source: HLT Advisory Inc. based on Applicant's submissions and HLT estimates.</i></p> <p><i>*Mohegan payroll is for MSM's operations only. Year 3 payroll was estimated based on numbers provided for Years 1 and 5 in the revised Employment spreadsheet.</i></p>			

# Financial Projections: Payroll Ratios

- Revere/Mohegan’s slot payroll as % of slot revenue at 0.9% is lower than would be expected. Slot payroll at Revere/Mohegan is half of Everett/Wynn, despite having more than 1,000 additional machines.
- Revere/Mohegan’s table game payroll as a percentage of table game revenue at 16.4% is lower than expected, however this may be explained by low wage rates.
- Everett/Wynn table game payroll at 16.2% of table game revenue is lower than expected, however given Everett/Wynn’s expected revenue from high-end play this amount is reasonable.
- Revere/Mohegan’s F&B payroll includes internal employee dining staff.
- Everett/Wynn’s F&B payroll at 61.3% of F&B revenue is higher than expected.
- Everett/Wynn’s facility payroll at \$24 million is higher than expected but consistent with its operating practice.

Gaming Payroll - Ratios			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
Slots as % of Slot Revenue	2.4%	0.9%	2.7%
Table as % of Table Revenue	24.5%	16.4%	16.2%
Security as % of Gaming Revenue			
Surveillance as % of Gaming Revenue			
Cage as % of Gaming Revenue			
Casino Operations as % of Gaming Revenue	10.1%	4.9%	9.6%

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

Other Payroll - Ratios			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
F&B as % of F&B Revenue	50.3%	80.8%	61.3%
Entertainment as % of Entertainment Revenue	n/a	n/a	14.6%
Hotel as % of Hotel Revenue	28.6%	27.1%	32.1%
Marketing as % of Gaming Revenue	0.6%	0.6%	0.7%
Other Non-Gaming as % of Gaming Revenue	1.4%	1.2%	0.3%
Administration as % of Gaming Revenue	2.8%	0.7%	1.5%
Facilities as % of Gaming Revenue	2.2%	0.8%	2.8%

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

Total Payroll - Ratios			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
Total Payroll as % of Gaming Revenue	27.0%	9.3%	21.1%
Total Payroll as % of Total Revenue	21.5%	9.0%	17.9%

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

## Financial Projections: Other Expenses

- With the exception of the ground rent and management fees contained in Revere/Mohegan both Applicants have similar Other Operating expense amounts.

<b>Other Operating Expenses Summary</b>			
	Springfield/ MGM	Revere/ Mohegan	Everett/ Wynn
Insurance	\$3,841,871	\$5,202,000	\$5,232,645
Property Taxes/Host Agreement Payments	\$27,131,520	\$60,471,300	\$32,652,216
Professional Fees	\$5,021,088	\$0	\$0
Repairs and Maintenance	\$4,371,500	\$2,601,000	\$9,055,402
Utilities	\$8,601,152	\$9,455,625	\$20,930,580
Supplies	\$2,530,792	\$9,914,158	\$7,598,996
Ground Rent	n/a	\$82,848,748	n/a
Management Fees	n/a	\$32,500,310	n/a
Other Expenses	\$19,508,250	\$23,682,183	\$37,604,461
<b>Total Other Operating Expenses</b>	<b>\$71,006,172</b>	<b>\$226,675,324</b>	<b>\$113,074,300</b>
<i>as % of Gaming Revenue</i>	<i>14.2%</i>	<i>24.9%</i>	<i>13.4%</i>

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

- While not an operating expense line item, Revere/Mohegan project interest costs (for preferred equity, bank debt, and capital lease) over the term of the license are estimated at \$807 million (on ~\$867 million in total borrowing). Everett/Wynn's project interest costs over the term of the license are estimated at \$132 million (on ~\$984 million in total borrowing). The main difference being projected/planned time period to repay debt.