Sheraton Hotel Framingham & Conference Center
(30.3 Miles from Everett, MA)
The Sheraton Hotel Framingham & Conference Center offers 370 guest rooms located in Framingham, MA. The property features two restaurants, a MetroWest Fitness & Aquatic Club with a swimming pool, 22,000 square foot meeting space, and a business center.

The Colonnade Hotel
(7.1 Miles from Everett, MA)
The Colonnade Hotel offers 285 guest rooms located in Boston, MA. The property features a bar, fitness center, swimming pool, business center, and one restaurant.

Hyatt Regency Cambridge
(5.3 Miles from Everett, MA)
The Hyatt Regency Cambridge offers 470 guest rooms located in Cambridge, MA. The property features a bar, fitness center, business center, swimming pool, 25,000 square feet of meeting space, and one restaurant.

Langham Hotel Boston
(5 Miles from Everett, MA)
The Langham Hotel Boston offers 318 guest rooms located in Boston, MA. The property features a bar, swimming pool, fitness center, and one restaurant.

Marriott Boston Long Wharf
(4.4 Miles from Everett, MA)
The Marriott Boston Long Wharf offers 412 guest rooms located in Boston, MA. The property features a bar, fitness center, indoor swimming pool, business center, and one restaurant.

Hilton Boston Back Bay
(5.5 Miles from Everett, MA)
The Hilton Boston Back Bay offers 390 guest rooms located in Boston, MA. The property features a business center, indoor pool, fitness center, one restaurant, a Starbucks, and 15,000 square feet of meeting space.

Millennium Bostonian
(4.1 Miles from Everett, MA)
The Millennium Bostonian offers 201 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, and one restaurant.

Marriott Boston Burlington
(14.2 Miles from Everett, MA)
The Marriott Boston Burlington offers 418 guest rooms located in Burlington, MA. The property features a fitness center, swimming pool, business center, two restaurants, and a 9,000 square foot ballroom.

Marriott Boston Copley Place
(6.9 Miles from Everett, MA)
The Marriott Boston Copley Place offers 1,144 guest rooms located in Boston, MA. The property features a business center, one restaurant, fitness center, 70,000 square feet of meeting space, and a swimming pool.

Westin Copley Place Boston
(7 Miles from Everett, MA)
The Westin Copley Place Boston offers 803 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, one restaurant, 54,000 square feet of meeting space, and a swimming pool.

The Charles Hotel, Harvard Square
(5.1 Miles from Everett, MA)
The Charles Hotel, Harvard Square offers 294 guest rooms located in Cambridge, MA. The property features a bar, jazz club, fitness center, business center, swimming pool, salon spa, ice skating rink, and two restaurants.

Hyatt Regency Boston
(5.3 Miles from Everett, MA)
The Hyatt Regency Boston offers 498 guest rooms located in Boston, MA. The property features a bar, fitness center, swimming pool, business center, and one restaurant.

Four Seasons Hotel Boston
(5.5 Miles from Everett, MA)
The Four Seasons Hotel Boston offers 273 guest rooms located in Boston, MA. The property features a bar, fitness center, swimming pool, business center, and one restaurant.

Marriott Boston Cambridge
(4.3 Miles from Everett, MA)
The Marriott Boston Cambridge offers 433 guest rooms located in Cambridge, MA. The property features a bar, fitness center, business center, swimming pool, 12,000 square feet of meeting space, and one restaurant.

John Hancock Conference Center
(6.7 Miles from Everett, MA)
The John Hancock Conference Center offers 64 guest rooms located in Boston, MA. The property features a business center, free Wi-Fi, multiple large conference rooms, and multiple small meeting rooms.

Sheraton Hotel Needham
(21.3 Miles from Everett, MA)
The Sheraton Hotel Needham offers 247 guest rooms located in Needham, MA. The property features a bar, fitness center, business center, indoor swimming pool, 4,500 square feet of meeting space, and one restaurant.

Wyndham Andover
(24.6 Miles from Everett, MA)
The Wyndham Andover offers 293 guest rooms located in Andover, MA. The property features a bar, fitness center, one restaurant, swimming pool, and a business center.

Boston Harbor Hotel
(4.5 Miles from Everett, MA)
The Boston Harbor Hotel offers 230 guest rooms located in Boston, MA. The property features a bar, fitness center, swimming pool, business center, free Wi-Fi, and one restaurant.

Hilton Boston Dedham
(23.6 Miles from Everett, MA)
The Hilton Boston Dedham offers 256 guest rooms located in Dedham, MA. The property features one restaurant, lounge, indoor pool, fitness center, and 12,000 square foot meeting space for up to 400 guests.

Stonehedge Inn
(36.9 Miles from Everett, MA)
The Stonehedge Inn offers 30 guest rooms located in Tyngsboro, MA. The property features a bar, fitness center, business center, one restaurant, a retail wine center, New England's largest wine cellar, and a swimming pool.

Babson Executive Conference Center
(20.9 Miles from Everett, MA)
The Babson Executive Conference Center offers 158 guest rooms located in Wellesley, MA. The property features a bar, fitness center, business center, swimming pool, more than 22,000 square feet of meeting space, and one restaurant.

Embassy Suites Boston Waltham
(21 Miles from Everett, MA)
The Embassy Suites Boston Waltham offers 275 guest rooms located in Waltham, MA. The property features a bar, fitness center, business center, shuttle bus service, indoor swimming pool, 10,000 square feet of meeting space, and one restaurant.

Marriott Boston Peabody
(12.1 Miles from Everett, MA)
The Marriott Boston Peabody offers 257 guest rooms located in Peabody, MA. The property features a bar, fitness center, one restaurant, swimming pool, more than 10,000 square feet of meeting space, and a business center.

Westin Waltham Boston
(22.2 Miles from Everett, MA)
The Westin Waltham Boston offers 346 guest rooms located in Waltham, MA. The property features a bar, fitness center, business center, indoor swimming pool, and one restaurant.

Hilton Boston Woburn
(9.7 Miles from Everett, MA)
The Hilton Boston Woburn offers 344 guest rooms located in Woburn, MA. The property features thirteen meeting rooms, business center, lounge, one restaurant, fitness room, and a swimming pool.

Embassy Suites Boston Marlborough
(40.4 Miles from Everett, MA)
Embassy Suites Boston Marlborough offers 229 guest rooms located in Marlborough, MA. The property features one restaurant, one bar, indoor pool, business center, arcade room, and fitness facility.

The Inn @ Harvard
(5.1 Miles from Everett, MA)
The Inn at Harvard offers 111 guest rooms located in Cambridge, MA. The property features a bar, fitness center, business center, and one restaurant.

Hyatt Harborside Logan International Airport
(8.8 Miles from Everett, MA)
The Hyatt Harborside Logan International Airport offers 270 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, shuttle bus service, swimming pool, and one restaurant.

Warren Conference Center & Inn
(30.9 Miles from Everett, MA)
The Warren Conference Center & Inn offers 58 guest rooms located in Ashland, MA. The property features a bar, business center, beach, fitness center, shuttle bus service, and several thousand square feet of meeting space.

Club Quarters Boston
(5.4 Miles from Everett, MA)
The Club Quarters Boston offers 178 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, free Wi-Fi, and one restaurant. Centrally located in the heart of historic downtown Boston.

The Seaport Hotel
(6.3 Miles from Everett, MA)
The Seaport Hotel offers 428 guest rooms located in Boston, MA. The property features a bar, fitness center, indoor swimming pool, business center, and one restaurant.

Le Meridien Cambridge MIT
(4.7 Miles from Everett, MA)
The Le Meridien Cambridge MIT offers 210 guest rooms located in Cambridge, MA. The property features a bar, fitness center, business center, free Wi-Fi, and one restaurant.

Hilton Boston Financial District
(4.9 Miles from Everett, MA)
The Hilton Boston Financial District offers 362 guest rooms located in Boston, MA. The property features a fitness room, one restaurant, one bar, and 10,000 square feet of meeting space. Centrally located in the heart of downtown Boston.

Hilton Boston Logan Airport
(4.6 Miles from Everett, MA)
The Hilton Boston Logan Airport offers 599 guest rooms located in Boston, MA. The property features three restaurants, fitness center, swimming pool, business center, one bar, and 30,000 square feet of meeting space.

XV Beacon Hotel
(4.3 Miles from Everett, MA)
The XV Beacon Hotel offers 63 guest rooms located in Boston, MA. The property features a business center, free Wi-Fi, fitness center, and one restaurant.

Wyndham Chelsea
(1.3 Miles from Everett, MA)
The Wyndham Chelsea offers 180 guest rooms located in Chelsea, MA. The property features a bar, fitness center, business center, shuttle bus service, swimming pool, and one restaurant.

Marriott Boston Quincy
(15.8 Miles from Everett, MA)
The Marriott Boston Quincy offers 464 guest rooms located in Quincy, MA. The property features a fitness center, business center, swimming pool, 15,000 square feet of meeting space, and two restaurants.

Ritz-Carlton Boston Common
(5.4 Miles from Everett, MA)
The Ritz-Carlton Boston Common offers 193 guest rooms located in Boston, MA. The property features a business center, swimming pool, fitness center, and one restaurant.

Kendall Hotel
(4.8 Miles from Everett, MA)
The Kendall Hotel offers 77 guest rooms located in Cambridge, MA. The property features a bar, fitness center, business center, free Wi-Fi, and one restaurant.

Kimpton Nine Zero
(4.5 Miles from Everett, MA)
The Kimpton Nine Zero offers 190 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, free Wi-Fi, and one restaurant.

Embassy Suites Boston @ Logan Airport
(3.7 Miles from Everett, MA)
The Embassy Suites Boston at Logan Airport offers 273 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, shuttle bus service, swimming pool, and one restaurant.

Kimpton Hotel Marlowe
(3.5 Miles from Everett, MA)
The Kimpton Hotel Marlowe offers 236 guest rooms located in Cambridge, MA. The property features a bar, fitness center, business center, and one restaurant.

Hotel Commonwealth
(7.3 Miles from Everett, MA)
The Hotel Commonwealth offers 149 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, and one restaurant.

Kimpton Onyx Hotel
(3.7 Miles from Everett, MA)
The Kimpton Onyx Hotel offers 112 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, free Wi-Fi, and one restaurant.

Doyle Collection, The Back Bay Hotel
(6.6 Miles from Everett, MA)
The Back Bay Hotel offers 225 guest rooms located in Boston, MA. The property features a bar, fitness center, one restaurant, business center, and free Wi-Fi.

Salem Waterfront Hotel & Suites
(16.6 Miles from Everett, MA)
The Salem Waterfront Hotel & Suites offers 86 guest rooms located in Salem, MA. The property features a bar, business center, fitness center, one restaurant, and a swimming pool.

Westin Boston Waterfront
(6.5 Miles from Everett, MA)
The Westin Boston Waterfront offers 793 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, swimming pool, 75,000 square feet of meeting space, and four restaurants.

InterContinental Boston
(4.7 Miles from Everett, MA)
The InterContinental Boston offers 424 guest rooms located in Boston, MA. The property features a fitness center, business center, indoor swimming pool, more than 20,000 square feet of meeting space, spa, and one restaurant.

Luxury Collection, The Liberty Hotel
(3.9 Miles from Everett, MA)
The Liberty Hotel offers 298 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, free Wi-Fi, and one restaurant.

Renaissance Boston Waterfront Hotel
(6.3 Miles from Everett, MA)
The Renaissance Boston Waterfront Hotel offers 471 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, indoor swimming pool, more than 20,000 square feet of meeting space, and one restaurant.

The Inn @ St Botolph
(5.8 Miles from Everett, MA)
The Inn at St. Botolph offers 16 guest rooms located in Boston, MA. The property features a business center, fitness center, and free Wi-Fi.

Mandarin Oriental Boston
(6.9 Miles from Everett, MA)
The Mandarin Oriental Boston offers 148 guest rooms located in Boston, MA. The property features a fitness center, spa, business center, and one restaurant.

Fairmont Battery Wharf
(3.9 Miles from Everett, MA)
The Fairmont Battery Wharf offers 150 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, and one restaurant. Centrally located in historic downtown Boston.

Renaissance Boston Patriot Place Hotel & Spa
(32.1 Miles from Everett, MA)
The Renaissance Boston Patriot Place Hotel & Spa offers 154 guest rooms located in Foxborough, MA. The property features a business center, one restaurant, swimming pool, and a fitness center.

W Hotel Boston
(5.5 Miles from Everett, MA)
The W Hotel Boston offers 235 guest rooms located in Boston, MA. The property features a business center, fitness center, and one restaurant.

The Ames Hotel
(4.3 Miles from Everett, MA)
The Ames Hotel offers 113 guest rooms located in Boston, MA. The property features a business center, fitness center, and one restaurant.

Hotel Veritas
(5.2 Miles from Everett, MA)
The Hotel Veritas offers 30 guest rooms located in Cambridge, MA. The property features a bar, fitness center, and a business center.

Colonial Inn
(18.1 Miles from Everett, MA)
The Colonial Inn offers 56 guest rooms located in Concord, MA. The property features a bar, one restaurant, and a business center.

Omni Parker House
(4.5 Miles from Everett, MA)
The Omni Parker House offers 551 guest rooms located in Boston, MA. The property features a bar, fitness center, one restaurant, business center, and eighteen meeting rooms. Announced in December 2012 that renovations will begin on the Rooftop Ballroom, and several meeting rooms and corridors.

Copley Square Hotel
(6.9 Miles from Everett, MA)
The Copley Square Hotel offers 143 guest rooms located in Boston, MA. The property features a bar, fitness center, business center, free Wi-Fi, and one restaurant.

OPERATING STATISTICS

The following chart details operations statistics for the luxury Boston market. The charts represent a matrix of data for the years 2006-2011, as well as year-to-date comparisons up to November 2012. The year-to-date comparison represents the average or sum of values starting January 1st of the given year, through November (November 2012 was the most recent data available). The chart includes annual information on room supply, room demand, ADR, RevPAR, the percentage growth of each variable and compound annual growth rates (CAGR).

Performance of Boston Luxury Hotel Market

	Supply	% Growth	Demand	% Growth	Occupancy	% Growth	ADR	% Growth	RevPAR	% Growth
2006	6,984,841		5,081,107		72.7%		$189.09		$137.55	
2007	7,234,764	3.6%	5,320,366	4.7%	73.5%	1.1%	$204.48	8.1%	$150.37	9.3%
2008	7,444,756	2.9%	5,311,113	-0.2%	71.3%	-3.0%	$205.31	0.4%	$146.47	-2.6%
2009	7,654,605	2.8%	5,116,834	-3.7%	66.8%	-6.3%	$182.03	-11.3%	$121.68	-16.9%
2010	7,771,400	1.5%	5,620,001	9.8%	72.3%	8.2%	$188.03	3.3%	$135.97	11.7%
2011	7,780,802	0.1%	5,758,577	2.5%	74.0%	2.4%	$195.87	4.2%	$144.96	6.6%
2006-2011 CAGR	2.2%		2.5%		0.4%		0.7%		1.1%	
Nov. 2012 YTD	7,111,220	-0.1%	5,546,381	2.2%	78.0	2.2%	$212.45	7.3%	$165.70	9.7%
Nov. 2011 YTD	7,120,285	0.1%	5,429,323	2.6%	76.3	2.6%	$198.05	4.2%	$151.02	6.7%
Nov. 2010 YTD	7,110,325		5,293,110		74.4		$190.08		$141.50	
Nov. 2010-2012 CAGR	0.0%		2.4%		2.4%		5.7%		8.2%	

Source: Smith Travel Research Custom Reports; TMG Consulting Analysis

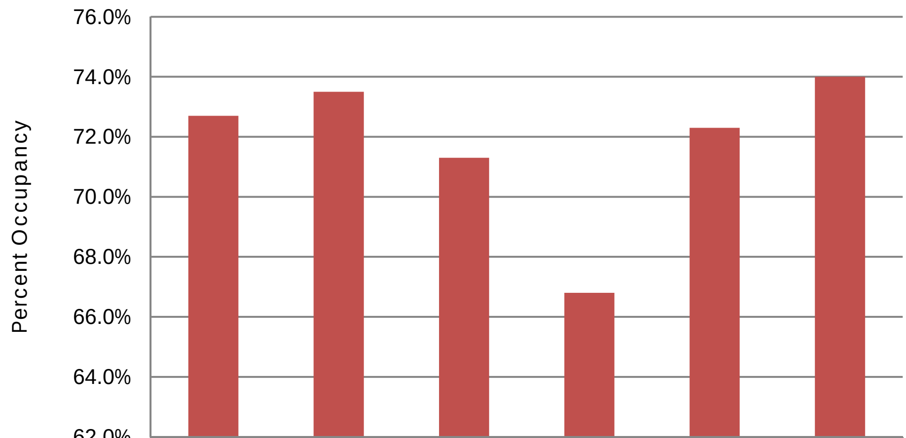
OCCUPANCY

In 2011, the 73 hotel properties with 21,305 rooms operated at an average occupancy rate of 74%, earning an average ADR of $195.87. This represented nominal growth in demand over the previous year and a similarly modest level of growth in ADR. This growth in hotel activity is a national trend that is not specific to the Boston area competitive market; however, the Boston market area is performing above the national average according to the latest hotel industry statistics for November 2012.

The year with the greatest supply was 2011 with 7,780,802 room nights available from a total of 21,305 hotel rooms. The greatest single-year percentage growth in supply was a 3.6% increase to 7,234,764 available rooms in 2007. Demand was highest in 2011 as well, with 5,758,577 rooms sold, resulting in an occupancy rate of 74%. However, growth for demand was the highest in 2010 at 9.8%.

The following chart describes the annual occupancy rate for the luxury hotels in the Boston area.

Boston Luxury Hotel Performance Statistics
Occupancy by Year

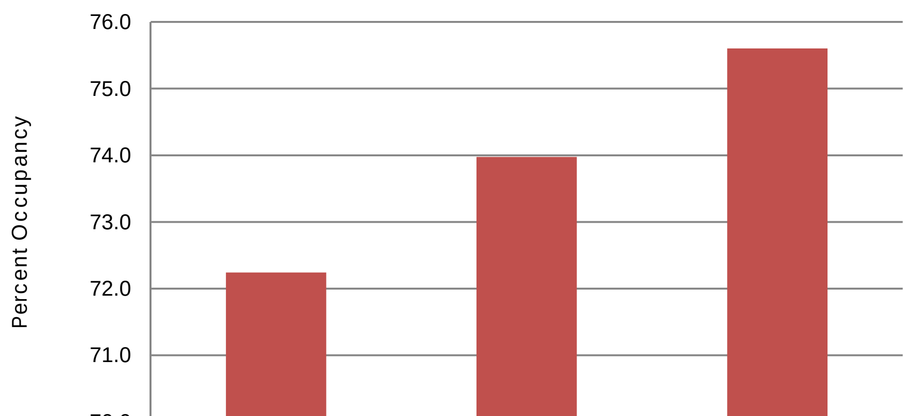


	2006	2007	2008	2009	2010	2011
Total Year	72.7%	73.5%	71.3%	66.8%	72.3%	74.0%

Source: Smith Travel Research Custom Reports

Occupancy represents the rooms sold divided by the rooms available. Occupancy by year represents an average figure for the representative year. The competitive market's hotels peaked in 2011 at an average occupancy rate of 74%. The yearly occupancy rate has fluctuated between 66.8% and its highest rate in 2011 of 74%.

Boston Luxury Hotel Performance Statistics
Year-to-Date Occupancy

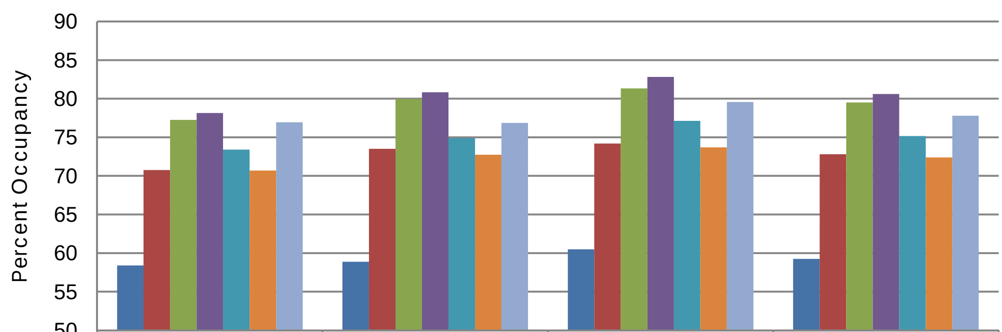


	Dec 09 - Nov 10	Dec 10 - Nov 11	Dec 11 - Nov 12
Total Year	72.2	74.0	75.6

Source: Smith Travel Research Custom Reports

Year-to-Date occupancy compares the performance of the hotels during the same time period during the previous years, in this instance using December through November. December 2011-November 2012 shows the most recent data available for Boston luxury hotels' occupancy and indicates a 2.2% growth from the previous year. This trend is not specific to the Boston market; a growth in hotel occupancy has been experienced on a national level, as detailed earlier in this report.

Boston Luxury Hotel Performance Statistics
Occupancy by Day of Week (Last 12-Month Period)



	Dec 09 - Nov 10	Dec 10 - Nov 11	Dec 11 - Nov 12	Total 3 Yr
Sun	58.4	58.9	60.5	59.3
Mon	70.8	73.5	74.2	72.8
Tue	77.3	80.0	81.3	79.5
Wed	78.1	80.8	82.8	80.6
Thu	73.4	74.9	77.1	75.2
Fri	70.7	72.7	73.7	72.4
Sat	76.9	76.9	79.6	77.8

Source: Smith Travel Research Custom Reports; TMG Consulting Analysis

The preceding graphic expresses hotel occupancy by the day of the week over a twelve-month period of time. These rates express the average daily occupancy rate for each individual weekday in the given timeframe, and give an indication of the typical usage of the area hotels. In the Boston luxury market, the lowest hotel occupancies have been experienced on Sundays. The highest occupancies have been on either Tuesdays or Wednesdays, suggesting a greater volume of business or convention travel than leisure travel. Saturdays have a significant utilization as well, suggesting that, while not as large as business travel, a sizeable market for leisure travel does exist in this market. Phone surveys and on-site visits of hotels in the Boston participation list revealed similar findings. Most hotel employees that were surveyed estimated most of their guests during the week were business visitors and that most of their weekend occupancy was from leisure travelers visiting local destinations.

Average Daily Rate

A hotel's ADR is determined by calculating room revenue divided by rooms sold, giving an average rate paid per day. The highest ADR during this period was $195.87 in 2011, with the lowest being $182.03 in 2009. The greatest single-year growth in ADR was an 8.1% increase to $204.48 in 2007, up from $189.09 in 2006. The highest single-year percentage decline was 11.3% with a decrease of ADR from $205.31 in 2008 to $182.03 in 2009. So far, 2012 has shown positive growth in ADR, with a growth of 7.3%, resulting in a rate of $212.45.

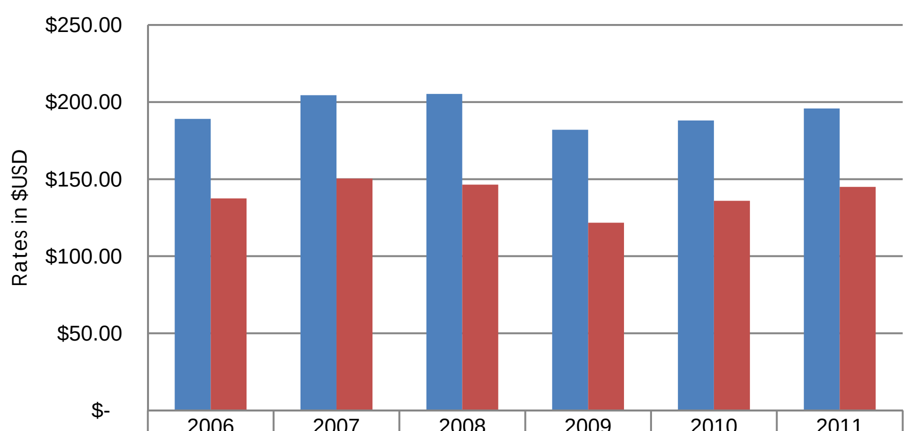
Revenue per Available Room

Another measure of revenue generation, RevPAR is determined by dividing room revenue by rooms available. The highest RevPAR seen during this period was $150.37 in 2007, with the lowest being $121.68 in 2009. The greatest single-year growth in RevPAR was an 11.7% increase to $135.97 in 2010 from $121.68 in 2009. The greatest single-year percentage decline was a 16.9% drop from $146.47 in 2008 to $121.68 in 2009. For the first eleven months of 2012, RevPAR has continued to grow 9.7%.

Room Revenues

The following chart identifies and compares the ADR and the RevPAR over the past five years. From 2006-2008, ADR has steadily increased until 2009 due to the global recession. RevPAR showed a similar brief drop in 2008 and 2009. Both have been on the rebound since 2009. The lowest ADR was in 2009 at $182.03 and the highest was in 2008 at $205.31. The lowest RevPAR was in 2009 at $121.68 and the highest was in 2007 at $150.37.

Boston Luxury Hotel Performance Statistics
ADR and RevPAR Comparison



	2006	2007	2008	2009	2010	2011
ADR	$189.09	$204.48	$205.31	$182.03	$188.03	$195.87
RevPAR	$137.55	$150.37	$146.47	$121.68	$135.97	$144.96

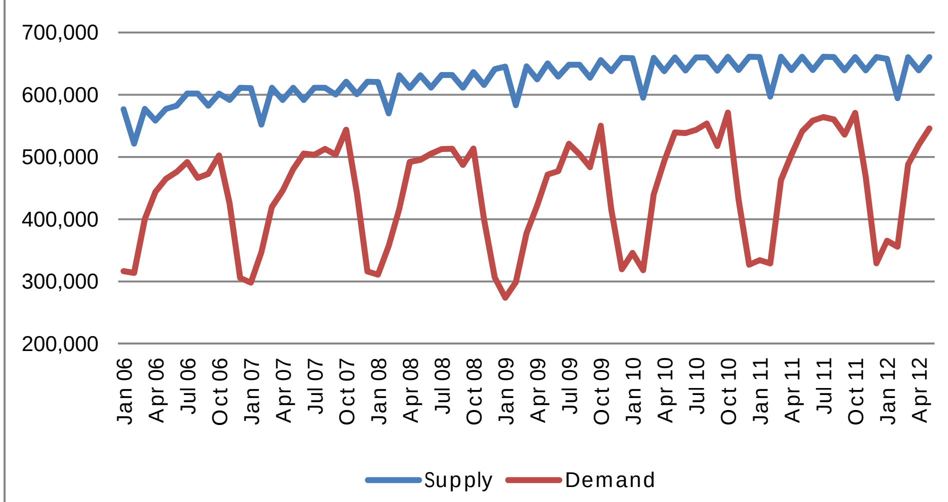
Source: Smith Travel Research Custom Reports

TRENDS

Compounded Annual Growth Rate (CAGR) describes the rate at which a set of data points would have grown if it grew at a steady rate over time, and is sometimes referred to as a measure of average annual growth. The 2003-2008 CAGR for supply, demand, ADR and RevPAR showed similar averages among each variable ranging from growth of 0.7% in ADR, to an annual growth in demand of 2.5%.

The following chart details the seasonal demand patterns in this luxury market.

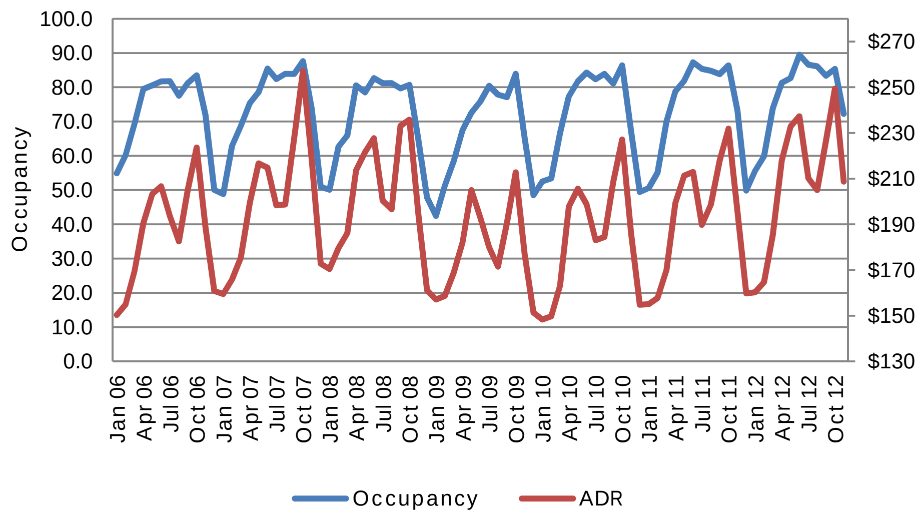
**Boston Luxury Hotel Performance Statistics:
Supply and Demand by Month**



Source: Smith Travel Research Custom Reports

Boston luxury hotels have shown similar patterns in supply and demand over time. Trends in supply typically indicate lower numbers of available rooms during winter, yet the slope is less dramatic in comparison to the demand. The highest supply that the market has experienced is 661,137 rooms first in May 2011, a figure that has since reappeared in July 2011. The month with the lowest supply was February 2006 with 521,416 rooms. Demand typically reaches its peak during the summer and fall months, and drops to its lowest during the winter. Decreases in demand are most noticeable during the months of November, December, January, and February. The month with the highest demand was June 2012 with 572,036 rooms sold. The month with the least demand was January 2009 with 273,881 rooms sold.

**Boston Luxury Hotel Performance Statistics:
Occupancy and ADR by Month**



Source: Smith Travel Research Custom Reports

The chart above compares occupancy and ADR, showing the relationship between the hotel's visitor activity and how it may affect the rate. Generally, the higher occupancy rate a hotel experiences, the higher the average room rate will be and vice versa. The highest occupancy rate of 89.5% was in June 2012, a month where the ADR was $237.29. The highest month for ADR was in October 2007 with a rate of $257.13 and an occupancy rate of 87.6%. The lowest occupancy rate of 42.5% was in January 2009, a month where the ADR was $157.11. The lowest month for ADR was in January 2010 with $148.35 and an occupancy rate of 52.5%.

Non-Luxury Competitive Market

The Boston non-luxury hotel participation list includes 283 hotels with a total of 29,861 rooms. For this operations report, the "non-luxury" group is comprised of hotels classified as upscale, upper midscale, midscale, or economy by STR. Below is a sample list of chains that would be included in each of those STR classes:

- *Upscale*: Adam's Mark, Hyatt Place, Radisson, and Residence Inn
- *Upper Midscale:* Best Western Plus, Comfort Inn, Holiday Inn, and Wyndham Garden Hotel
- *Midscale:* Best Western, Candlewood Suites, Howard Johnson, and Ramada
- *Economy:* Days Inn, Howard Johnson Express, Motel 6, and Super 8

These hotels are located within a 65-mile driving distance from the proposed development site in Everett, MA. The majority of the hotels are less than 30 miles away, with the farthest hotels located in one small market in Mattapoisett, MA that is nearly 65 miles away.

SUPPLY

The following table lists the directly comparable non-luxury hotels in the Boston market sorted by their date of opening.

Comparable Boston Non-Luxury Hotel Market

Name of Hotel	City & State	Open Date	Rooms
The Manor Inn	Gloucester, MA	Jun 1900	26
Crystal Cove Inn Motel	Winthrop, MA	Jun 1910	37
Linden Tree Inn	Rockport, MA	Jun 1920	18
Courtyard Boston Downtown Tremont	Boston, MA	Jun 1925	315
Chandler Inn	Boston, MA	Jun 1927	56
Chisholm`s Motel	Saugus, MA	Jun 1941	43
Revere Hotel Boston Common	Boston, MA	Jun 1941	356
Longfellow`s Wayside Inn	Sudbury, MA	Jun 1944	10
Beachway Motel	Salisbury, MA	Jun 1945	30
Irving House @ Harvard	Cambridge, MA	Jun 1945	32
Seaward Inn	Rockport, MA	Oct 1945	25
Bass Rocks Ocean Inn	Gloucester, MA	Jun 1946	51
Longwood Inn	Brookline, MA	Jun 1947	22
Econo Lodge Sharon	Sharon, MA	Jun 1948	50
Peg Leg Inn	Rockport, MA	Jan 1950	33
Ocean View Inn & Resort	Gloucester, MA	Jun 1951	63
Best Western Terrace Inn	Boston, MA	May 1952	74
Ancient Mariner	Foxborough, MA	Jun 1952	27
Holiday Inn Boston Brookline	Brookline, MA	Jun 1952	226
Bedford Plaza Hotel	Bedford, MA	Jun 1955	99
MIT Endicott House	Dedham, MA	Jun 1955	37
Best Western Plus Cold Spring	Plymouth, MA	Jun 1955	57
Walpole Motel	Walpole, MA	Jun 1956	24
Presidents City Inn	Quincy, MA	Jun 1956	37
Vista Motel	Gloucester, MA	Jun 1958	40
Econo Lodge Framingham	Framingham, MA	Jun 1960	30
Clarion Inn Wakefield	Wakefield, MA	Jun 1960	87
Howard Johnson Express Boston Fenway Park	Boston, MA	Jun 1960	94
Beacon Plaza	Brookline, MA	Jun 1960	36
Holiday Inn Express Boston Waltham	Waltham, MA	Jun 1960	108
The Midtown Hotel	Boston, MA	Jun 1961	159
New Englander Motor Court	Malden, MA	Jun 1961	21
Four Points Boston Logan Airport	Revere, MA	Jan 1962	168
Knights Inn Danvers	Danvers, MA	Jun 1962	78
Hyatt Place Boston Braintree	Braintree, MA	Jun 1962	204
Best Western Adams Inn	Quincy, MA	Jan 1963	105
Sonesta Hotel Royal Boston	Cambridge, MA	Jun 1963	400
Days Inn Hotel Boston Methuen	Methuen, MA	Jun 1964	128
Pilgrim Sands Motel	Plymouth, MA	Jun 1964	62
Governor Bradford Inn	Plymouth, MA	Jun 1964	94
Best Western Plus @ Historic Concord	Concord, MA	Aug 1964	105
Best Western Plus Merrimack Valley	Haverhill, MA	Jun 1965	126
Captains Bounty Motor Inn	Rockport, MA	Jun 1965	24
Holiday Inn Express Boston	Boston, MA	Jun 1965	118
Best Western Plus Hotel Tria	Cambridge, MA	Jun 1965	121
Arbor Inn Motor Lodge	Weymouth, MA	Jun 1965	21

Name of Hotel	City & State	Open Date	Rooms
Quality Inn Brockton	Brockton, MA	Jun 1965	64
Hotel Indigo Boston Newton Riverside	Newton, MA	Jun 1965	191
Days Inn Hotel Boston	Boston, MA	Jun 1966	117
Courtyard Boston Cambridge	Cambridge, MA	Jun 1966	203
West Gate Hotel & Conference Center	Brockton, MA	Jun 1966	74
Motel 6 Boston Tewksbury	Tewksbury, MA	Jul 1966	120
Plymouth Bay Inn & Suites	Kingston, MA	Jun 1967	108
Holiday Inn Boston Dedham Hotel & Conf Ctr	Dedham, MA	Jul 1967	200
Best Western Plus Boston The Inn @ Longwood Medical	Boston, MA	Jun 1968	155
Home Suites Inn	Waltham, MA	Jun 1968	117
Holiday Inn Boston @ Beacon Hill	Boston, MA	Nov 1968	304
John Carver Inn	Plymouth, MA	Jun 1969	85
Comfort Inn Randolph	Randolph, MA	Jul 1969	158
Holiday Inn & Suites Boston Peabody	Peabody, MA	Jan 1970	183
Colonial Travelers Inn	Saugus, MA	Jun 1970	24
Comfort Inn North Shore	Danvers, MA	Jun 1970	140
Cambridge Gateway Inn	Cambridge, MA	Jun 1970	78
Crowne Plaza Boston Newton	Newton, MA	Jun 1970	270
Clipper Ship Inn	Salem, MA	Aug 1970	60
Holiday Inn & Suites Marlborough	Marlborough, MA	Aug 1971	172
Cape Anns Marina Resort	Gloucester, MA	Jun 1972	31
Cape Ann Motor Inn	Gloucester, MA	Jun 1972	31
Best Western Plus New Englander	Woburn, MA	Jun 1973	99
Courtyard Boston Logan Airport	Boston, MA	Jun 1973	351
Holiday Inn Boston Somerville	Somerville, MA	Apr 1974	184
Crowne Plaza Boston Woburn	Woburn, MA	Jun 1974	197
Red Roof Inn Woburn	Woburn, MA	Jun 1974	159
Days Inn Boston Salem Danvers	Danvers, MA	Jun 1974	129
Hilton Garden Inn Boston Burlington	Burlington, MA	May 1975	179
Whittier Motel	Ipswich, MA	Jun 1975	23
Rockport Inn & Suites	Rockport, MA	Jun 1975	79
Cohasset Harbor Inn	Cohasset, MA	Jun 1975	55
A Cambridge House B & B	Cambridge, MA	Jun 1975	15
Econo Lodge Malden	Malden, MA	Jun 1975	51
Holiday Inn Express Braintree	Braintree, MA	Jun 1975	103
Holiday Inn Boxborough	Boxborough, MA	Jun 1976	143
Beverly Garden Suites	Beverly, MA	Jun 1976	23
Atlantic Motel	East Wareham, MA	Jun 1976	24
Turk`s Head Motor Inn	Rockport, MA	Apr 1977	29
Best Western TLC Hotel	Waltham, MA	Jun 1977	100
DoubleTree Boston North Shore	Danvers, MA	Jun 1978	363
Beacon Inn	Brookline, MA	Jun 1978	25
Hampton Inn Boston Natick	Natick, MA	Jun 1979	188
Quality Inn & Suites Lexington	Lexington, MA	Jun 1979	204
Hilton Garden Inn Boston Waltham	Waltham, MA	Jun 1979	148
Super 8 Weymouth Boston Area	Weymouth, MA	Feb 1980	87
Salisbury Inn	Salisbury, MA	Jun 1980	33
Four Points Norwood Conference Center	Norwood, MA	Jun 1980	229
La Quinta Inns & Suites Andover	Andover, MA	Jun 1981	168
Doubletree Hotel Boston Bedford Glen	Bedford, MA	Sep 1981	281
Red Roof Inn Framingham	Framingham, MA	Feb 1982	170
Hampton Inn Boston Norwood	Norwood, MA	May 1982	139

Name of Hotel	City & State	Open Date	Rooms
Red Roof Inn Southborough	Southborough, MA	Jun 1982	108
The Bertram Inn	Brookline, MA	Feb 1983	14
Radisson Hotel & Suites Chelmsford Lowell	Chelmsford, MA	Jun 1983	214
Best Western Plus Chelmsford Inn	Chelmsford, MA	Jun 1984	112
Best Western Rockland	Rockland, MA	Jun 1984	76
Fairfield Inn Boston Dedham	Dedham, MA	Aug 1984	150
Best Western Royal Plaza Hotel & Trade Center	Marlborough, MA	Jun 1985	431
The Wayside Carriage House Inn	Sudbury, MA	Jun 1985	46
Fairfield Inn Boston Woburn Burlington	Woburn, MA	Jun 1985	129
UMass Lowell Hotel	Lowell, MA	Jun 1985	120
Westford Regency Inn	Westford, MA	Jun 1985	193
Americas Best Value Inn Foxborough	Foxborough, MA	Jun 1985	48
Inn @ Sharon	Sharon, MA	Jun 1985	90
Comfort Inn Boston	Boston, MA	Jun 1985	132
Motel 6 Boston South Braintree	Braintree, MA	Jun 1985	92
Radisson Hotel Plymouth Harbor	Plymouth, MA	Jun 1985	175
Doubletree Suites Hotel Boston	Boston, MA	Aug 1985	308
Crowne Plaza Boston Natick	Natick, MA	Nov 1985	251
Courtyard Boston Marlborough	Marlborough, MA	Jun 1986	202
Harbor Light Inn	Marblehead, MA	Jun 1986	21
Courtyard Boston Woburn Burlington	Woburn, MA	Oct 1986	120
Best Western Framingham	Framingham, MA	Jan 1987	184
Holiday Inn Express Andover North Lawrence	Lawrence, MA	Jan 1987	126
Courtyard Boston Danvers	Danvers, MA	Jun 1987	121
Nantasket Beach Inn	Hull, MA	Jun 1987	21
Copley Inn	Boston, MA	Jun 1987	20
Fairfield Inn Amesbury	Amesbury, MA	Sep 1987	105
Comfort Inn Foxborough	Foxborough, MA	Nov 1987	120
Holiday Inn Rockland	Rockland, MA	Apr 1988	127
Ayer Motor Inn	Ayer, MA	Jun 1988	42
A Friendly Inn @ Harvard	Cambridge, MA	Jun 1988	17
Blue Spruce Motel	Plymouth, MA	Jun 1988	28
Days Inn Middleboro Plymouth	Middleboro, MA	Jul 1988	112
Holiday Inn Tewksbury Andover	Tewksbury, MA	Sep 1988	227
Courtyard Boston Andover	Andover, MA	Dec 1988	146
Residence Inn Boston North Shore Danvers	Danvers, MA	Mar 1989	96
Fairfield Inn & Suites Boston North	Revere, MA	May 1989	154
Courtyard Boston Foxborough Mansfield	Foxborough, MA	Jun 1989	149
Fairfield Inn Plymouth Middleboro	Middleboro, MA	Jun 1989	102
Comfort Inn Rockland	Rockland, MA	Jun 1989	101
Comfort Suites Haverhill	Haverhill, MA	Jul 1989	131
Fairfield Inn Boston Tewksbury Andover	Tewksbury, MA	Jul 1989	133
Holiday Inn Express Saugus Logan Airport	Saugus, MA	Jul 1989	145
Hampton Inn Boston Woburn	Woburn, MA	Feb 1990	98
Courtyard Boston Lowell Chelmsford	Lowell, MA	Mar 1990	120
Residence Inn Boston Tewksbury Andover	Tewksbury, MA	Jun 1990	130
The Copley House	Boston, MA	Jun 1990	40
Comfort Inn Marlborough	Marlborough, MA	Aug 1990	65
Courtyard Boston Norwood Canton	Norwood, MA	Sep 1990	148
Courtyard Boston Stoughton	Stoughton, MA	Oct 1990	152
John Jeffries House	Boston, MA	Jun 1991	46
Newbury Guest House	Boston, MA	Jun 1991	32

Name of Hotel	City & State	Open Date	Rooms
Constitution Inn	Charlestown, MA	Jun 1992	147
The Mary Prentiss Inn	Cambridge, MA	Jun 1992	20
Commonwealth Court Guest House	Boston, MA	Jun 1994	21
Holiday Inn Express & Suites Boston Garden	Boston, MA	Jan 1995	72
Harborside Inn Of Boston	Boston, MA	Jun 1997	54
Holiday Inn Express & Suites Boston Cambridge	Cambridge, MA	Jul 1997	112
Super 8 Brockton	Brockton, MA	Jul 1997	57
Hyatt House Boston Waltham	Waltham, MA	Jul 1997	135
Hyatt House Boston Burlington	Burlington, MA	Jan 1998	150
Extended Stay Deluxe Boston Woburn	Woburn, MA	May 1998	100
Residence Inn Boston Dedham	Dedham, MA	Jun 1998	81
Residence Inn Boston Foxborough	Foxborough, MA	Jul 1998	108
Homestead Boston Marlborough	Marlborough, MA	Aug 1998	135
Homestead Boston Burlington	Burlington, MA	Aug 1998	140
Hyatt Place Boston Medford	Medford, MA	Sep 1998	157
Homestead Boston Waltham	Waltham, MA	Sep 1998	140
Candlewood Suites Boston Braintree	Braintree, MA	Nov 1998	133
Ramada Inn Boston	Boston, MA	Jan 1999	174
Hampton Inn Boston Peabody	Peabody, MA	Feb 1999	120
Residence Inn Boston Cambridge Center	Cambridge, MA	Feb 1999	221
Hampton Inn Marlborough	Marlborough, MA	Mar 1999	144
Hawthorn Suites by Wyndham Chelmsford Lowell	North Chelmsford, MA	Mar 1999	105
Homewood Suites Boston Peabody	Peabody, MA	Mar 1999	85
Homestead Boston Peabody	Peabody, MA	Apr 1999	94
Courtyard Boston Billerica Bedford	Billerica, MA	May 1999	210
Doubletree Club Boston Bayside	Boston, MA	May 1999	197
TownePlace Suites Boston Tewksbury	Tewksbury, MA	Jun 1999	95
Rodeway Inn Logan International Airport	Revere, MA	Jun 1999	34
Extended Stay Deluxe Boston Waltham	Waltham, MA	Jun 1999	136
Homewood Suites Boston Billerica	Billerica, MA	Oct 1999	147
Hawthorn Suites by Wyndham Franklin	Franklin, MA	Oct 1999	100
Comfort Inn Plymouth	Plymouth, MA	Nov 1999	67
TownePlace Suites Boston North Shore Danvers	Danvers, MA	Dec 1999	127
Homewood Suites Boston Andover	Andover, MA	Feb 2000	82
La Quinta Inns & Suites Boston Somerville	Somerville, MA	May 2000	147
Doubletree Boston Downtown	Boston, MA	Jul 2000	267
Sonesta ES Suites Boston Burlington	Burlington, MA	Aug 2000	141
Comfort Inn & Suites Logan Intrntl Airport	Revere, MA	Aug 2000	208
Hampton Inn Franklin Milford	Franklin, MA	Sep 2000	94
Sonesta ES Suites Andover	Andover, MA	Oct 2000	133
Candlewood Suites Boston Burlington	Burlington, MA	Nov 2000	149
Residence Inn Boston Framingham	Framingham, MA	Dec 2000	125
Residence Inn Boston Westford	Westford, MA	Jan 2001	108
Best Western Plus Roundhouse Suites	Boston, MA	Jan 2001	92
Hampton Inn Boston Braintree	Braintree, MA	Jan 2001	103
Hampton Inn Boston Logan Airport	Revere, MA	Mar 2001	227
Extended Stay America Boston Tewksbury	Tewksbury, MA	Jun 2001	92
Springhill Suites Boston Andover	Andover, MA	Jul 2001	136
Residence Inn Boston Franklin	Franklin, MA	Jul 2001	108
Nantasket Beach Resort	Hull, MA	Jul 2001	105
Residence Inn Boston Brockton	Brockton, MA	Jul 2001	88
Courtyard Boston Natick	Natick, MA	Sep 2001	181

Name of Hotel	City & State	Open Date	Rooms
Residence Inn Boston Andover	Andover, MA	Sep 2001	120
Comfort Inn Boston Woburn	Woburn, MA	Nov 2001	65
Charlesmark Hotel	Boston, MA	Jan 2002	40
Extended Stay America Boston Braintree	Braintree, MA	Mar 2002	103
Red Roof Inn Saugus	Saugus, MA	May 2002	117
Hampton Inn Boston Cambridge	Cambridge, MA	Jun 2002	114
Residence Inn Boston Woburn	Woburn, MA	Jul 2002	149
Springhill Suites Boston Peabody	Peabody, MA	Jul 2002	164
Courtyard Boston Woburn Boston North	Woburn, MA	Aug 2002	192
Homewood Suites Boston Cambridge Arlington	Arlington, MA	Aug 2002	100
Courtyard Boston Waltham	Waltham, MA	Sep 2002	119
Holiday Inn Express & Suites Marlboro Hudson	Hudson, MA	Nov 2002	69
Hampton Inn Bedford Burlington	Billerica, MA	Dec 2002	129
Courtyard Boston Brookline	Brookline, MA	Apr 2003	188
Residence Inn Boston Harbor On Tudor Wharf	Boston, MA	May 2003	168
Courtyard Boston Copley Square	Boston, MA	May 2004	81
Hampton Inn Suites Boston Crosstown Center	Boston, MA	Jun 2004	175
Bulfinch Hotel	Boston, MA	Sep 2004	79
Springhill Suites Devens Common Center	Devens, MA	Apr 2005	121
Courtyard Boston South Boston	Boston, MA	May 2005	164
Hotel 140	Boston, MA	Jun 2005	65
Country Inn & Suites Brockton	Brockton, MA	Aug 2005	63
Holiday Inn Express & Suites Middleboro Raynham	Middleboro, MA	Aug 2005	83
Hilton Garden Inn Plymouth	Plymouth, MA	May 2006	130
Residence Inn Boston Marlborough	Marlborough, MA	Jul 2006	112
Residence Inn Boston Norwood Canton	Norwood, MA	Jul 2006	96
Suburban Extended Stay Hotel Logan Airport Winthrop	Winthrop, MA	Jul 2006	30
Hampton Inn Suites Plymouth	Plymouth, MA	Aug 2006	122
Hampton Inn Suites Westford Chelmsford	Westford, MA	Aug 2007	110
Wylie Inn & Conference Center	Beverly, MA	Oct 2007	92
element Lexington	Lexington, MA	Jul 2008	123
aloft Hotel Lexington	Lexington, MA	Jul 2008	136
Crescent Suites Hotel	Waltham, MA	Apr 2009	30
UMass Lowell Inn	Lowell, MA	May 2010	31
Hilton Garden Inn Devens	Devens, MA	Nov 2011	118
Homewood Suites Boston Canton	Canton, MA	Dec 2011	98
Holiday Inn Express Boston South Brockton	Brockton, MA	Jun 2012	122
Ascend Collection enVision Hotel Boston	Jamaica Plain, MA	Jul 2012	39
Residence Inn Boston Logan Airport Chelsea	Chelsea, MA	Aug 2012	128
Residence Inn Boston Downtown Seaport District	Boston, MA	U/C	120
Residence Inn Boston Fenway	Boston, MA	U/C	175
Residence Inn Boston Needham Heights	Needham, MA	U/C	128
Monticello Motel	Framingham, MA		63
Motel 6 Boston West Framingham	Framingham, MA		106
Concordian Motel	Acton, MA		32
Bedford Motel	Bedford, MA		42
Travelodge Boston Natick	Natick, MA		68
Passport Inn Methuen	Methuen, MA		24
Motel Caswell	Tewksbury, MA		56
Cap`n Jack`s Waterfront Inn	Swampscott, MA		24
Motel 6 Boston North Danvers	Danvers, MA		107
Extended Stay America Boston Danvers	Danvers, MA		104

Name of Hotel	City & State	Open Date	Rooms
Essex River House Motel	Essex, MA		15
Captains Lodge Motel	Gloucester, MA		47
Atlantis Motor Inn	Gloucester, MA		40
Blue Shutters Inn	Gloucester, MA		14
Sea Lion Motel	Gloucester, MA		25
Candlelite Motor Inn	Middleton, MA		80
Essex Street Inn	Newburyport, MA		27
Garrison Inn	Newburyport, MA		24
Driftwood Motel	Salisbury, MA		22
Knotty Pine Motel	Salisbury, MA		30
Plaza Motel	Peabody, MA		42
Emerson Inn By The Sea	Rockport, MA		36
Country Garden Inn	Rowley, MA		24
The Salem Inn	Salem, MA		39
Red Fox Motel	Foxborough, MA		26
Gaard Motel	Foxborough, MA		20
Marshfield Inn	Marshfield, MA		16
Stoughton Motel	Stoughton, MA		16
Boston View Motel	Walpole, MA		37
Budget Inn	Westwood, MA		27
Arbor Inn	Wrentham, MA		40
Milner Hotel Boston	Boston, MA		64
Town Line Inn	Malden, MA		76
The Buckminster Hotel	Boston, MA		94
Relax Inn	Middleboro, MA		27
Super 8 Watertown Cambridge Boston	Watertown, MA		44
Silver Lake Motel	East Wareham, MA		23
Inn On Onset Bay	Onset, MA		20
Hillside Motel	Mattapoisett, MA		18
TOTAL NUMBER OF ROOMS			**29,861**

Source: Smith Travel Research Custom Reports

OPERATING STATISTICS

The following chart details operations statistics of the comparative market groups for the comparable Boston market. The charts represent a matrix of data for the years 2006-2011, as well as year-to-date comparisons up to November 2012. The year-to-date comparison represents the average or sum of values starting January 1st of the given year. The chart includes annual information on room supply, room demand, ADR, RevPAR, the percentage growth of each variable and CAGR.

Performance of Boston Non-Luxury Hotel Market

	Supply	% Growth	Demand	% Growth	Occupancy	% Growth	ADR	% Growth	RevPAR	% Growth
2006	10,517,509		6,626,294		63.0%		$105.16		$66.25	
2007	10,517,468	0.0%	6,811,575	2.8%	64.8%	2.9%	$111.23	5.8%	$72.04	8.7%
2008	10,643,241	1.2%	6,695,242	-1.7%	62.9%	-2.9%	$113.56	2.1%	$71.44	-0.8%
2009	10,639,599	0.0%	6,275,681	-6.3%	59.0%	-6.2%	$102.27	-9.9%	$60.32	-15.6%
2010	10,490,546	-1.4%	6,918,240	10.2%	65.9%	11.7%	$103.96	1.6%	$68.56	13.6%
2011	10,476,521	-0.1%	7,224,266	4.4%	69.0%	4.7%	$109.78	5.6%	$75.70	10.4%
2006-2011 CAGR	-0.1%		1.7%		1.8%		0.9%		2.7%	
Nov. 2012 YTD	9,704,780	1.2%	6,853,410	0.8%	70.6%	-0.4%	$118.68	7.2%	$83.81	6.7%
Nov. 2011 YTD	9,586,666	-0.2%	6,798,118	4.4%	70.9%	4.7%	$110.73	5.7%	$78.52	10.7%
Nov. 2010 YTD	9,607,325		6,508,651		67.7%		$104.73		$70.95	
Nov. 2010-2012 CAGR	0.5%		2.6%		2.1%		6.5%		8.7%	

Source: Smith Travel Research Custom Reports; TMG Consulting Analysis

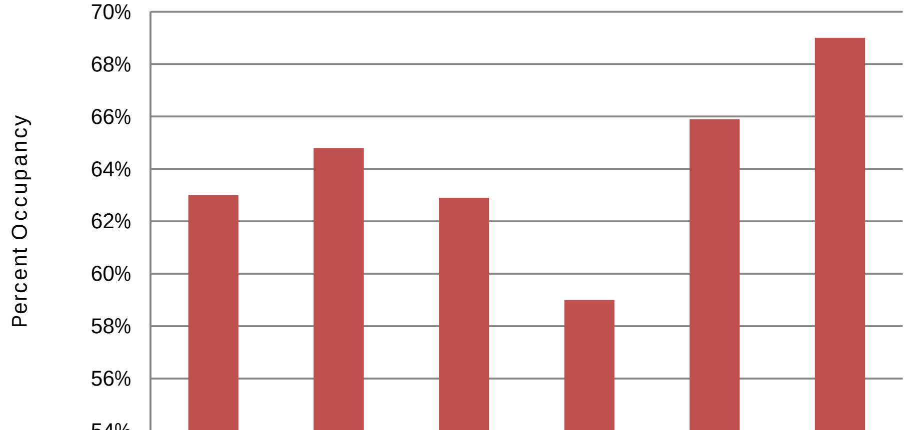
OCCUPANCY

In 2011, the 283 hotel properties with a total of 29,861 rooms operated at an average occupancy rate of 69%, earning an average ADR of $109.78. In contrast to the luxury group, this represented a sizeable growth in demand over the previous year and a similarly high level of growth in ADR.

The year with the greatest supply was 2008 with 10,643,241 room nights available and the year with the least was 2011 with 10,476,521 available room nights from 29,861 hotel rooms. The greatest single-year percentage growth in supply was with a 1.2% increase from 10,517,468 available rooms in 2007 to 10,643,241 available rooms in 2008. The greatest single-year percentage decline was a 1.4% drop in 2010 to 10,490,546 available rooms. There was demand for 7,224,266 rooms in 2011, resulting in an occupancy rate of 69%. Similar to the luxury group, the non-luxury group's demand growth was the highest in 2010 at 10.2%.

The following chart describes the annual occupancy rate for the non-luxury hotels in the Boston area.

Boston Non-Luxury Hotel Performance Statistics
Occupancy by Year

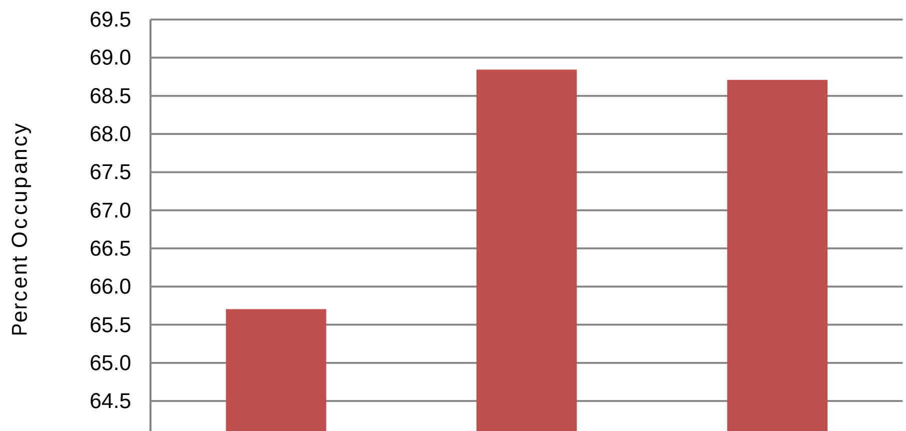


	2006	2007	2008	2009	2010	2011
Total Year	63.0%	64.8%	62.9%	59.0%	65.9%	69.0%

Source: Smith Travel Research Custom Reports

Occupancy represents the rooms sold divided by the rooms available. Occupancy by year represents an average figure for the representative year. The yearly occupancy rate in the Boston market has fluctuated between its lowest rate in 2009 of 59% and its highest rate in 2011 of 69%.

Boston Non-Luxury Hotel Performance Statistics
Year-to-Date Occupancy

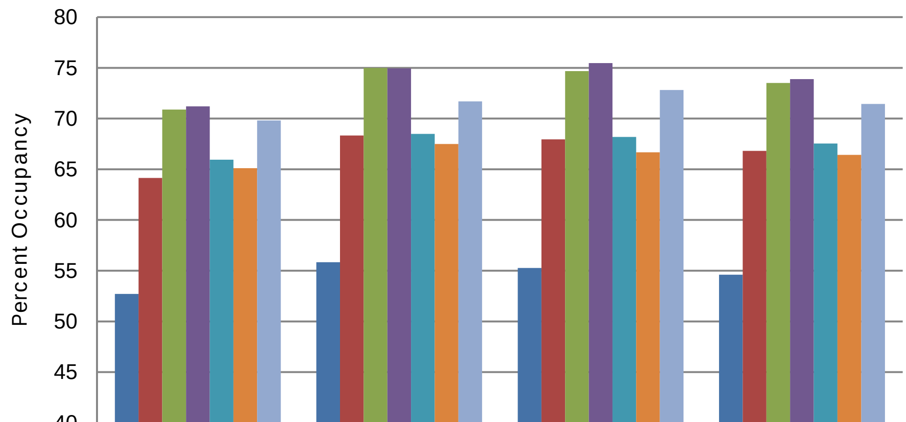


	Dec 09 - Nov 10	Dec 10 - Nov 11	Dec 11 - Nov 12
Total Year	65.7	68.8	68.7

Source: Smith Travel Research Custom Reports; TMG Consulting

Year-to-date occupancy compares the performance of the hotels during the same time period over the last twelve months. December 2011-November 2012 shows the most recent data available for Boston's occupancy and indicates a 0.1% decline from the previous year.

Boston Non-Luxury Hotel Performance Statistics
Occupancy by Day of Week (Last 12 Month Period)



	Dec 09 - Nov 10	Dec 10 - Nov 11	Dec 11 - Nov 12	Total 3 Yr
Sun	52.7	55.8	55.3	54.6
Mon	64.1	68.3	68.0	66.8
Tue	70.9	75.0	74.7	73.5
Wed	71.2	74.9	75.5	73.9
Thu	65.9	68.5	68.2	67.5
Fri	65.1	67.5	66.7	66.4
Sat	69.8	71.7	72.8	71.4

Source: Smith Travel Research Custom Reports; TMG Consulting

The preceding graphic expresses hotel occupancy by the day of the week over a twelve-month period of time. These rates express the average daily occupancy rate for each individual weekday in the given timeframe, and give an indication of the typical usage of the area hotels. Mirroring trends in the luxury group, the non-luxury Boston hotels experienced the lowest hotel occupancy on Sundays for the past three years. On average, the highest occupancy is Wednesday with a rate of 75.5% indicating a surge of business visitors.

According to the three-year average, the weekdays experience an occupancy rate fluctuating between 64.1% and 75.5% suggesting a steady volume of corporate or extended-stay travelers. Weekdays perform slightly higher than peak Saturdays. Research and surveys of the hotel segmentation suggested similar findings of an influx of business and extended-stay travelers during the week and leisure visitors during the weekend.

Average Daily Rate

The highest ADR during this period was $113.56 in 2008 and the lowest was $102.27 in 2009. The greatest single-year growth in ADR was a 5.8% increase to $111.23 in 2007, up from $105.16 in 2006. The lowest single-year percentage in growth was a negative growth rate of -9.9% with a decrease of ADR from $113.56 in 2008 to $102.27 in 2009.

Revenue per Available Room

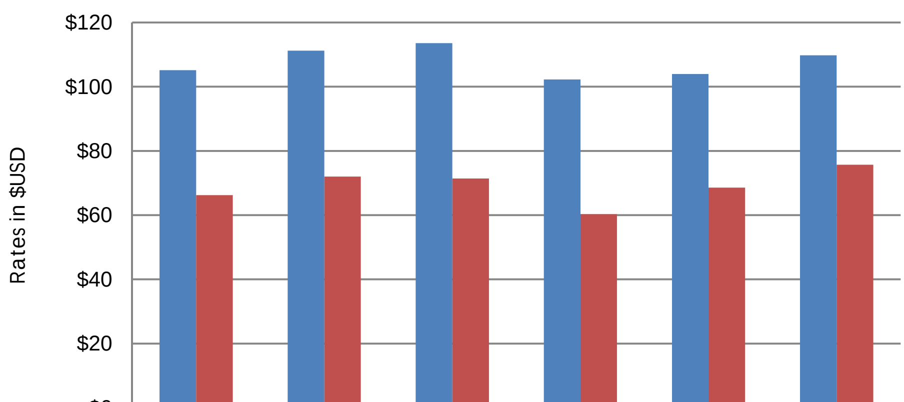
For non-luxury hotels, the highest RevPAR was $75.70 in 2011 and the lowest was $60.32 in 2009. The greatest single-year growth in RevPAR was a 13.6% increase from $60.32 in 2009 to $68.56 in 2010. The lowest single-year percentage in growth was a negative growth rate of -15.6% from $71.44 in 2008 to $60.32 in 2009.

Room Revenues

The following chart identifies and compares the average daily rate (ADR) and the revenue per available room (RevPAR) over the past five years. Similar to patterns in the luxury group, from 2006-2008, ADR and has steadily increased until 2009 due to the global recession. RevPAR showed a similar brief drop in 2008 and 2009. Both have been on the rebound since 2009.

The lowest ADR was in 2009 at $102.27 and the highest was in 2008 at $113.56. ADR experienced a decline from $113.56 in 2008 to $102.27 in 2009, a difference of $11.29. The lowest RevPAR was in 2009 at $60.32 and the highest was in 2011 at $75.70. RevPAR experienced a decline from $72.04 in 2007 to $71.44 in 2008 to $60.32 in 2009, a difference of $11.72.

Boston Non-Luxury Hotel Performance Statistics
ADR and RevPAR Comparison



	2006	2007	2008	2009	2010	2011
ADR	$105.16	$111.23	$113.56	$102.27	$103.96	$109.78
RevPAR	$66.25	$72.04	$71.44	$60.32	$68.56	$75.70

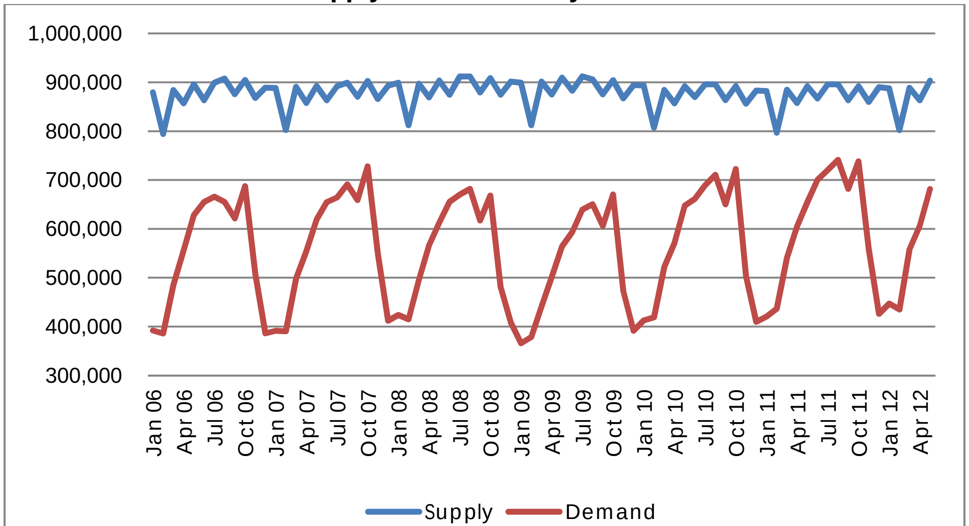
Source: Smith Travel Research Custom Reports

TRENDS

For the comparative list of non-luxury Boston hotels from 2006-2011, supply showed the lowest growth rate with a CAGR of -0.1% and RevPAR represented the highest growth rate with a 2.7% CAGR over a five year period. 2010-2012 year-to-date CAGR shows an average positive growth rate in demand, occupancy, ADR and RevPAR. The largest 2010-2012 year-to-date CAGR is represented by an 8.7% growth in RevPAR.

The following chart details the seasonal demand patterns in this market.

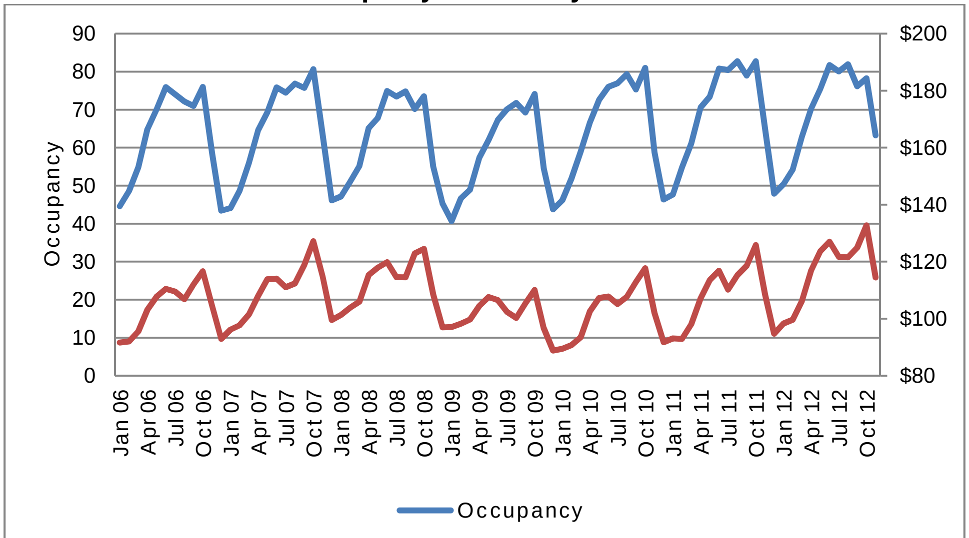
Boston Non-Luxury Hotel Performance Statistics
Supply and Demand by Month



Source: Smith Travel Research Custom Reports

Boston area hotels have shown variable patterns in supply and demand over time. Demand reaches its peak during the summer and fall months and drops to its lowest during the winter. Decreases in demand generally reach their lowest numbers of rooms sold during the months of December, January, and February. The month with the highest demand was August 2012 with 747,816 rooms and the month with the least demand was January 2009 with 365,917 rooms. Trends in supply follow similar patterns in that their winter months tend to reflect lower numbers, yet their slope is less dramatic. The highest supply that the market has experienced is 912,547 rooms in August 2012. The month with the lowest supply was February 2006 with 793,968 rooms.

Boston Non-Luxury Hotel Performance Statistics
Occupancy and ADR by Month



Source: Smith Travel Research Custom Reports

The chart above compares occupancy and ADR, showing the relationship between the hotel's visitor activity and how it may affect the rate. Generally, the higher occupancy rate a hotel experiences the higher the average room rate will be and vice versa. The highest occupancy rate of 82.8% was in October 2011, a month where the ADR was $125.83. The highest ADR was $132.74 in October 2012, a month where occupancy reached a rate of 78.2%.The lowest occupancy rate of 40.7% was in January 2009, a month where the ADR was $97.07. The lowest ADR was $88.84 in December 2009, a month where occupancy was 43.8%.

Proposed and Planned Hotels

In August 2012, the Massachusetts Legislature authorized the construction of up to seven hotels around the Boston Convention & Exhibition Center (BCEC) in the Seaport District. There are currently only about 1,700 rooms within walking distance of the BCEC. The new hotels can have a maximum of 2,700 rooms, including a 1,200-room headquarters hotel. The current headquarters hotel for the exhibition hall, the 800-room Westin Boston Waterfront, already has city approval for a 320-room expansion. This expansion is the largest proposed development in terms of number of hotel rooms. Three properties, all operating under the Residence Inn chain, are planned for 2013. Two of them are located in Boston.

The following table shows the 41 hotels in the Boston market (comprising 4,851 rooms) that are proposed or in the planning stages. Of those 41 hotels reported by STR, 29 did not have a tentative open date. TMG Consulting conservatively estimated that these 29 hotels (3,120 rooms) would all come on line in 2015. All of the proposed hotels are located within an hour of Boston and the majority of them would be classified as upscale hotels under STR.

Boston 2013 and Beyond Hotel Pipeline

Name of Hotel	City	Tentative Open Date	Rooms
Residence Inn Boston Downtown Seaport District	Boston, MA	May 2013	120
Residence Inn Boston Fenway	Boston, MA	Jul 2013	175
Residence Inn Needham	Needham, MA	Aug 2013	128
Courtyard by Marriott Boston Downtown North End	Boston, MA	Jan 2014	209
Holiday Inn Express & Suites Gloucester Boston North	Gloucester, MA	Jan 2014	96
Autograph Collection Boston Seaport	Boston, MA	Jun 2014	130
Holiday Inn Express & Suites Norwood	Norwood, MA	Jun 2014	85
Hilton Garden Inn Boston	Boston, MA	Sep 2014	181
Hilton Garden Inn Boston Logan Airport	Boston, MA	Feb 2015	180
Hampton Inn & Suites Boston Gloucester	Gloucester, MA	Feb 2015	102
Cambria Suites South Boston	South Boston, MA	Mar 2015	150
Unnamed Hotel @ New Brighton Landing	Brighton, MA	Jun 2015	175
Unnamed Hotel @ Riverbridge Village	Berlin, MA		100
Unnamed Hotel @ Convention Center	Boston, MA		
Unnamed Hotel @ Pier 4	Boston, MA		
Unnamed Hotel	Boston, MA		175
Unnamed Boutique Hotel	Boston, MA		220
Unnamed Hotel South Station	Boston, MA		190
Residence Inn Boston Northeastern University	Boston, MA		186
Unnamed Hotel	Boston, MA		325
Westin Boston Waterfront	Boston, MA		327
Unnamed Hotel @ Downtown Crossing	Boston, MA		240
Unnamed Hotel @ Waterside Crossing	Boston, MA		
Unnamed Hotel	Boston, MA		
Unnamed Hotel @ First Church of Christ	Boston, MA		
Residence Inn Boston Bridgewater	Bridgewater, MA		103
Residence Inn Boston Burlington	Burlington, MA		140
Extended Day Hotel	Concord, MA		
Unnamed Hotel @ The Resort @ Suffolk Downs Phase I	East Boston, MA		300
Unnamed Hotel @ The Resort @ Suffolk Downs Phase II	East Boston, MA		150
Unnamed Hotel	Foxboro, MA		
Unnamed Hotel	Gloucester, MA		101
Unnamed Hotel @ Newbury Place Family Entertainment	Peabody, MA		100
Mirbeau Inn & Spa The Pinehills - Phase I	Plymouth, MA		50
Mirbeau Inn & Spa The Pinehills - Phase II	Plymouth, MA		40
Unnamed Hotel 1@ New Quincy Center	Quincy, MA		
Presidents City Inn	Quincy, MA		22
Unnamed Hotel 2 @ New Quincy Center	Quincy, MA		
Unnamed Hotel @ Waterfront Square	Revere, MA		100
Unnamed Hotel @ Assembly Square	Somerville, MA		200
Courtyard by Marriott Boston Waltham	Waltham, MA		51
Total Rooms			**4,851**

Source: Smith Travel Research Pipeline Report

Competitive Casino Hotels

There are 26 casinos with hotels within the Wynn Everett regional market area. These hotels offer a total of 25,091 hotel rooms. The majority of these hotels feature full-service resort-style amenities such as restaurants, salons, spas, business centers, and event space. These hotels were researched because of their similarity to the type of facility Wynn proposes to develop.

Comparable Casino Hotels

Casino Locations	State	Hotel Rooms	Convention Space	F&B Outlets
Mohegan Sun	CT	1,200	100,000	35
Foxwoods	CT	2,241	150,000	32
Dover Downs	DE	500	18,000	15
Rocky Gap Lodge Casino	MD	200	7,450	5
Hollywood Slots at Bangor Raceway	ME	152	N/A	2
Golden Nugget Atlantic City	NJ	568	44,016	11
Atlantic Club Casino Hotel	NJ	809	37,000	9
Trump Plaza Hotel and Casino	NJ	906	144,248	13
Resorts Casino Hotel	NJ	942	60,000	9
Caesars Atlantic City	NJ	1,140	24,000	16
Showboat Atlantic City	NJ	1,331	30,325	11
Bally's Atlantic City	NJ	1,750	80,000	14
Revel	NJ	1,800	160,000	11
Borgata Hotel Casino & Spa	NJ	2,002	30,000	16
Trump Taj Mahal	NJ	2,010	155,000	20
Tropicana Casino & Resort Atlantic City	NJ	2,079	122,000	18
Harrah's Resort Atlantic City	NJ	2,590	125,000	16
Akwesasne Mohawk Casino	NY	150	8,000	4
Vernon Downs	NY	175	N/A	7
Seneca Buffalo Creek Casino	NY	413	N/A	3
Seneca Niagara Casino & Hotel	NY	604	N/A	13
Mount Airy Casino Resort	PA	188	7,000	6
Mohegan Sun at Pocono Downs	PA	238	20,000	15
Sands Casino Resort Bethlehem	PA	300	26,000	10
Lady Luck Casino at Nemacolin	PA	318	N/A	2
Valley Forge Casino	PA	485	9,000	7
Total: 26 Casinos with Hotels		**25,091**	**1,357,039**	**320**

Source: Individual casino financial reports, casino websites; TMG Consulting Analysis

The proposed Wynn Everett hotel will be in direct competition with other casino hotels in the Northeast. The largest casino hotel in the region is the Harrah's Resort Atlantic City in Atlantic City with 2,590 hotel rooms, 125,000 square feet of convention space and 16 food and beverage outlets. The smallest casino hotel is the Hollywood Slots in Bangor, ME with 152 hotel rooms and two food and beverage outlets. The most directly competitive properties will be the Native American facilities in Connecticut under two hours away from Everett, MA. Of these Connecticut properties, the largest is the Foxwoods Resort Casino with 2,241 hotel rooms. Foxwoods includes over 150,000 square feet of convention space and 32 food and beverage outlets. The smallest casino hotel property in Connecticut is the Mohegan Sun with 1,200 hotel rooms, 100,000 square feet of convention space and 35 food and beverage outlets.

The below table shows planned and potential casino hotels in the Wynn Everett regional market area. Please note that only licensed gaming facilities are included in the table below.

Planned and Potential Casino Hotels

Casino Locations	State	Hotel Rooms	Open Date
Tioga Downs	NY	132	Mar-14
Mohegan Sun at Pocono Downs	PA	238	Fall 2013
Horseshoe Casino Baltimore	MD	N/A	Q3 2014

Source: Individual casino financial reports, casino websites.

Hotel Assessment and Performance Estimates

Local Market Capture

Considering the locally competitive market's participants, their reported performance with regard to demand and revenue generation, and their estimated market segmentation, TMG Consulting constructed a model to estimate the potential capture of the local market that the Wynn Everett Hotel could expect.

Market Segmentation

The following table presents our estimates for the market mix in the existing local luxury hotel market, based on on-site and phone interviews with representatives from each property. Overall, aside from the Taj Boston and Ritz-Carlton Boston Common, business travelers or convention attendees comprise the majority of luxury hotels' clients. Leisure travelers typically comprise less than 40% of demand.

Local Luxury Market Hotel Segmentation Estimates

Hotel	Business	Convention	Leisure
InterContinental Boston	50%	30%	20%
Hilton Boston Back Bay	25%	50%	25%
Mandarin Oriental Boston	30%	30%	40%
The Lenox	30%	30%	40%
Fairmont The Copley Plaza	35%	45%	20%
Westin Copley Place Boston	30%	50%	20%
Marriott Boston Copley Place	30%	50%	20%
Four Seasons Hotel Boston	65%	25%	10%
Taj Boston	25%	10%	65%
Ritz-Carlton Boston Common	35%	15%	50%
Hyatt Regency Boston	50%	30%	20%
Hyatt Regency Cambridge	55%	35%	10%
Le Meridien Cambridge	25%	35%	40%
Kimpton Hotel Marlowe	40%	20%	40%
Marriott Boston Cambridge	55%	35%	10%
The Liberty Hotel	55%	15%	30%
Remaining Luxury Supply	*50%*	*30%*	*20%*

Source: On-site and phone interviews with individual properties; TMG Consulting

The following table presents our estimates for the demand patterns in the existing local market, which includes all luxury and non-luxury properties in the Boston market, showing that approximately 47.1% of demand is from business travelers, 27% is convention attendees, and 25.9% is leisure-related.

Local Market Hotel Performance Estimates

Segment	2012 Room Nights	Segment Percent
Business	3,994,001	47.1%
Convention	2,292,475	27.0%
Leisure	2,191,988	25.9%
Total	8,478,465	100.0%

Source: Smith Travel Research; interviews with individual hotels; TMG Consulting Analysis

DEMAND GROWTH

Considering national trends, historical growth patterns in this market, and published estimates of demand recovery from sources such as STR, the following estimates of demand growth were made.

Estimated Future Demand Growth by Segment

Segment	2013	2014	2015	2016
Business	1.2%	1.2%	1.2%	1.2%
Convention	1.2%	1.2%	1.2%	1.2%
Leisure	1.2%	1.2%	1.2%	1.2%

Source: Hotel News Now 2013 Outlook

PENETRATION

Once the established demand in the market had been evaluated and potential growth estimated, TMG Consulting then sought to estimate the penetration that a Wynn Everett Hotel could achieve in this market. Due to the fact that casino hotels are not preferred for business travelers and the proposed location is not in proximity to the two main convention facilities (relative to competing convention-centered properties), we have estimated that Wynn Everett would be capable of penetrating these markets minimally (15% penetration rate). For the general leisure market, we have forecasted that the new Wynn property would be a highly attractive alternative, garnering a 244% penetration rate. The following table details these model assumptions.

Wynn Everett Market Penetration Factors

Segment	Estimated Penetration
Business	15%
Convention	15%
Leisure	244%

Source: TMG Consulting

Assuming slight normative growth in demand beginning in 2013, and factoring in the penetration factors presented above, TMG Consulting estimates that the proposed hotel should be capable of capturing 88,540 room nights from the local market in 2016, for a property occupancy of 74.8%. It should be noted that while this is a significant capture, we are not projecting that the Wynn facility will be capable of drawing its fair share of the market. TMG forecasts that the Wynn Everett Hotel could be expected to capture a 1% market share (fair share is 1.3%).

Wynn Everett: Projection of Local Hotel Market Capture

Room Nights of Demand by Segment	2016	2017	2018	2019	2020
Business	8,416	8,517	8,619	8,723	8,827
Convention	4,799	4,857	4,915	4,974	5,034
Leisure	75,324	76,228	77,143	78,069	79,006
TOTAL	*88,540*	*89,602*	*90,677*	*91,765*	*92,867*
Property Projections					
Market Share	1.0%	1.0%	1.0%	1.0%	1.0%
Fair Share	1.3%	1.3%	1.3%	1.3%	1.3%
Penetration	74.8%	74.8%	74.8%	74.8%	74.8%

Source: TMG Consulting

SOCIOECONOMIC IMPACT ASSESSMENT

TMG projects Wynn Everett will sustain **5,144 permanent jobs throughout Massachusetts.** In addition to the recurring jobs impact, construction and opening of the facility is expected to create **14,331 short-term jobs throughout the Commonwealth.**

Based on TMG's projections, the **City of Everett can expect to receive approximately $28.6 million in annual tax and fee revenues** per its negotiated Host Community Agreement with Wynn and from recurring impacts attributable to the Wynn facility. **The Commonwealth could expect to receive approximately $238.0 million annually in tax and fee revenues**.

Based on TMG's projections, **the Commonwealth could expect to receive approximately $152.5 million in one-time tax and fee revenues. The City of Everett could expect to receive approximately $30.9 million in one-time tax and fee revenues** from developmental expenditures.

Impact Overview

The Wynn Everett facility will impact employment, earnings, and state and local tax collections and fee revenues throughout Massachusetts. The sources of these impacts will be the ongoing operations of the Wynn Everett facility, the incremental (new) tourists the Wynn facility attracts to Massachusetts, and the construction and opening of the Wynn Everett facility. Each of these three impact sources will have their own socioeconomic impacts.

The impacts of Wynn Everett's operations and incremental tourism to the Commonwealth will be recurring, while the construction/opening impact will be one-time. Wynn Everett's socioeconomic impacts are based upon a number of inputs which include Wynn Resorts' estimates of operating expenses and direct employment and other projections made by TMG that are presented in the previous sections of this study.

TMG uses the Regional Input-Output Modeling System (RIMS II) to measure the estimated economic impact of expenditures in the regional economy. RIMS II is based on historical economic data collected by the U.S. Bureau of Economic Analysis (BEA) and is adjusted for specific regions in the country. For this study, TMG obtained the RIMS II multipliers for the Commonwealth of Massachusetts and compared them multipliers for Connecticut, one of the closest states with casino gaming. RIMS II multipliers provide estimates for the total impact that new dollars spent in the Commonwealth have on the total level of spending, earnings, and jobs created in the regional economy. These impacts are categorized into three groups: direct, indirect, and induced.

The various recurring impacts of the Wynn Everett facility will be described first and will be followed by a description of the recurring impacts of incremental tourism to the Commonwealth attributable to the Wynn facility. One-time impacts attributable to constructing and opening the Wynn Everett facility will be described last. A summary of all projected impacts is included at the end of this section.

Direct Impacts

Direct impacts are the "first round" of spending, earnings, or job creation that is introduced into the economy as a result of a specific event or a new activity.

Indirect Impacts

Indirect impacts are the subsequent rounds of spending, earnings, and jobs created by industries as a result of the introduction of direct impacts.

Induced Impacts

Induced impacts are the subsequent rounds of spending, earnings, and jobs created as a result of the new earnings from households that has been introduced and spent within the regional economy. This is referred to by BEA as the "household effect."

Type I & Type II Multipliers

The BEA provides two sets of multipliers to measure these economic impacts. "Type I" multipliers provide an estimate of the direct and indirect impacts in the Commonwealth. "Type II" multipliers provide an estimate of the total direct, indirect and induced impacts on the Commonwealth; therefore, Type II multipliers include the impacts estimated from Type I multipliers. In this study, TMG used the Type II multipliers to measure the total impact of Wynn Everett on the Massachusetts economy.

Recurring Impacts from Wynn Everett Operations

Based on operating assumptions provided by Wynn Resorts, TMG analyzed the potential impacts the facility's employment and operational spending would have in the Massachusetts economy.

Employment Impact

The Wynn facility is expected to include slots and table games, an on-site hotel, several restaurants, bars, lounges, a nightclub, a spa, and retail amenities. The operating revenue and expenses for each department for the proposed facility were projected by Wynn Resorts. Wynn Resorts further projected the employment level required to operate the proposed facility based on industry expertise and existing operations.

Employment from Operations

Throughout this report, employment refers to Full Time Equivalent (FTE) employment. In total, the Wynn facility is expected to create 3,287 FTE jobs at the resort casino complex. The following table details the employment projections by department.

Total Direct Employment at Wynn Everett

Department	Direct Impact Jobs Created at Wynn Facility
Casino	1,581
Hotel	278
Food & Beverage	736
Retail	42
Advertising	6
General Admin	644
Total	**3,287**

Source: Wynn Resorts

TMG projected the number of jobs created in all industries in the Commonwealth as a result of the development, and utilized Wynn's on-site employment (direct jobs) projection as an input to the RIMS.

Based on the job creation projection previously described, the RIMS II direct effect employment multiplier for each North American Industry Classification System (NAICS) code was applied to each corresponding department to determine the total number of jobs created in all industries in Massachusetts. Given the approximately 3,287 direct jobs created at Wynn Everett, an additional 1,479 indirect and induced jobs are expected to be created in all industries, for a total of approximately 4,766 jobs in the Massachusetts economy. The table below details the Wynn Everett employment impact projection.

Total Direct, Indirect and Induced Employment of Wynn Everett from Operations

Department	Direct Impact Jobs Created at Wynn Facility	Direct Effect Employment Multiplier (MA)	Total Jobs Impact Jobs Created in All Industries
Casino	1,581	1.2458	1,970
Hotel	278	1.7179	478
Food & Beverage	736	1.4240	1,048
Retail	42	1.5025	63
Advertising	6	2.2443	13
General Admin	644	1.8542	1,194
Total	**3,287**		**4,766**

Source: Wynn Resorts; TMG Consulting Analysis

Ongoing Construction Jobs

The recent act establishing expanded gaming in the Commonwealth requires at least 3.5% of annual gross gaming revenue to be reinvested in capital expenditures on the licensed facility.

Using 2017 gaming revenue projections for the Wynn development, TMG Consulting estimated the Wynn development's minimum annual capital expenditure [127] Gaming revenue was projected by TMG Consulting, and was presented in previous sections of this study. Gaming revenue was forecast in 2017 dollars—the first full year of operation for the proposed resort casino. In order to maintain dollar consistency in our calculations with RIMS multipliers, 2017 dollars were adjusted for inflation.[128] Once converted to 2010 dollars, projected gaming revenue was multiplied by 3.5% to estimate the minimum capital expense the Wynn development would be required to make in its facility.

Jobs Sustained from Recurring Capital Investment

Category	Annual Capital Spending Estimate in 2017$	Direct Impact Annual Capital Spending in 2010$	Final Demand Employment Multiplier (MA)	Total Jobs Impact Jobs Created in All Industries
Required Annual Capital Investment (3.5% GGR)	$28.14 M	$24.07 M	14.1025	340

Source: Chapter 194 of the Acts of 2011: An Act Establishing Expanded Gaming in the Commonwealth; Bureau of Economic Analysis; Wynn Resorts; TMG Consulting Analysis

Using the Massachusetts final demand employment multiplier for construction, TMG calculated that 340 jobs could potentially be sustained annually from capital reinvestments.

According to the Bureau of Labor Statistics (BLS) and based on the most recent 12-month period[129] of data available, unemployment averaged 6.1% in the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA[130] which includes the City of Everett. With unemployment in the primary area, from which the Wynn facility would be drawing its employees, the additional jobs created by the development will likely be absorbed by workers throughout the area through a "filtering up" process. That is, some of the unemployed will take lower paying jobs that become available as the work force moves up to fill the new positions at the proposed facility.

[127] Based on Wynn Las Vegas historically spending 5-6% of total net revenues on facility improvements/maintenance annually, Wynn Everett is likely to exceed the required 3.5%.

[128] All adjustments for inflation throughout this report use the Consumer Price Index (CPI) for the Everett region published by the Bureau of Labor Statistics for past values and the Philadelphia Federal Reserve Bank for CPI projections for future values (2.3% increase per year).

[129] The 12-month average unemployment rate is based on BLS-data ranging from August 2012 through July 2013.

[130] New England City and Town Area (NECTA)

EARNINGS IMPACT

From Operations

TMG projected the total earnings impact of the facility using operating expense projections for the Wynn Everett development. Just as with jobs, new, direct earnings expenditures in an economy have a multiplier effect creating indirect and induced earnings. The following table shows the projected earnings expenditures from each department at the facility. Note that these earnings expenses do not include benefits (such as health insurance) which do not factor into the earnings impact projection.

Annual Wynn Everett Earnings Expenditures by Department, 2017 (in millions)

Department	Earnings Expense Estimate in 2017$
Casino	$61.94 M
Hotel	$11.68 M
Food & Beverage	$28.44 M
Retail	$1.80 M
Advertising	$0.57 M
General Admin	$31.70 M
Total	**$136.13 M**

Source: Wynn Resorts; TMG Consulting Analysis

The earnings expenses were categorized by department and assigned the appropriate (NAICS) codes, in order to apply the RIMS II Massachusetts multipliers. All expenses were calculated in 2017 dollars for the proposed casino, the anticipated first, full-year of stabilized operations. In order to maintain dollar consistency in our calculations with RIMS multipliers, 2017 dollars were adjusted for inflation.[131] Based on Wynn Resorts' earnings expense estimates, approximately $250.1 million dollars in earnings will be created in all industries in Massachusetts in 2017.

Total Earnings Impact from Operations, 2017 (in millions)

Department	Earnings Expense Estimate in 2017$	Earnings Expense Estimate Converted to 2010$	Direct Effect Earnings Multiplier (MA)	Earnings Created in 2010$	Earnings Created Converted to 2017$
Casino	$61.94 M	$52.99 M	1.7401	$92.21 M	$107.79 M
Hotel	$11.68 M	$9.99 M	1.9137	$19.13 M	$22.36 M
Food & Beverage	$28.44 M	$24.33 M	1.9285	$46.92 M	$54.85 M
Retail	$1.80 M	$1.54 M	1.7679	$2.72 M	$3.17 M
Advertising	$0.57 M	$0.49 M	1.7209	$0.84 M	$0.98 M
General Admin	$31.70 M	$27.12 M	1.9224	$52.13 M	$60.94 M
Total	**$136.13 M**	**$116.46 M**		**$213.95 M**	**$250.09 M**

Source: Bureau of Economic Analysis; Wynn Resorts; TMG Consulting Analysis
Note: Earnings expense excludes employee benefits

131 All adjustments for inflation throughout this report use the Consumer Price Index (CPI) for the Everett region published by the Bureau of Labor Statistics for past values and the Philadelphia Federal Reserve Bank for CPI projections for future values (2.3% increase per year).

From Recurring Capital Investment

TMG Consulting estimates that the Wynn facility will invest approximately $28.1 million annually in capital (per requirements[132] detailed in the Expanded Gaming Act and previously detailed in this report). These expenditures on capital, similar to department expenditures on employee salaries, can be paired with RIMS multipliers (in this case multipliers for construction) to project an earnings impact. The annual capital investment expenditure was adjusted to 2010 dollars and paired with the Final Demand Earnings Multiplier, yielding a projection of $18.8 million in earnings (once adjusted back to 2017 dollars). The table below details these calculations.

Total Earnings Impact from Recurring Capital Investment, 2017 (in millions)

Category	Estimated Cost in 2017$	Estimated Cost Converted to 2010$	Final Demand Earnings Multiplier (MA)	Earnings Created in 2010$	Earnings Created Converted to 2017$
Required Annual Capital Investment (3.5% GGR)	$28.14 M	$24.07 M	0.6674	$16.07 M	$18.78 M

Source: Chapter 194 of the Acts of 2011: An Act Establishing Expanded Gaming in the Commonwealth; Bureau of Economic Analysis; Wynn Resorts; TMG Consulting Analysis

Total Earnings Impact

In total, from operations and annual capital investments, Wynn Everett is expected to have $268.87 million in earnings impact throughout the Commonwealth. The table below details this calculation.

Total Earnings Impact

Category	Earnings Impact in 2017$
Recurring Operations	$250.09 M
Required Annual Capital Investment (3.5% GGR)	$18.78 M
Total Recurring Earnings Impact	**$268.87 M**

Source: TMG Consulting Analysis

[132] Based on Wynn Las Vegas historically spending 5-6% of total net revenues on facility improvements/maintenance annually, Wynn Everett is likely to exceed the required 3.5%.

Tax & Fees Revenue Impact

A new casino development of the proposed scale in Everett will have an enormous impact on tax revenue for the Commonwealth of Massachusetts and for the City of Everett. New tax and fee revenues will be generated from on-site activities including gaming, retail, food and beverage sales, hotel rentals, gross revenues generated, and from taxable purchases made by operations. Additionally, the increase in earnings attributable to the facility is expected to result in increased collections of state and local taxes and fees.

Gaming Tax & Fees Revenue Impact

The Expanded Gaming Act specifies several fees and a resort casino gaming revenue tax that would apply to the Wynn development. Recognizing Wynn's planned investment in Massachusetts and the commonwealth's licensing procedure (as described *in Chapter 194 of the Acts of 2011: An Act Establishing Expanded Gaming in the Commonwealth*), TMG applied a one-time licensing fee of $85 million, a $400,000 one-time application fee, an annual slot-machine fee of $600/unit, and an annual Public Trust Health Fund fee estimated to be $1.7 million.

Per Massachusetts gaming law, gross gaming revenues are taxed at a rate of 25%. TMG projected the gaming revenue the Wynn Everett facility could generate in its first full year of stabilized operations—expected to be 2017 (See *Gaming Market Assessment* section for detail of gaming revenue forecast). Based on this projection, TMG projected annual gaming revenue to grow by 2.3% which is the Federal Reserve's projection for long term average annual growth in inflation. Based on TMG's projections of Wynn Everett's annual gaming revenue, TMG projected the gaming tax revenues Massachusetts can expect to receive during the first five years of operations. In the first full year of stabilized operations, the Wynn facility is expected to generate a total of $804.0 million in gaming revenue. At a rate of 25%, the Commonwealth can expect to receive $201.0 million in gaming tax revenue in the first full year of stabilized operations.

TMG forecasts total gaming tax and fee revenue collected from the facility by the first full year of stabilized operations to be $289.9 million. The table below details TMG's gaming tax revenue projection.

Wynn Everett: First Five Full Years Gaming Tax Revenue Impact (in millions)

Gaming Tax/Fee[1]	Year 1	Year 2	Year 3	Year 4	Year 5
One-time					
Licensing Fee	$85.00 M				
Application Fee	$0.40 M				
Recurring					
Wynn MA Gross Gaming Revenue Projection	*$804.05 M*	*$824.49 M*	*$845.48 M*	*$867.07 M*	*$889.25 M*
Gaming Tax Revenue (25% of Gross Gaming Revenue)	$201.01 M	$206.12 M	$211.37 M	$216.77 M	$222.31 M
Annual Slot License Fee ($600/machine)	$1.80 M	$1.84 M	$1.88 M	$1.93 M	$1.97 M
Public Health Trust Fund Fee (minimum)	$1.70 M	$1.74 M	$1.78 M	$1.82 M	$1.86 M
Total Gaming Taxes and Fees to MA	**$289.91 M**	**$209.70 M**	**$215.03 M**	**$220.51 M**	**$226.15 M**

Source: Chapter 194 of the Acts of 2011: An Act Establishing Expanded Gaming in the Commonwealth; Wynn Resorts; TMG Consulting Analysis
Note 1: All recurring revenues adjusted for inflation in successive years.

Massachusetts' gaming law dedicates the 25% gaming tax to several funds. The Community Mitigation Fund will get 6.5% of the gaming tax revenue. Based on this percentage, the local community (primarily Everett, but also other parts of Suffolk County) could receive as much as $13.1 million based on TMG Consulting's gaming revenue projections for the first full year of stabilized operations. However, actual dedications of gaming tax revenue to local communities have yet to be determined by the Commonwealth and are not assured. The table below provides a summary of how gaming tax revenue will be distributed.

Distribution of Wynn Everett Gaming Tax Revenue, First Full Year

Fund/Program	Percent Dedicated	$ Dedicated
MA Cultural Council	2.0%	$4.02 M
MA Tourism Fund	1.0%	$2.01 M
Community Mitigation Fund	6.5%	$13.07 M
Local Capital Projects Fund	4.5%	$9.05 M
Gaming Local Aid Fund	20.0%	$40.20 M
Commonwealth Stabilization Fund	10.0%	$20.10 M
Education Fund	14.0%	$28.14 M
Gaming Economic Development Fund	9.5%	$19.10 M
Debt Reduction Program	10.0%	$20.10 M
Transportation Infrastructure & Development Fund	15.0%	$30.15 M
Public Health Trust Fund	5.0%	$10.05 M
Race Horse Development Fund	2.5%	$5.03 M
TOTAL	**100%**	**$201.01 M**

Source: Chapter 194 of the Acts of 2011: An Act Establishing Expanded Gaming in the Commonwealth; TMG Consulting Analysis

Non-Gaming Tax & Fee Revenue Impacts

Wynn Everett is expected to generate further non-gaming tax revenues for Massachusetts and Everett. These tax revenues would come from the sales & use tax, the hotel tax, payments to the City of Everett, and the corporate income tax. All projections of these taxes are based Wynn Resort's operating models and TMG projections of hotel revenues for 2017, the expected first full year of stabilized operations.

Sales & Use Tax Revenues from Food & Beverage (F&B)

Massachusetts levies a 6.25% tax rate to F&B sales. Applying the 6.25% tax rate to Wynn's projected taxable F&B revenue of approximately $54.03 million yields $3.4 million in tax revenue to the Commonwealth. The City of Everett imposes a local excise of 0.75% on F&B sales. Based on this local excise rate and TMG Consulting's projection of F&B revenue for the Wynn facility, Everett could collect approximately $410,000 in total from the development.

Sales & Use Tax Revenues from Retail

Massachusetts levies a 6.25% sales and use tax on tangible personal property such as souvenirs and handbags. Total taxable retail revenue at the resort is projected to be approximately $17.18 million in 2017. Of this retail spending, Massachusetts would receive $1.07 million in taxes under the current tax law. There are no retail taxes applicable at the local level in Everett, and therefore none were projected.

Sales & Use Tax Revenues from Operational Purchases

Based on Wynn's operating pro forma, Wynn Everett should spend $80 million annually on taxable operational purchases. The Commonwealth, with a 6.25% sales tax rate, could receive $5 million in tax revenues as a result of these purchases.

Sales & Use Tax Revenues from Annual Capital Investment

As previously discussed, Wynn Everett will be required to reinvest a minimum of 3.5% of its annual gross gaming revenues in capital improvements. Assuming that 40% of the capital investment would be attributable to taxable construction materials, and based on industry standards, TMG estimates that Wynn Everett should spend approximately $11.26 million annually on taxable construction materials. The Commonwealth, with a 6.25% sales tax rate, could receive approximately $700,000 in tax revenues as a result of these purchases.

Room Occupancy Tax Revenues from Hotel

Hotel rentals are subject to a hotel tax of 5.7% in Massachusetts and an expected 6% local excise in the City of Everett. These rates only apply to money paid by consumers to rent rooms. TMG projects $44.07 million in taxable hotel room revenues in 2017 based on an ADR of approximately $266. This ADR is low due to the expectation that rooms will be frequently offered complimentary. Based on the taxing structure previously described, Massachusetts can expect to receive approximately $2.5 million annually from Wynn Everett room rentals. The City of Everett can expect to receive approximately $2.6 million in annual hotel tax revenues.

Corporate Income Tax Revenue

Based on Wynn Resorts' pro forma, and TMG's adjustments for inflation, Wynn Everett should generate $86.19 million annually in taxable revenue. Applying an 8% corporate income tax rate to taxable income yields an estimate of $6.9 million in income tax revenue for the Commonwealth.

Payments to City of Everett per Host Community Agreement

Wynn Resorts, per the Host Community Agreement with the City of Everett, is required to make annual payments to the City. These payments include a $5 million Community Impact Fee, a $20 million Payment in Lieu of Taxes (PILOT), and a $250,000 donation to the Everett Citizens Foundation. In total, the City of Everett is expected to receive $25.25 million annually per its Host Community Agreement with Wynn.

In total, TMG projects Massachusetts is expected to receive approximately $19.56 million of tax revenue annually from non-gaming activities at the Wynn facility. Everett can expect to receive approximately $28.30 million of tax and fee revenue annually from non-gaming activities at Wynn Everett. The following table summarizes these tax impacts.

Non-gaming Tax Revenues Generated from Wynn Everett Operations, 2017 (in millions)

Category	Taxable Amount	Local Tax Impact	Local Tax Rate	State Tax Impact	State Tax Rate
Sales & Use					
Food & Beverage[1]	$54.03 M	$0.41 M	0.75%	$3.38 M	6.25%
Retail	$17.18 M	-	-	$1.07 M	6.25%
Operational	$80.00 M	-	-	$5.00 M	6.25%
Annual Capital Investment (Construction Materials)	$11.26 M	-	-	$0.70 M	6.25%
Total Sales Tax Revenue		**$0.41 M**	**0.0%**	**$10.15 M**	**0.0%**
Hotel					
Room Occupancy Tax[2]	$44.07 M	$2.64 M	6.0%	$2.51 M	5.7%
Total Hotel Tax Revenue		**$2.64 M**		**$2.51 M**	
Business					
Corporate Income Tax	$86.19 M	-	-	$6.90 M	8.0%
Total Business Tax Revenue		**$0.00 M**		**$6.90 M**	
Payments to City of Everett					
Community Impact Fee		$5.00 M		-	
Payment in Lieu of Property Tax (PILOT)		$20.00 M	$20.00 M		-
Everett Citizens Foundation		$0.25 M		-	
Total Payments to Everett		**$25.25 M**		**$0.00 M**	
Total Non-Gaming Tax Impact		**$28.30 M**		**$19.56 M**	

Source: Operating assumptions provided by Wynn Resorts; Massachusetts Department of Revenue; Bureau of Economic Analysis; TMG Consulting Analysis

Note 1: Wynn Resorts expects Everett to implement a 0.75% local excise on food & beverage sales.

Note 2: Wynn Resorts expects Everett to implement a 6% local excise on the room occupancy tax.

Earnings Impact on Tax Revenues

As previously described, expenditures on earnings (and recurring capital expenditures) at the Wynn Everett facility will have a multiplier effect on the economy in Massachusetts and Everett. This is because employment and earnings paid to those employees at the Wynn facility will create indirect and induced employment and earnings throughout Massachusetts. In 2017, TMG projects the Wynn facility to have an impact of approximately $268.87 million in earnings throughout Massachusetts. These earnings are expected to create new collections of state and local tax revenues.

Impact on State and Local Taxes & Fees Revenue

To determine the taxes from employment resulting from new and ongoing operations in Massachusetts and Everett, TMG calculated the average percentage of personal income (a proxy to earnings) representing state and local tax revenues (the effective tax rate) based on historical Bureau of Economic Analysis data. For the years 2002 through 2011, TMG estimated the effective state tax collection rate by dividing state income tax revenue by all personal income generated in Massachusetts.

Likewise, TMG estimated the effective local tax rate by dividing local tax revenue by personal income for each year in the ten-year period. These ten-year averages for effective tax rates, coupled with TMG's projections of Wynn Everett's impact on area earnings, were used to generate projections of state and local tax and fee revenue impacts. Impacts on tax revenues were projected with the governing assumption that no significant changes would occur to Massachusetts tax structure or the local tax structure throughout the projection period. The table below presents the previously referenced ten-year historical data and TMG's estimated effective tax rates for state and local taxes.

Historical Massachusetts Personal Income and State and Local Tax Revenue*

Year	MA Personal Income (P.I.)	State Tax Revenue*	Effective State Tax Rate (% of P.I.)	Local Tax Revenue*	Effective Local Tax Rate (% of P.I.)
2002	$254,102,715	$7,953,042	3.13%	$215,370	0.08%
2003	$258,600,458	$8,558,850	3.31%	$240,646	0.09%
2004	$271,086,049	$9,499,036	3.50%	$230,962	0.09%
2005	$282,367,467	$10,254,885	3.63%	$275,362	0.10%
2006	$304,854,834	$10,790,382	3.54%	$296,617	0.10%
2007	$322,542,599	$12,289,633	3.81%	$293,978	0.09%
2008	$335,721,345	$12,554,618	3.74%	$273,440	0.08%
2009	$324,680,171	$10,562,260	3.25%	$271,493	0.08%
2010	$336,399,700	$11,332,813	3.37%	$273,987	0.08%
2011	$352,242,665	$12,587,831	3.57%	$278,011	0.08%
	10 Year Average Effective Rate		**3.50%**		**0.09%**

Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce; TMG Consulting Analysis

**Notes: Dollars shown in thousands. State Tax Revenue consists of revenue from income taxes, motor vehicle licenses, and other miscellaneous taxes (primarily hunting and fishing licenses). Local Tax Revenue includes revenue from income taxes, motor vehicle licenses, and other miscellaneous taxes. Local Tax Revenue excludes personal property tax revenue which is broken out separately.*

Given the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA's current population and unemployment rate, TMG does not anticipate that all casino-related employees will relocate into the immediate area. Rather, we expect these new employees to be distributed among the region. This region would collectively share the local tax revenues generated by its residents. Our calculations yielded an average effective state tax rate of 3.50%, an average effective local tax rate of 0.09%.

After applying each average effective tax rate to the total taxable annual income of approximately $268.87 million (the projected impact of the Wynn development on earnings), TMG estimates that Massachusetts could receive approximately $9.40 million in state tax revenues. The local area (primarily estimated to be the Everett area and excluding the $230,000 in tax revenues and fees. The table below summarizes these projections.

Impact on State and Local Taxes and Fees, 2017 (in millions)

Category	% of Personal Income	Recurring Earnings Impact (2017$)	Tax Revenue
State Taxes and Fees	3.50%	$268.87 M	$9.40 M
Local Taxes and Fees	0.09%	$268.87 M	$0.23 M

Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce; TMG Consulting Analysis

Impact on State & Local Sales Tax Revenue

The Wynn facility's projected impact on earnings is expected to increase discretionary spending. Using the national consumer expenditure survey for 2011 from the Bureau of Labor Statistics, TMG calculated that discretionary income represents 26% of total personal income that is subject to sales taxes in Massachusetts. Discretionary income is defined as the amount of income after taxes and fixed living expenses (food, housing, transportation, health care, insurance, etc.) and can be used to project future sales & use tax revenues. Taking 26% of the projected increase in earnings attributed to the Wynn development ($268.87 million) resulted in the total discretionary income of approximately $58.52 million that is subject to sales and use taxes.

TMG estimated, also based on the Consumer Expenditure Survey, 17% of all taxable discretionary expenditures are on food & beverage purchases, while the remaining 83% are spent on other items subject to sales tax. Applying the state sales and use tax rate of 6.25% to projected discretionary spending excluding F&B spending yielded a projection of an additional $3.66 million in state sales tax revenues. Likewise, applying the state F&B tax rate of 6.25% to projected discretionary spending on F&B yielded a projection of an additional $72,000 in state sales tax revenues. Local government (expected to primarily be the Cities of Everett and Boston) based on a local food and beverage excise of 0.75% could receive approximately $90,000 in new tax revenues. The table below summarizes these projections.

Impact on State and Local Revenue from Sales and Use Tax, 2017 (in millions)

Category	Tax Rate	Taxable Amount	Tax Revenue
Sales and Use (State)	6.25%	$58.52 M	$3.66 M
F&B (State)	6.25%	$11.57 M	$0.72 M
F&B (to Everett and Boston)	0.75%	$11.57 M	$0.09 M

Source: Bureau of Labor Statistics; Massachusetts Department of Revenue; TMG Consulting Analysis

Recurring Impacts from Increased Tourism

New tourism visits to Everett attributable to the Wynn Everett would have a recurring economic impact separate from the recurring operating impact of the facility. These new tourism visits are expected to result from Wynn's marketing program to high yield international gamers. TMG's recurring impact projections from increased tourism are based on our projection of tourism spending outside the Wynn facility. This new tourism spending is expected to take place in Everett since the primary motivation of these tourists is to visit the Wynn facility.

Capture of High Yield International Gamers

In 2017, TMG has assumed a capture 1,427 gaming visits that are attributable to Wynn's marketing program to high yield international gamers. Based on historical spending patterns of tourists in Las Vegas and Atlantic City and average international airfare to the region in 2013, TMG forecast the additional spending by this segment of visitor in Everett. These forecasts were adjusted to 2010 dollars to maintain consistency with RIMS multipliers. TMG adjusted median spending for each category to estimate how much of these tourism expenditures would occur outside of the Wynn Facility. It is assumed that all spending in the "amusements, gambling, and recreation" and "hotels and motels, including casino hotels" sectors would occur at the Wynn facility, and as such, this spending was eliminated to avoid double-counting. In total, TMG projects these high yield gamers will each spend approximately $1,800 (in 2010 dollars) outside of the Wynn facility, for a total of $2.57 million. The table below details this projection.

Projection of Visitor Spending Outside Wynn Everett: High Yield International Gamers, 2010$

Category of Spending	Median Spend per Visitor 2010$	Adjustment Factor (% spent at Wynn)	Adjusted Per Visitor Direct Spending Outside Wynn	Adjusted Total Visitor Spending Outside Wynn 2010$ (in millions)
Retail Trade	$690.29	25%	$517.72	$0.74 M
Air transportation	$536.64	0%	$536.64	$0.77 M
Other transportation and support activities*	$230.26	0%	$230.26	$0.33 M
Rental and leasing services and lessors of intangible assets	$230.26	0%	$230.26	$0.33 M
Food Services and Drinking Places	$570.54	50%	$285.27	$0.41 M
Totals	**$2,257.99**		**$1,800.14**	**$2.57 M**

Source: Las Vegas Convention and Visitors Authority; Air transportation cost from kayak.com, travelmath.com/flying-distance; Atlantic City Convention and Visitors Authority; TMG Consulting Analysis

EMPLOYMENT IMPACT

Coupling the projected $2.57 million increase in tourism expenditures with RIMS II final demand employment multipliers yields a projection of 39 new jobs in Massachusetts. See table below for details.

Employment Impact in MA from Incremental Visitors (in millions)

Category of Spending	Total Incremental Visitor Spending Outside Wynn Facility in 2010$	Final Demand Employment Multiplier (MA)	Jobs Created in All Industries
Retail Trade	$0.74 M	18.3165	14
Air transportation	$0.77 M	11.6978	9
Other transportation and support activities*	$0.33 M	16.8041	6
Rental and leasing services and lessors of intangible assets	$0.33 M	7.0916	2
Food Services and Drinking Places	$0.41 M	22.3738	9
Total	**$2.57 M**		**39**

Source: Bureau of Economic Analysis; Wynn Resorts; TMG Consulting Analysis

EARNINGS IMPACT

Inputting the anticipated visitor spending of $2.57 million into the RIMS final demand model yields a projected impact of $1.68 million (in 2017 dollars) on earnings throughout the Commonwealth. The table below details this projection.

Earnings Impact in MA from Incremental Visitors, 2017 (in millions)

Category	Total Incremental Visitor Spending Outside Wynn Facility in 2010$	Final Demand Earnings Multiplier (MA)	Earnings Created in 2010$	Earnings Created Converted to 2017$
Retail Trade	$0.74 M	0.5787	$0.43 M	$0.50 M
Air transportation	$0.77 M	0.5318	$0.41 M	$0.48 M
Other transportation and support activities*	$0.33 M	0.7497	$0.25 M	$0.29 M
Rental and leasing services and lessors of intangible assets	$0.33 M	0.3476	$0.11 M	$0.13 M
Food Services and Drinking Places	$0.41 M	0.5955	$0.24 M	$0.28 M
Total	**$2.57 M**		**$1.44 M**	**$1.68 M**

Source: Bureau of Economic Analysis; Wynn Resorts; TMG Consulting Analysis

TAX IMPACT

Increased tourism spending and earnings will yield additional tax revenues in both Massachusetts and Everett. The methodologies for these tax calculations are detailed in the previous section that describes recurring impacts from operations.

Direct Impact of Incremental Visitor Spending on State & Local Sales Tax Revenues

TMG projects a new incremental visitor expenditure on retail of $860,000 in 2017 ($740,000 in 2010 dollars). Based on a state sales tax rate of 6.25%, this results in an additional $50,000 in state sales tax revenue.

TMG projects a new incremental visitor expenditure on food & beverage of $480,000 in 2017 ($410,000 in 2010 dollars). Based on a state sales tax rate of 6.25% and a local excise of 0.75%, this results in an approximately $30,000 in additional state sales tax revenue and an additional $4,000 in local tax revenues. The table below details this projection.

Incremental Visitor Spending Impact on Sales Tax Revenue, 2017 (in millions)

Category	Tax Rate	Taxable Amount	Tax Revenue
Sales and Use (State)	6.25%	$0.86 M	$0.05 M
F&B (State)	6.25%	$0.48 M	$0.03 M
F&B (to Everett and Boston)	0.75%	$0.48 M	$0.004 M

Source: Bureau of Labor Statistics; Massachusetts Department of Revenue; TMG Consulting Analysis

Earnings Impact of Incremental Visitor Spending on State & Local Tax Revenues

As previously described in the section detailing recurring impacts from operations, an increase in earnings will result in new tax revenues for the Commonwealth and local governments. Based on a an earnings impact projection of $1.68 million, the Commonwealth is expected to receive $60,000 in taxes and fees and the local government (estimated to be primarily the Everett area) is expected to receive $1,000 in local tax revenues.

Impact on State and Local Taxes and Fees, 2017 (in millions)

Category	% of Personal Income	Recurring Earnings Impact (2017$)	Tax Revenue
State Taxes and Fees	3.50%	$1.68 M	$0.06 M
Local Taxes and Fees	0.09%	$1.68 M	$0.001 M

Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce; TMG Consulting Analysis

With an increase in earnings, TMG projects additional discretionary spending to occur throughout Massachusetts. Based on the methodology previously described, TMG projects $24,000 in additional state sales tax revenues and $500 in Everett sales tax revenues resulting from increased earnings attributable to tourism spending.

Impact on State and Local Revenue from Sales and Use Tax, 2017 (in millions)

Category	Tax Rate	Taxable Amount	Tax Revenue
Sales and Use (State)	6.25%	$0.37 M	$0.02 M
F&B (State)	6.25%	$0.06 M	$0.004 M
F&B (to Everett and Boston)	0.75%	$0.06 M	$0.0005 M

Source: Bureau of Labor Statistics; Massachusetts Department of Revenue; TMG Consulting Analysis

One-Time Construction & Opening Impact

In addition to the recurring impacts previously described, Wynn Everett will have a one-time impact in Massachusetts and Everett resulting from its construction and pre-opening expenditures in the Commonwealth and local economies.

Employment Impact

Wynn Resorts provided TMG with the estimated costs of building and opening the Wynn Everett facility. TMG adjusted these costs for inflation to maintain dollar consistency with RIMS multipliers. Hard costs expected to be spent in Massachusetts[133] total $1.14 billion in 2017 dollars. Pre-opening promotional costs are expected to total $82 million in 2017 dollars. Each of these expenditure types were coupled with the appropriate RIMS multiplier for final demand employment. In total, TMG projects a one-time employment impact of 14,331 jobs.

It is important to note the nature of the construction industry: multiple short-term projects are underway year-in and year-out. Thus, the Wynn Resorts development would be one in a series of projects for construction workers who move from job to job. Net additional construction jobs would not be created but would rather allow the construction industry to continue to prosper and maintain its workers as they move from job to job. The table below details our projection.

Short-Term Construction Jobs Created

Category	Estimated Cost in 2017$	Estimated Cost in 2010$	Final Demand Employment Multiplier (MA)	Total Short-Term Construction Jobs Created
Hard Costs	$1,058.43 M	$905.45 M	14.1025	12,769
Pre-Opening Payroll & Office	$41.00 M	$35.07 M	31.4624	1,104
Pre-Opening Advertising	$16.40 M	$14.03 M	12.4416	175
Pre-Opening Legal Consulting	$16.40 M	$14.03 M	12.8982	181
Pre-Opening Other Consulting	$8.20 M	$7.01 M	14.6824	103
Total	**$1,140.43 M**	**$975.60 M**		**14,331**

Source: Bureau of Economic Analysis; Wynn Resorts; TMG Consulting Analysis

133 Furnishings, Fixtures, & Equipment (FF&E) costs, a portion of hard costs, included gaming equipment purchases. TMG Consulting conservatively assumes that all gaming equipment purchases will occur outside of Massachusetts.

EARNINGS IMPACT

One-time expenditures create a one-time impact on earnings. Pairing the one-time cost estimates with RIMS final demand earnings multipliers results in a projected earnings impact of $763.31 million. The table below details the projection.

One-Time Earnings Impact from One-Time Spending, 2017 (in millions)

Category	Estimated Cost in 2017$	Estimated Cost Converted to 2010$	Final Demand Earnings Multiplier (MA)	Earnings Created in 2010$	Earnings Created Converted to 2017$
Hard Costs	$1,058.43 M	$905.45 M	0.6674	$604.30 M	$706.39 M
Pre-Opening Payroll & Office	$41.00 M	$35.07 M	0.6287	$22.05 M	$25.78 M
Pre-Opening Advertising	$16.40 M	$14.03 M	0.6753	$9.47 M	$11.07 M
Pre-Opening Legal Consulting	$16.40 M	$14.03 M	0.8644	$12.13 M	$14.18 M
Pre-Opening Other Consulting	$8.20 M	$7.01 M	0.7176	$5.03 M	$5.88 M
Total	**$1,140.43 M**	**$975.60 M**		**$652.98 M**	**$763.31 M**

Source: Bureau of Economic Analysis; Wynn Resorts; TMG Consulting Analysis

According to the Bureau of Labor Statistics (BLS) and based on the most recent 12-month period[134] of data available, unemployment averaged 6.1% in the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA[135] which includes the City of Everett. With unemployment in the primary area, from which the Wynn facility would be drawing its employees, the additional jobs created by the development will likely be absorbed by workers throughout the area through a "filtering up" process. That is, some of the unemployed will take lower paying jobs that become available as the work force moves up to fill the new positions at the proposed facility.

TAX & FEES IMPACT

The process of getting the Wynn Everett facility constructed and opened will result in the collection of one-time fees and taxes by the Commonwealth and Everett. These taxes and fees will result from direct expenditures associated with constructing the Wynn Everett facility, acquiring a casino license, the City of Everett's Host Community Agreement with Wynn, and from increased tax revenues resulting from the one-time spending impact on earnings.

One-time Gaming License & Application Fee

To operate a Category 1 casino in Massachusetts, Wynn Resorts will be required to pay a license application fee and, if approved, purchase, from the Commonwealth, a one-time license to gaming license. The combined cost of these items is $85.4 million—$85 million for the gaming license and $400,000 for the license application fee.

One-time Community Enhancement Fee

Per the Host Community Agreement between Wynn and the City of Everett, Wynn will be required to pay a $30 million Community Enhancement Fee to the City of Everett prior to opening its facility.

134 The 12-month average unemployment rate is based on BLS-data ranging from August 2012 through July 2013.
135 New England City and Town Area (NECTA)

Sales & Use Tax Revenue Impacts

Wynn Resorts expects to spend $40.00 million on FF&E[136] less gaming equipment purchases and $407.37 million on construction materials. These purchases are anticipated to take place in Massachusetts, resulting in sales tax revenues for both the Commonwealth. Based on a 6.25% sales tax rate, Massachusetts could receive as much as $27.96 million in tax revenue from Wynn's one-time purchases of construction materials and non-gaming equipment FF&E.

Earnings Impact on State and Local Tax Revenues

Following the same methodologies as previously described for projecting what impact increased earnings could have on state and local government tax revenues, TMG projected increased state and local tax revenues expected to result from the one-time $736.31 million increase in earnings.

The state is expected to receive $26.69 million in tax revenues and fees from the one-time increase in earnings. Local governments (primarily estimated to be Everett) are expected to receive $660,000 million tax revenues and fees. From anticipated discretionary spending resulting from the one-time increase in personal income, the Commonwealth is expected to receive $10.38 million in sales (including F&B) tax revenues and Everett is projected to receive $250,000 in F&B sales tax revenues.

The table below summarizes all of the one-time tax revenue and fee impacts previously described.

One-Time Impacts from Casino Development (in millions)

Category	Taxable Amount	Local Tax Impact	Local Tax Rate	State Tax Impact	State Tax Rate
Direct Impacts					
Gaming					
One-Time Gaming License & Application Fee		-		$85.40 M	
Community Enhancement Fee		$30.0 M			
Total Gaming Tax Revenue		**$30.0 M**		**$85.4 M**	
Sales & Use					
FF&E[1]	$40.00 M	-	-	$2.50 M	6.25%
Construction Materials	$407.37 M	-	-	$25.46 M	6.25%
Total Sales Tax Revenue		**-**		**$27.96 M**	
Off-site, Indirect Impacts					
Earnings[2]					
State & Local Taxes & Fees		$0.66 M		$26.69 M	
Sales & Use	$166.12 M	-	-	$10.38 M	6.25%
Food & Beverage	$32.83 M	$0.25 M	0.75%	$2.05 M	6.25%
Total Tax Revenue from Earnings		**$0.91 M**		**$39.12 M**	
Total Tax Impact		**$30.91 M**		**$152.48 M**	

Source: Operating assumptions provided by Wynn Resorts; Massachusetts Department of Revenue; Bureau of Economic Analysis; TMG Consulting Analysis

Note 1: FF&E excludes slot and table game equipment purchase which total $70 million and are expected to be purchased out of state.

Note 2: Methodology for earnings tax impacts described in previous section.

[136] Furnishings, Fixtures, & Equipment (FF&E) costs include gaming equipment purchases. TMG Consulting conservatively assumes that all gaming equipment purchases will occur outside of Massachusetts.

Summary of Impacts

IMPACT SUMMARY
The following is a summary of all projected impacts previously described.

Employment

The Wynn Everett facility, through its ongoing operations and impact on tourism, is expected to have a significant impact on employment and tax revenue throughout the Commonwealth of Massachusetts. In total, TMG projects Wynn Everett will create **5,144 permanent jobs throughout Massachusetts.** In addition to the recurring jobs impact, construction and opening of the facility is expected to create **14,331 short-term jobs throughout the Commonwealth.** The table below summarizes the projected jobs impact.

Employment Impact Summary

Employment Impact	Direct Jobs	Indirect & Induced Jobs	Total Jobs
From Wynn Operations	3,287	1,818	5,105
From Incremental Tourism	n/a	39	39
Total Recurring Jobs	**3,287**	**1,858**	**5,144**
One-time (Construction)	**n/a**	**14,331**	**14,331**

Source: TMG Consulting Analysis

Tax & Fee Revenue Impact

Recurring Tax & Fee Revenue

Recurring tax revenues to the Commonwealth and to the City of Everett are expected to result from ongoing operations and tourism spending impacts attributable to the Wynn facility. Based on TMG's projections, **the Commonwealth could expect to receive approximately $238.0 million annually in tax and fee revenues. The City of Everett can expect to receive approximately $28.6 in annual tax and fee revenues** from recurring impacts attributable to the Wynn facility. The table below summarizes these tax and fee revenue impacts.

Recurring Tax and Fee Revenue Impacts, 2017 (in millions)

Category	Taxable Amount	Local Tax Impact	Local Tax Rate	State Tax Impact	State Tax Rate
From Wynn Operations					
On-Site, Direct Impacts					
Gaming					
Gaming Tax	$804.05 M	-	-	$201.01 M	25%
Slot Fee	3,000 units	-	-	$1.80 M	$600 per unit
Public Health Trust Fund		-		$1.70 M	
Total Gaming Tax Revenue		**$0.00 M**		**$204.51 M**	
Sales & Use					
Food & Beverage[1]	$54.03 M	$0.41 M	0.75%	$3.38 M	6.25%
Retail	$17.18 M	-	-	$1.07 M	6.25%
Operational	$80.00 M	-	-	$5.00 M	6.25%
Annual Capital Investment (Construction Materials)	$11.26 M	-	-	$0.70 M	6.25%
Total Sales Tax Revenue		**$0.41 M**		**$10.15 M**	
Hotel					
Room Occupancy Tax[2]	$44.07 M	$2.64 M	6.0%	$2.51 M	5.7%
Total Hotel Tax Revenue		**$2.64 M**		**$2.51 M**	
Business					
Corporate Income Tax	$86.19 M	-	-	$6.90 M	8.0%
Total Business Tax Revenue		**$0.00 M**		**$6.90 M**	
Payments to City of Everett					
Community Impact Fee		$5.00 M		-	
Payment in Lieu of Property Tax (PILOT)		$20.00 M		-	
Everett Citizens Foundation		$0.25 M		-	
Total Payments to Everett		**$25.25 M**		**$0.00 M**	
Off-site, Indirect Impacts					
Earnings[3]					
State & Local Taxes & Fees		$0.23 M		$9.40 M	
Sales & Use	$58.52 M	-	-	$3.66 M	6.25%
Food & Beverage	$11.57 M	$0.09 M	0.75%	$0.72 M	6.25%
Total Tax Revenue from Earnings		**$0.32 M**		**$13.78 M**	
From Incremental Tourism					
From Tourism Spending Outside of Wynn Everett					
Food & Beverage	$0.48 M	$0.00 M	0.75%	$0.03 M	6.25%
Sales & Use	$0.86 M	-	-	$0.05 M	6.25%
Total Tax Revenue from Tourism Spending		**$0.00 M**		**$0.08 M**	
Earnings[3]					
State & Local Taxes & Fees		$0.001 M		$0.06 M	
Food & Beverage	$0.06 M	$0.0005 M	0.75%	$0.004 M	6.25%
Sales & Use	$0.37 M	-	-	$0.02 M	6.25%
Total Tax Revenue from Earnings		**$0.002 M**		**$0.09 M**	
Total Annual Tax Impact		**$28.63 M**		**$238.03 M**	

Source: Operating assumptions provided by Wynn Resorts; Massachusetts Department of Revenue; Bureau of Economic Analysis; TMG Consulting Analysis
Note 1: Wynn Resorts expects Everett to implement a 0.75% local excise on food & beverage sales.
Note 2: Wynn Resorts expects Everett to implement a 6% local excise on the room occupancy tax.
Note 3: Methodology for earnings tax impacts described in previous section.

One-time Tax & Fee Revenue

One-time tax revenues to the Commonwealth and to the City of Everett are expected to result from Wynn Everett's development expenditures. Based on TMG's projections, **the Commonwealth could expect to receive approximately $152.48 million in one-time tax and fee revenues. The City of Everett could expect to receive approximately $30.91 million in one-time tax and fee revenues** from developmental expenditures. The table below summarizes these tax and fee revenue impacts.

One-time, Tax and Fee Revenue Impacts, 2017 (in millions)

Category	Taxable Amount	Local Tax Impact	Local Tax Rate	State Tax Impact	State Tax Rate
Direct Impacts					
Gaming					
One-Time Gaming License & Application Fee		-		$85.40 M	
Community Enhancement Fee		$30.0 M			
Total Gaming Tax Revenue		**$30.0 M**		**$85.4 M**	
Sales & Use					
FF&E[1]	$40.00 M	-	-	$2.50 M	6.25%
Construction Materials	$407.37 M	-	-	$25.46 M	6.25%
Total Sales Tax Revenue		**-**		**$27.96 M**	
Off-site, Indirect Impacts					
Earnings[2]					
State & Local Taxes & Fees		$0.66 M		$26.69 M	
Sales & Use	$166.12 M	-	-	$10.38 M	6.25%
Food & Beverage	$32.83 M	$0.25 M	0.75%	$2.05 M	6.25%
Total Tax Revenue from Earnings		**$0.91 M**		**$39.12 M**	
Total Tax Impact		**$30.91 M**		**$152.48 M**	

Source: Operating assumptions provided by Wynn Resorts; Massachusetts Department of Revenue; Bureau of Economic Analysis; TMG Consulting Analysis

Note 1: FF&E excludes slot and table game equipment purchase which total $70 million and are expected to be purchased out of state.

Note 2: Methodology for earnings tax impacts described in previous section.

RESEARCH AND PREVIOUS STUDIES

Gamer Behavior and Trends in Play

The largest casino market in the United States has been and remains the Las Vegas Strip (gaming revenues of $6.2 billion in 2012). More casino gamers play in Las Vegas than anywhere else in the country. The second largest market is Atlantic City ($3.1 billion), followed by Chicagoland ($2.2 billion) and Detroit ($1.4 billion). The following table details Top 20 U.S. Casino Markets by revenue in 2012.

Top 20 U.S. Casino Markets, 2012

Market	Gaming Revenue
Las Vegas Strip, Nev.	$6.207 billion
Atlantic City, N.J.	$3.052 billion
Chicagoland, Ill./Ind.	$2.243 billion
Detroit, Mich.	$1.417 billion
Connecticut	$1.230 billion
Philadelphia, Pa.	$1.167 billion
St. Louis, Mo./Ill.	$1.108 billion
Gulf Coast, Miss.	$1.095 billion
The Poconos, Pa.	$902.48 million
Tunica/Lula, Miss.	$821.95 million
Kansas City, Mo.	$799.85 million
Boulder Strip, Nev.	$796.71 million
Shreveport/Bossier City La.	$715.65 million
Lake Charles, La.	$686.99 million
New York City, N.Y.	$672.57 million
Reno/Sparks, Nev.	$644.92 million
Pittsburgh/Meadow Lands, Pa.	$636.24 million
Black Hawk, Colo.	$633.09 million
Lawrenceburg/Rising Sun/Belterra, Ind.	$632.14 million
New Orleans, La.	$622.19 million

Source: 2013 AGA Survey of Casino Entertainment

Comparing the casino market's local population to its gaming revenues reveals each casino's relative success in capturing destination or tourist gamers. For instance, 2012 Census estimates of the Atlantic City Metropolitan Statistical Area indicate a population of 275,422 people. By dividing the Atlantic City gaming revenues ($3.1 billion) by this population, we see that Atlantic City generates approximately $11,081 in gaming revenues per capita. In comparison, the locally-focused Detroit gaming market generates only an estimated $330 in gaming revenues per capita. The high win per capita of Atlantic City is indicative of a market which draws its play from outside of the local population, one which is successful at bringing destination gamers to it. The following tables compare a selection of gaming markets and their respective populations.

Annual Estimates of the Population of Select Metropolitan Statistical Areas: 2012

Metropolitan Statistical Areas	Population 2012 (July 2012 Est.)
Allentown-Bethlehem-Easton, PA-NJ	827,171
Atlantic City-Hammonton, NJ	275,422
Beaumont-Port Arthur, TX	404,180
Boston-Cambridge-Quincy, MA-NH	4,640,802
Bridgeport-Stamford-Norwalk, CT	933,835
Buffalo-Niagara Falls, NY	1,134,210
Chicago-Naperville-Joliet, IL-IN-WI	9,522,434
Dallas-Fort Worth-Arlington, TX	6,700,991
Detroit-Warren-Dearborn, MI	4,292,060
Gulfport-Biloxi-Pascagoula, MS	379,582
Hartford-West Hartford-East Hartford, CT	1,214,400
Kansas City, MO-KS	2,038,724
Lake Charles, LA	201,195
Las Vegas-Henderson-Paradise, NV	2,000,759
Memphis, TN-MS-AR	1,341,690
New Orleans-Metairie, LA	1,227,096
New York-Newark-Jersey City, NY-NJ-PA	19,831,858
Norwich-New London, CT	274,170
Omaha-Council Bluffs, NE-IA	885,624
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,018,800
Pittsburgh, PA	2,360,733
Reno, NV	433,843
St. Louis, MO-IL	2,795,794
Shreveport-Bossier City, LA	447,193

Source: U.S. Census Bureau, Population Division
Release Date: March 2013

Comparing the local area population to gaming revenues reveals that destination casino markets generate the highest revenues per capita, and the purely local markets generate the lowest revenues per capita (New York via Yonkers and Jamaica at $34 per capita). In general, a market with a win per capita over $400 is indicative of one with a significant tourist and destination gamer draw (Tunica/Lula at $613; Lake Charles, LA at $3,415; Biloxi, MS at $2.885; Las Vegas at $3,501; and Connecticut at $4,486).

Top Casino Markets & Win Per Capita of Local Population

Market	Gaming Revenue per Capita
Las Vegas Strip/Boulder Strip, Nev.	$3,501
Atlantic City, N.J.	$11,081
Chicagoland, Ill./Ind.	$236
Detroit, Mich.	$330
Connecticut	$4,486
Philadelphia, Pa.	$194
St. Louis, Mo./Ill.	$396
Gulf Coast, Miss.	$2,885
The Poconos, Pa.	$1,091
Tunica/Lula, Miss.	$613
Kansas City, Mo.	$392
Shreveport/Bossier City La.	$1,600
Lake Charles, La.	$3,415
New York City, N.Y.	$34
Reno/Sparks, Nev.	$1,487

Source: 2013 AGA Survey of Casino Entertainment; TMG Consulting Analysis

The amount spent on commercial casino gaming by U.S. consumers steadily increased until the national recession. Consumers spent a record amount of $37.52 billion in 2007, which dropped to $34.60 billion in 2010. In 2011 and 2012, total consumer spending on commercial gaming has recovered, to nearly pre-recession level. In 2012, consumers spent $37.34 billion on commercial casino gaming.

U.S. Consumer Spending on Commercial Casino Gaming ($Billions)

Year	Gaming Spend ($B)
2003	$28.72
2004	$31.17
2005	$32.77
2006	$35.27
2007	$37.52
2008	$36.22
2009	$34.28
2010	$34.60
2011	$35.64
2012	$37.34

Source: 2013 AGA Survey of Casino Entertainment
*Does not include Native American facilities

Of particular note is the popularity of racetrack casinos in the North East, with seven of the top ten performing racino markets located within the greater market area. Although these casinos largely offer only Video Lottery Terminal (VLT) gaming, they generate substantial revenues in part because of their proximity to large feeder populations. The following table details these racetrack casino markets.

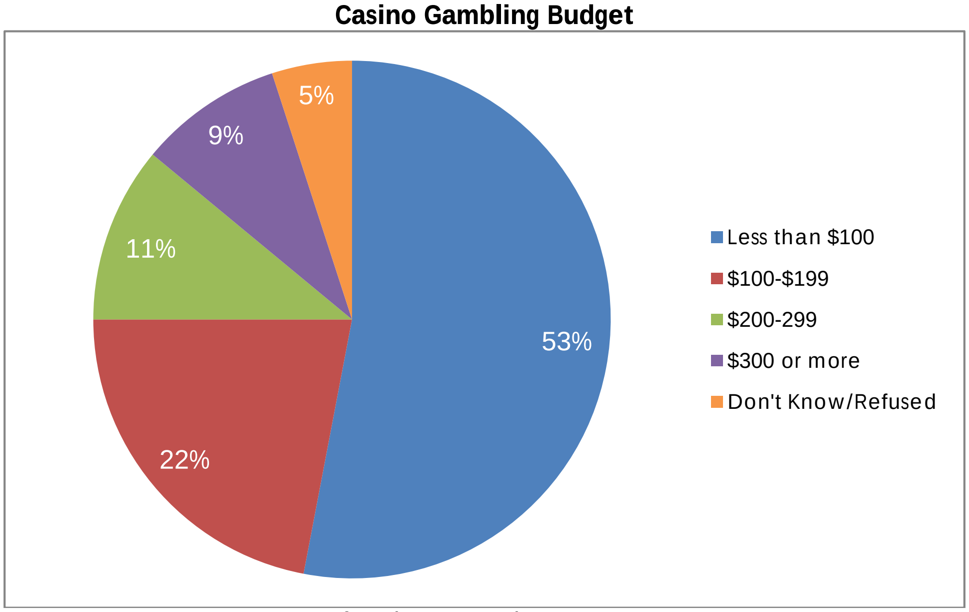
Top 10 U.S. Racetrack Casino Markets, 2012

Market	Gaming Revenue
Philadelphia, Pa.	$835.33 million
New York City, N.Y.	$672.57 million
Yonkers, N.Y.	$544.70 million
Charles Town, W.V.	$536.99 million
Providence, R.I.	$477.83 million
Indianapolis, Ind.	$445.40 million
Dade County, Fla.	$427.89 million
Dover/Harrington, Del.	$297.57 million
Meadow Lands, Pa.	$284.38 million
Grantville, Pa.	$282.60 million

Source: 2013 AGA Survey of Casino Entertainment
*Does not include Native American facilities

The gaming budgets of individual casino gamers vary, with more than half (75%) budgeting less than $200 a day for gambling. This data, compiled in the 2013 AGA Survey of Casino Entertainment, is graphically displayed in the following chart.

Casino Gambling Budget



Source: 2013 AGA Survey of Casino Entertainment

Characteristics of Gamers

According to the most recent edition of the Harrah's Survey, more than 25% of Americans age 21 and older gambled at a casino at least once during 2005, and Americans made more than 320 million total visits to casinos.

U.S. Adults Who Gambled in a Casino in the Last 12 Months

U.S. Adult Population (Age 21+)	209.2 million
Casino Gamblers	52.8 million
Casino Participation Rate*	25%
Average Trip Frequency	6.1 trips per year
Total Casino Visits	322.1 million

Source: Harrah's Survey, Profile of the American Casino Gambler 2006

The casino participation rate was further verified through numerous studies and research, and was validated again in the 2013 American Gaming Association Survey of Casino Entertainment. This large scale survey indicated that 34% of the total U.S. population over the age of 21 had visited a casino at least once in last 12 months.

Casino participation varies by age of the player, gender, income level, and geographic location. According to the 2012 AGA survey[137], 29% of U.S. males reported being casino gamblers, while 26% of U.S. females reported as such. When considering income level, the likelihood that one is a casino gamer increase with one's income. Casino visitors are less likely to have a household income of less than $35,000 and more likely to have incomes between $35,000 and $100,000.

Casino Participation Rate by Income Level

Under $35,000	15%
$35,000 -$60,000	19%
$60,000 - $100,000	25%
$100,000 - $150,000	16%
Over $150,000	8%
Don't Know/Refused	18%

Source: 2013 AGA Survey of Casino Entertainment
Note: Figures do not total precisely due to rounding.

Geographically, residents of the North East are avid gamers, averaging a participation rate of 28%. This exceeds the national average, and is only outmatched by the West region's rate of 33%. The Western region includes Las Vegas and portions of the country with a very large number of Native American casinos.

137 Casino Gambling by Gender unavailable in the 2013 edition of the survey.

Casino Participation by Geographic Region

West	33%
South	18%
North East	28%
North Central	27%

Source: Harrah's Survey, Profile of the American Casino Gambler 2006

The states which generate the most casino trips are also ones with large populations. The largest state population-wise, California, generates the largest number of trips. These trips accrue to California's own vibrant Native American casino market, as well as to nearby markets such as Las Vegas. New York generates the second highest number of trips, yet does not have full-scale commercial casino gaming within its borders. The visits accruing from New York are largely attributed to casinos in Connecticut and Atlantic City, with additional visitation to Upstate's Native American facilities. Texas, listed as number 7 on the list, is unique in that there is no legal casino gaming within the state's borders. All of the gaming trips by Texas residents are to casinos out of state, such as the Lake Charles, LA market (fed by Houston, TX), and Native American casinos in Oklahoma. The following table lists the States Generating the Most Casino Trips, according to the Harrah's Survey.

States Generating the Most Casino Trips (2005)

Rank	State
1	California
2	New York
3	Illinois
4	Nevada
5	Florida
6	New Jersey
7	Texas
8	Michigan
9	Missouri
10	Louisiana

Source: Harrah's Survey, Profile of the American Casino Gambler 2006

The average casino participation rate in the United States is 25%, meaning that 25% of gaming age adults are active casino gamblers. This rate has remained relatively constant over the last 5 years. The following table details the casino participation rate in the largest feeder markets in the U.S. Of particular interest in our assessment are the participation rates of those residing in New York City (33%), Philadelphia (33%), and Boston (26%). The high rates seen in New York City and Philadelphia are attributable to the ready access of gaming to those populations, with Philadelphia's proximity to Atlantic City, and New York City's easy access to both Atlantic City and the casinos in Connecticut. It would be expected that the participation rate in Boston would rise even higher with the advent of casino gaming closer to the Boston area market.

Casino Participation Rates in the Largest Feeder Markets

DMA	Population (21+)	Participation Rate	Est Casino Gamblers*	Est Casino Visits**
New York City	14,806,436	**33%**	4,886,124	29,805,356
Los Angeles	10,527,065	37%	3,895,014	23,759,586
Chicago	6,716,969	29%	1,947,921	11,882,318
Philadelphia	5,499,873	**33%**	1,814,958	11,071,244
San Francisco-Oakland-Santa Rosa	4,939,763	30%	1,481,929	9,039,766
Boston	4,506,221	**26%**	1,171,617	7,146,867
Dallas-Ft. Worth	4,408,663	20%	881,733	5,378,569
Washington, D.C.	4,311,750	17%	732,998	4,471,285
Phoenix	4,291,254	38%	1,630,677	9,947,127
Atlanta	4,076,401	15%	611,460	3,729,907
Houston	3,767,890	22%	828,936	5,056,508
Detroit	3,572,338	31%	1,107,425	6,755,291
Seattle-Tacoma-Bellingham	3,175,758	32%	1,016,243	6,199,080
Miami-Ft. Lauderdale	3,073,237	30%	921,971	5,624,024
Minneapolis-St. Paul	3,091,439	36%	1,112,918	6,788,800
Tampa-St. Petersburg-Sarasota	3,047,370	17%	518,053	3,160,123
Cleveland	2,788,484	23%	641,351	3,912,243
Sacramento-Stockton	2,731,976	40%	1,092,790	6,666,021
Denver	2,693,721	33%	888,928	5,422,460
Orlando-Daytona Beach-Melbourne	2,451,383	22%	539,304	3,289,756

Source: Harrah's Survey, Profile of the American Casino Gambler 2006
* TMG Consulting Analysis
** TMG Consulting Estimate using average trip frequency of 6.1 trips per year

By applying the casino participation rates to the gaming age population, and utilizing the nationwide average trip frequency (a low figure for such an active gaming market as the North East), TMG Consulting estimates that New York City generated approximately 30 million casino visits in 2005. Following this same methodology, Philadelphia and Boston would have generated 11 million and 7.1 million visits, respectively.

The following table looks at casino trips another way, ranking feeder markets by the number of casino trips generated. While individual city estimates were not available, we know that these top twenty (20) markets generated an estimated 164 million gaming trips in 2005.

Feeder Markets Generating the Most Casino Trips (2005)

Rank	Market
1	**New York City**
2	Los Angeles
3	Chicago
4	Las Vegas
5	Phoenix
6	**Philadelphia**
7	Minneapolis-St. Paul
8	San Diego
9	Seattle-Tacoma-Bellingham
10	Sacramento-Stockton
11	San Francisco-Oakland-Santa Rosa
12	Kansas City
13	St. Louis
14	**Hartford-New Haven**
15	Detroit
16	**Boston**
17	New Orleans
18	Denver
19	Miami-Ft. Lauderdale
20	Memphis
Est Visits from Top 20 Feeder Markets	**164 million**

Source: Harrah's Survey, Profile of the American Casino Gambler 2006

Further, the following table lists the Feeder Markets Generating Over One Million Casino Trips. Included in this list are New York City, Philadelphia, Hartford-New Haven, Boston, Providence-New Bedford, and Pittsburgh - all cities that are within the greater market area for the proposed Wynn Everett casino.

Feeder Markets Generating Over 1 Million Casino Trips*

New York City	Reno	Cedar Rapids-Waterloo-Dubuque
Los Angeles	Biloxi-Gulfport	Salt Lake City
Chicago	Fresno-Visalia	Spokane
Las Vegas	Washington, D.C.	Omaha
Phoenix	Houston	Mobile-Pensacola
Philadelphia	**Providence-New Bedford**	Des Moines-Ames
Minneapolis-St. Paul	Albuquerque-Santa Fe	**Pittsburgh**
San Diego	Tulsa	Traverse City-Cadillac
Seattle-Tacoma-Bellingham	Buffalo	Green Bay-Appleton
Sacramento-Stockton	Portland (OR)	Wausau-Rhinelander
San Francisco-Oakland-Santa Rosa	Oklahoma City	Grand Rapids-Kalamazoo-Battle Creek
Kansas City	Cincinnati	Lafayette (LA)
St. Louis	Cleveland	Jackson (MS)
Hartford-New Haven	Shreveport	Chico-Redding
Detroit	Flint-Saginaw-Bay City	Little Rock-Pine Bluff
Boston	Atlanta	Indianapolis
New Orleans	Orlando-Daytona Beach-Melbourne	Davenport-Rock Island-Moline
Denver	Milwaukee	Louisville
Miami-Ft. Lauderdale	Tampa-St. Petersburg-Sarasota	Birmingham
Memphis	Baltimore	Beaumont-Port Arthur
Dallas-Ft. Worth	Charlotte	

Source: Harrah's Survey, Profile of the American Casino Gambler 2006
* Listed in order of total casino trips generated

Local Massachusetts Opinions and Polls

Over the past few years, a number of polls and surveys have been conducted in Massachusetts with regard to the introduction of casino gaming to the state. While sample sizes have varied from 400 to over 1,000 respondents, the majority of surveys conducted before August 2011 showed that Massachusetts's residents were largely in favor of casino gaming, with a higher than average number of residents planning on participating. In contrast, a few surveys conducted after August 2011 have indicated opposition to gambling.

In August 2011, The Boston Globe surveyed 500 randomly selected Massachusetts adults about their views on casino gambling in the state. A higher proportion of the respondents responded they would not support any gambling (40%) compared to those stating they support resort casinos (34%). Among political parties, Republican respondents were more supportive (41%) of resort casinos than Democratic respondents (31%). Females tended to oppose any gambling at 44%, while males tended to support resort casinos at 38%. Respondents who were 34 or under are more likely to support resort casinos (50%) compared to respondents who were 65 and over who are more likely to oppose gambling (53%). Those whose education level was high school or less showed the most support for resort casinos (41%) compared to respondents in other education level categories. College graduates are more likely to support resort casinos (46%), compared to post graduates (23%). Minority residents are more likely to support resort casinos (39%) compared to white residents who are more likely to oppose gambling (41%). Residents residing within Western Massachusetts and Southern Massachusetts/Cape/Islands tend to oppose gambling at 40% and

43%, respectively. In contrast, the Central Massachusetts residents are more likely to support resort casinos at 40%[138].

The Center for Policy Analysis at the University of Dartmouth surveyed 1,200 Massachusetts residents in January 2011, focusing on public opinion about expanded gaming in the state. The findings of this survey were compiled into a report titled, "Place Your Bet I: Do Massachusetts Residents Still Want Resort Casinos?" Approximately 55% of the sample indicated that they supported Governor Patrick's 2010 proposed bill for expanded gaming and approximately 48% indicated that they supported the expanded gaming bill proposed by the Legislature in 2010.

In April 2010, the Western New England College Polling Institute conducted a telephone survey— sampling 528 adults living throughout Massachusetts. Of this sample, 58% supported the establishment of casinos in Massachusetts and 41% supported having a casino in their community.

A State House News Poll dated September 2010 sampled 400 adults living in Massachusetts. Of this sample, 56% indicated support for expanded gaming legislation in Massachusetts.

A poll conducted by 7 News/Suffolk University in May 2010 sampling 500 registered Massachusetts voters found that 55% polled were in support of casino gambling in Massachusetts.

In 2007, UMass Dartmouth ran a survey[139] in which they asked the question, "Do you support the authorization of a resort casino in the Bay State?" To this, nearly 57% of respondents voiced their support. Subsequent surveys conducted by other groups even more recently have yielded growing positive results, such as the Suffolk University poll[140] wherein 59% voiced their support for casino gambling.

In late 2007, State House News commissioned a survey[141] asking the question, "Would you go to a resort-style casino (like Foxwoods) in Massachusetts?" An astounding 49.6% of survey respondents responded that they "would go". This figure is very encouraging for the potential Massachusetts destination casino, as it is significantly higher than the nationwide average participation rate of 25%.

Also interesting to note is that Massachusetts gamers also are not turned-off by remote casino locations. In a 2007 Boston Globe poll[142], 43% of respondents stated that they preferred casinos in rural areas versus only 24% who preferred casinos in urban areas.

---

138 Boston Globe, The Survey Center and University of New Hampshire, *Boston Globe 9/11 10-Year Anniversary Poll August 2011*, September 1, 2011.
139 Center for Policy Analysis, UMass Dartmouth, *Taking the Gamble I: Do Massachusetts Residents Want a Resort Casino?* February 2007.
140 Suffolk Univeristy/7 News, *Poll: Massachusetts Voters Support Governor on Issues*, August 6, 2008.
141 State House News & KRC/Comm. Research, September 2007.
142 Boston Globe, The Survey Center and University of New Hampshire, *Boston Globe Poll #15: Casino Gambling in MA*, September 16, 2007.

Third Party Studies and Comparisons

The Northeast gaming market, particularly Massachusetts, has been studied by several organizations--particularly studies and projections for Massachusetts gaming revenue. Below, we review these reports for comparison purposes.

Existing Gaming Behavior and Spending

Useful in comparison to our gravity model, the University of Massachusetts Dartmouth published their estimate for casino patron origins by state in February 2012[143]. These estimates are presented in the following table.

Estimated Patron Origins by State, 2012

State	Foxwoods	Mohegan	Twin River	Newport	Hollywood Casino Bangor
Massachusetts	32.2%	20.2%	51.1%	43.4%	1.0%
Connecticut	35.3%	53.7%	0.9%	1.8%	0.0%
Rhode Island	12.6%	4.3%	46.3%	52.0%	0.0%
New Hampshire	3.5%	1.9%	0.6%	0.4%	1.0%
Maine	2.2%	0.7%	0.1%	0.1%	95.5%
Vermont	0.5%	0.5%	0.1%	0.0%	0.4%
New York	11.0%	15.7%	0.2%	0.9%	0.3%
New Jersey	1.3%	1.6%	0.0%	0.2%	0.3%
Other	1.4%	1.4%	0.7%	1.2%	1.5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Source: University of Massachusetts - Dartmouth, Center for Policy Analysis, New England Casino Gaming Update 2012

Further, the study estimated that Massachusetts residents spent approximately $624.1 million in CY 2011 at Connecticut's two Native American casinos, spent approximately $284 million at Twin River and Newport Grand in CY 2011, and spent $654,578 at Maine's sole racino in CY 2011.

Per Capita Total Spending by State: All New England Casinos & Racinos

State	Foxwoods & Mohegan Sun	Twin River & Newport Slots	Hollywood Casino Bangor	Grand Total	Age 21+	Per Capita
MA	$624,128,764	$284,028,238	$654,578	$908,811,580	4,758,180	$191.00
RI	$200,041,002	$263,748,523		$463,789,525	769,166	$602.98
CT	$1,071,030,825	$5,566,928		$1,076,597,753	2,518,238	$427.52
NH	$64,215,880	$3,275,237	$654,578	$68,145,695	955,513	$71.32
ME	$34,305,149	$564,041	$62,512,236	$97,381,426	981,241	$99.24
VT	$11,975,602	$509,535	$261,831	$12,746,968	455,183	$28.00

Sources: University of Massachusetts - Dartmouth, Center for Policy Analysis, New England Casino Gaming Update 2012 & 2009 American Community Survey (U.S. Census).

[143] University of Massachusetts – Dartmouth, Center for Policy Analysis report, "New England Casino Gaming: Update, 2012", April 2012.

The University of Massachusetts Dartmouth also published another study in September 2011 analyzing the demographics and gaming behavior of patrons to New England's casinos and racinos[144]. These estimates are presented in the following table below.

In terms of gambling by state, over half the residents in Massachusetts (56%) and Rhode Island (52%) participated in some type of gambling in 2010. Rhode Island reported the highest propensity to casino gamble (29%), followed by Connecticut and Massachusetts at 26%.

Type of Game Played by State, 2010

	Massachusetts	Connecticut	Maine	New Hampshire	Rhode Island
Any Type	56%	45%	45%	42%	52%
Scratch Tickets	43%	27%	29%	32%	34%
Lotto	43%	33%	31%	35%	42%
Keno	16%	2%	3%	2%	8%
Casino	26%	26%	20%	13%	29%
Dog/horse race	2%	2%	3%	1%	3%
Bingo	6%	4%	2%	5%	5%
Internet	2%	1%	0%	1%	1%
Poker	10%	5%	11%	6%	5%
Sports Betting	6%	2%	5%	2%	3%

Source: University of Massachusetts - Dartmouth, 4th Biennial New England Gaming Behavior Survey, September 2011

In 2010, approximately 1.9 million New England residents from the five states surveyed visited Foxwoods Resort Casino, approximately 1.8 million residents visited Mohegan Sun Casino, approximately 580,000 residents visited Twin River Casino, and approximately 108,000 residents visited Newport Grand Slots. Of the 1.9 million New England residents who visited Foxwoods, over 1 million of them were from Massachusetts.

Visitation by State, 2010

	Foxwoods	Mohegan	Twin River	Newport Grand
All Respondents*	1,881,957	1,758,029	579,874	107,877
Massachusetts	1,008,734	637,596	354,288	45,551
Connecticut*	506,166	871,310	37,413	16,034
Maine	64,762	46,118	4,147	1,037
New Hampshire	90,774	70,708	6,103	4,069
Rhode Island	211,521	132,297	177,923	41,186

Source: University of Massachusetts - Dartmouth, 4th Biennial New England Gaming Behavior Survey, September 2011
*Comparison is to 2008 data because CT was not included in the 2006 survey.

Residents of the five states surveyed patronized Twin River most frequently among the four casinos surveyed at 6.1 days annually, followed by Newport Grand at 5.4 days. Massachusetts residents visited Foxwoods 3.1 times, Mohegan 3 times, Twin River 5.2 times, and Newport grand 4.1 times annually.

[144] University of Massachusetts – Dartmouth, Center for Policy Analysis report, "Place Your Bet III: Who Gambles at New England's Casinos and Racinos?", September 2011.

Average Annual Visitation by State, 2010

	Foxwoods	Mohegan	Twin River	Newport Grand
All Respondents*	4.1	4.0	6.1	5.4
Massachusetts	3.1	3.0	5.2	4.1
Connecticut*	3.4	5.6	3.7	2.0
Maine	3.3	2.4	1.6	0.0
New Hampshire	2.0	1.8	1.2	1.0
Rhode Island	5.7	3.0	6.7	6.1

Source: University of Massachusetts - Dartmouth, 4th Biennial New England Gaming Behavior Survey, September 2011
*Comparison is to 2008 data because CT was not included in the 2006 survey.

This study also indicated that the majority of Massachusetts residents who visited Foxwoods Resort Casino or Mohegan Sun in 2010 tended to be male (59%) compared to Twin River Casino or Newport Grand whose visitors tended to be female (55%). Furthermore, those holding a bachelor's degree or higher were more likely to visit Foxwoods or Mohegan (43%) compared to Twin River or Newport (35%).

The highest proportion of visitors to both the Connecticut and Rhode Island casinos were between the age of 18-34 at 32% and 30%, respectively. Another similarity in visitors to both states' casinos was their household income: those earning $45-75K were more likely than any other income bracket to frequent these casinos.

Demographics of Massachusetts Visitors to CT & RI Casinos, 2010

	Foxwoods or Mohegan	Twin River or Newport Grand
Gender		
Male	59%	45%
Female	41%	55%
Age Range		
18-34	32%	30%
35-49	28%	24%
50-65	22%	21%
65+	18%	25%
Education Level		
Less than High School	3%	4%
High School Only	23%	24%
Some College/Associate's	31%	38%
Bachelor's and Higher	43%	35%
Family Income Level		
< $25K	6%	4%
$25-45K	11%	18%
$45-75K	39%	38%
$75-150K	32%	31%
> $150K	12%	9%

Source: University of Massachusetts - Dartmouth, 4th Biennial New England Gaming Behavior Survey, September 2011

OTHER PROJECTIONS FOR MASSACHUSETTS CASINOS

For comparison purposes, below is a brief summary of studies and reports on the issue of gaming in Massachusetts that have been made public. While TMG Consulting performed our studies independently of these works, our study findings are largely validated by them.

Spectrum Gaming Group: Boston Area Casino, $1.08 Billion

In March 2010, Spectrum Gaming Group issued an update of their Market Analysis, Gross Gaming Revenue Projections for the Massachusetts Legislature[145]. Assuming three large-scale resort casinos, this report indicates that the size of the Massachusetts gaming market could be $2.14 billion in 2016, the forecast third year of gaming operations in the state. This figure includes gaming revenues of $989.5 million for a Boston area casino, as well as $274.3 million for incremental hotel gaming revenues for the three assumed facilities. Following the logic in the Spectrum report, we can assume that the final projection for a Boston area casino resort is approximately $1.08 billion in 2016 ($989.5 million + 1/3 ($274.3 million)). It must be noted, however, that the Spectrum report does not take into account any increases in competition in the region; not included in their study are planned developments in New York, potential gaming in New Hampshire, potential gaming in Maine, new supply in Delaware, etc.

Innovation Group: Two Resort Casinos, $1.1 - $1.4 Billion

The Innovation Group's gaming report titled, "Massachusetts Statewide Gaming Report" dated June 2010 and prepared for the Massachusetts Senate analyzed the potential for expanded gaming in Massachusetts for a number of scenarios.

- Scenario 1 projects between $1.065 billion and $1.383 billion in total annual gaming revenue for two resort casinos—one in Region 1 and one in Region 2[146]
- Scenario 2 projects between $1.449 billion and $1.812 billion in total annual gaming revenue for three destination resort casinos (one in each of the three regions)
- Scenario 3 projects between $1.699 billion and $2.124 billion in total annual gaming revenue for three destination resort casinos (one in each of the three regions) and one Native American (or Commercial) facility in Region 2
- Scenario 4A projects between $1.735 billion and $2.074 billion in total annual gaming revenue for three destination resort casinos (one in each of the three regions) and three racinos (750 slots per track)
- Scenario 4B projects between $1.845 billion and $2.166 billion in total annual gaming revenue for three destination resort casinos (one in each of the three regions) and three racinos (1,500 slots per track)

Morowitz Gaming Advisors: Palmer Casino, $1.168 Billion Total Revenues

A Morowitz Gaming Advisors study commissioned by Mohegan Sun, estimated that a Palmer casino, a casino at Suffolk Downs and two racinos could produce $1.168 billion in taxable annual revenue. The optimal scenario for gaming revenue generation, according to this study, included a casino in Palmer, a casino at Suffolk Downs in Boston, and two racinos.[147]

---

[145] Spectrum Gaming Group, "Market Analysis, Gross Gaming Revenue Projections: An Update", March 31, 2010.
[146] Region 1: Suffolk, Middlesex, Essex, Worcester County, and parts of Norfolk
Region 2: Bristol, Plymouth, Nantucket, Dukes, Barnstable, and parts of Norfolk
Region 3: Hampshire, Hampden, Franklin, and Berkshire
[147] Ring, Dan. "Massachusetts casinos proposed for Palmer, Milford appear headed for showdown." April 2010.

University of Massachusetts- Dartmouth: $2.0 - $2.1 Billion Statewide
The University of Massachusetts-Dartmouth's 2007 "Maximum Bet" report[148] estimated potential statewide gaming revenues of $1.495 billion. According to the Spectrum Gaming Group report of 2008[149], however, university researchers clarified their estimates to be between $2.0 and $2.1 billion ($500 -$600 million as recapture from Connecticut and Rhode Island facilities).

Innovation Group: Venetian Casino Resort, $915 Million
The Innovation Group's study, "Massachusetts Gaming Market Potential and Economic Impact Assessment: The Venetian Casino Resort", projected revenues for one casino in Massachusetts with 5,000 slot machines, 350 table games, 2,500 hotel rooms, and more than 1 million square feet of meeting and convention space. The estimated development cost for this project was $3 billion. Given an east-central Massachusetts location, competing with one smaller casino in southeast MA, and slot machines at the state's four racetracks, the average win per position for the Venetian development was projected at $353, or $915 million in annual gaming revenues.

KlasRobinson: Boston Area Casino, $879 Million
KlasRobinson Q.E.D. contributed to Suffolk Downs' proposal[150] by performing a market study and feasibility analysis for a resort casino development. This assessment considered two Massachusetts casinos, each with 5,000 slot machines and 150 table games, and 1,000 room hotels. The locations considered were: 1) Native American tribal land in southeast Massachusetts; and 2) Boston area. The report projected the Boston site to generate $408 per position per day (gross gaming revenues of $879 million annually), with the Native American site generating $303 per position per day ($652.5 million in gross gaming revenues annually). Combined, these two facilities were projected to generate $1.53 billion in gaming revenues per year, or an average of $355 per position per day.

Boston Chamber of Commerce: Three Resort Casinos, $2.7 Billion
The Boston Chamber of Commerce commissioned a study of the potential impacts of casino legislation proposed by Governor Deval Patrick in fall 2007. UHY Advisors FLVS, Inc. performed this study, titled *Casino Gaming in Massachusetts: An Economic, Fiscal, & Social Analysis*, which was made publicly available in March 2008. According to this study, three destination-style resort casinos could create a projected $2.7 billion in total annual gaming revenue, 17,000-20,000 permanent jobs, over 10,000 construction jobs throughout a three-year period, and $376 to $429 million in new state revenue.

ESTIMATED REVENUE AND SOCIOECONOMIC IMPACT
The Commonwealth of Massachusetts had not released official revenue estimates and anticipated socioeconomic impacts at the time of this report. However, a similar bill was filed in October 2007 to authorize three resort casinos. Under that bill, the Commonwealth estimated 10,000 temporary construction jobs and 20,000 new permanent positions would be created. Furthermore, the Commonwealth estimated the three casinos would generate $800 million in new FY09 revenues from licensing fees and over $500 million in annual State revenues by FY12, the assumed year when the three casinos would be fully operational.

148 University of Massachusetts-Dartmouth, Center for Policy Analysis report "Maximum Bet: A Preliminary Blueprint for Casino Gaming & Economic Development in Massachusetts", March 2007.
149 Spectrum Gaming Group. "Comprehensive Analysis: Projecting and Preparing for Potential Impact of Expanded Gaming on Commonwealth of Massachusetts." August 2008.
150 Suffolk Downs "Report to the Executive Working Group on Gaming", July 2007.

DISCLAIMER

Consumer demand for gaming is particularly sensitive to downturns in the economy. Changes in consumer preferences or discretionary consumer spending brought about by factors such as fears of war, future acts of terrorism, general economic conditions, disposable consumer income, fears of recession and changes in consumer confidence in the economy could reduce customer demand for luxury products and leisure services, thus imposing practical limits on pricing and harming operations. Our projections would thereby be adversely affected.

All projections will be affected by international, national and local economic conditions. A recession or downturn in the general economy, or in a region constituting a significant source of customers, could result in fewer customers, which would adversely affect projections.

Casinos are generally dependent on the willingness of customers to travel. As a result of the terrorist acts of September 11, 2001, domestic and international travel was severely disrupted, which resulted in a decrease in customer visits to casinos. Developments in international conflicts could have a similar effect on domestic and international travel. No one can predict the extent to which disruptions in air or other forms of travel as a result of any future terrorist act, outbreak of hostilities or escalation of war would adversely affect projections.

As a result of the SARS outbreak in Asia, there was a decrease in travel and economic activity in affected regions. In addition, there have been recent fears concerning the spread of avian and swine influenza. Potential future outbreaks of SARS, avian flu or other highly infectious diseases may adversely affect the number of visitors. Any new outbreak of such a highly infectious disease could have a material adverse effect on the projections.

Changes in transportation infrastructure could hinder access for visitors and negatively impact specified sites' desirability and operations.

This report reflects analysis and opinion based on primary and secondary sources of information. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analysis regarding the project are based on trends and assumptions and, therefore, there will usually be differences between the estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no obligation, unless subsequently engaged, to update this report or revise this analysis as presented due to events or conditions occurring after the date of this study.

TMG Consulting makes no express or implied representation or warranty or guarantee as to the attainability of any projected or estimated information referenced or set forth herein, or as to the accuracy or completeness of the assumptions from which such projected or estimated information is derived. Any such projections or estimations are necessarily subject to a high degree of uncertainty and may vary materially and adversely from actual results.

Some of the statements in this report constitute forward-looking statements. These statements involve risks, uncertainties and other factors that may cause you or your industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "estimate," "intend," "plan," "continue" or the negative of these terms or other comparable terminology.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. If one or more of the assumptions underlying our forward-looking statements proves incorrect, then actual results, levels of activity, performance or achievements could differ significantly from those expressed in or implied by the forward-looking statements contained herein. These forward-looking statements are subject to risks, uncertainties, and assumptions about or the projections that are subject to change based on various important factors, some of which are beyond our control. The factors identified above, among others, could cause our projections to differ significantly from the goals, plans, objectives, intentions and expectations expressed in our forward-looking statements. Therefore, we caution you not to place undue reliance on our forward-looking statements. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

The accompanying study is prepared for the information and use of our client, and may not be relied upon by any third party for any purpose, including but not limited to financing of the project or investing in the project.

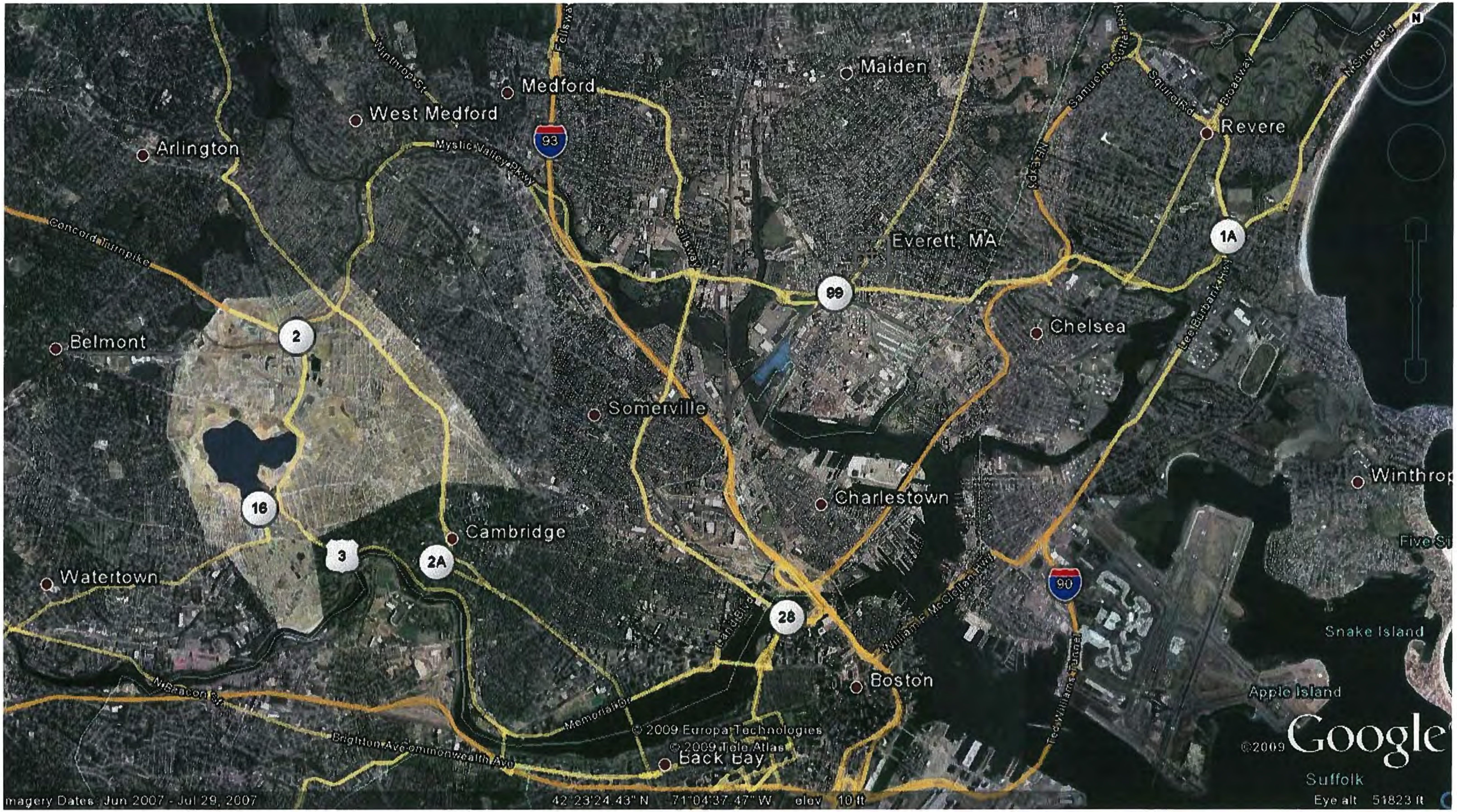
While TMG Consulting endeavors to provide reliable estimates and projections, TMG accepts no liability by any party acting in relation to estimates and projections provided herein.

APPENDIX

Wynn Resorts Development Site: Everett, Ma

Revere Beach Pkwy
Broadway
Mystic View Rd
Sturtevant St
Foley St
Fellsway
Garden St
Spring St
Winter St
Market St
Eaton St
Commercial St
Dexter St
Mystic St
Lynde St
Courtland St
Factory St
Orient Ave
Gladstone St
Lewis St
Revere St
Plymouth St
Montrose St
Heath St
May St
Kelvin St
16
99
38
93
© 2009 Europa Technologies
© 2009 Tele Atlas
©2009 Google
Imagery Date: Jun 2007
42°23'41.49" N 71°04'13.75" W elev 8 ft
Eye alt 11620 ft


Chemical Ln
99


Malden
Medford
West Medford
Arlington
Revere
Everett, MA
Chelsea
Belmont
Somerville
Winthrop
Charlestown
Cambridge
Watertown
Boston
Back Bay
Snake Island
Apple Island
Concord Turnpike
Mystic Valley Pkwy
Winthrop St
Fellsway
Samuel R Gallery Hwy
Squire Rd
Broadway
N Shore Rd
NE Expy
Lee Burbank Hwy
William F McClellan Hwy
Ted Williams Tunnel
Memorial Dr
Brighton Ave
Commonwealth Ave
N Beacon St
93
90
99
1A
2
16
3
2A
28
© 2009 Europa Technologies
© 2009 Tele Atlas
©2009 Google
Suffolk
Imagery Dates: Jun 2007 - Jul 29, 2007
42°23'24.43" N 71°04'37.47" W elev 10 ft
Eye alt 51823 ft

RESORTS DEVELOPMENT

January 23, 2014

Chairman Stephen Crosby
Massachusetts Gaming Commission
84 State Street
Boston, MA 02109

Dear Chairman Crosby:

We are in receipt of the City of Cambridge's petition to be designated as a "surrounding community" to our proposed development in the City of Everett.

As part of our application process, Wynn MA, LLC ("Wynn") thoughtfully and deliberately reviewed the statutory definition of a "surrounding community" as set forth in 205 CMR 125.01. In particular, we considered the following factors: (1) proximity to host community and gaming establishment including location of residential communities; (2) "significant and adverse" transportation infrastructure impacts caused by the gaming establishment; (3) "significant and adverse" pre-opening impacts including noise and environmental impacts and increased construction vehicle trips; (4) "significant and adverse" post-opening impacts including public safety, utility demand, housing impact, impact on local retail, entertainment and service establishments, social service needs including, but not limited to, those related to problem gambling, and impact on public education in the community; and (5) any other "significant and adverse" impacts caused by the gaming establishment.

To facilitate our review of the foregoing, Wynn engaged outside experts to provide a thorough analysis of potential impacts. Attached please find a copy of the following studies: (i) RKG Associates Inc.'s "Impact of the Wynn Resort Casino on Neighboring Communities" dated August 29, 2013; (ii) TMG Consulting's "Gaming Market Assessment" dated November 2013; and (iii) TMG Consulting's "Projected Benefit for Regional Businesses."

While we oppose the City of Cambridge's application for designation as a "surrounding community" pursuant to the terms of 205 CMR 125.01, we firmly believe in developing good and long-standing relationships within the communities in which we operate. To that end, we are committed to engaging in a dialogue with the City of Cambridge to determine whether we can facilitate a mutually beneficial relationship.

RESORTS DEVELOPMENT

Very Truly Yours,

Jacqui Krum
Senior Vice President and General Counsel

cc: Richard C. Rossi, City Manager, City of Cambridge

3131 las vegas boulevard south las vegas NV 89109 tel (702) 770 7000

RESORTS DEVELOPMENT

January 23, 2014

Chairman Stephen Crosby
Massachusetts Gaming Commission
84 State Street
Boston, MA 02109

Dear Chairman Crosby:

We are in receipt of the Town of Saugus's petition to be designated as a "surrounding community" to our proposed development in the City of Everett.

As part of our application process, Wynn MA, LLC ("Wynn") thoughtfully and deliberately reviewed the statutory definition of a "surrounding community" as set forth in 205 CMR 125.01. In particular, we considered the following factors: (1) proximity to host community and gaming establishment including location of residential communities; (2) "significant and adverse" transportation infrastructure impacts caused by the gaming establishment; (3) "significant and adverse" pre-opening impacts including noise and environmental impacts and increased construction vehicle trips; (4) "significant and adverse" post-opening impacts including public safety, utility demand, housing impact, impact on local retail, entertainment and service establishments, social service needs including, but not limited to, those related to problem gambling, and impact on public education in the community; and (5) any other "significant and adverse" impacts caused by the gaming establishment.

To facilitate our review of the foregoing, Wynn engaged outside experts to provide a thorough analysis of potential impacts. Attached please find a copy of the following studies: (i) RKG Associates Inc.'s "Impact of the Wynn Resort Casino on Neighboring Communities" dated August 29, 2013; (ii) TMG Consulting's "Gaming Market Assessment" dated November 2013; and (iii) TMG Consulting's "Projected Benefit for Regional Businesses."

While we oppose the Town of Saugus' application for designation as a "surrounding community" pursuant to the terms of 205 CMR 125.01, we firmly believe in developing good and long-standing relationships within the communities in which we operate. To that end, we had a productive introductory meeting with Mr. Crabtree and his advisors today and we are committed to engaging in a dialogue with the Town of Saugus to determine whether we can facilitate a mutually beneficial relationship.

RESORTS DEVELOPMENT

Very Truly Yours,

Jacqui Krum

Jacqui Krum
Senior Vice President and General Counsel

cc: Scott C. Crabtree, Esq., Town Manager
Town of Saugus

RESORTS DEVELOPMENT

January 23, 2014

Chairman Stephen Crosby
Massachusetts Gaming Commission
84 State Street
Boston, MA 02109

Dear Chairman Crosby:

We are in receipt of the City of Lynn's petition to be designated as a "surrounding community" to our proposed development in the City of Everett.

As part of our application process, Wynn MA, LLC ("Wynn") thoughtfully and deliberately reviewed the statutory definition of a "surrounding community" as set forth in 205 CMR 125.01. In particular, we considered the following factors: (1) proximity to host community and gaming establishment including location of residential communities; (2) "significant and adverse" transportation infrastructure impacts caused by the gaming establishment; (3) "significant and adverse" pre-opening impacts including noise and environmental impacts and increased construction vehicle trips; (4) "significant and adverse" post-opening impacts including public safety, utility demand, housing impact, impact on local retail, entertainment and service establishments, social service needs including, but not limited to, those related to problem gambling, and impact on public education in the community; and (5) any other "significant and adverse" impacts caused by the gaming establishment.

To facilitate our review of the foregoing, Wynn engaged outside experts to provide a thorough analysis of potential impacts. Attached please find a copy of the following studies: (i) RKG Associates Inc.'s "Impact of the Wynn Resort Casino on Neighboring Communities" dated August 29, 2013; (ii) TMG Consulting's "Gaming Market Assessment" dated November 2013; and (iii) TMG Consulting's "Projected Benefit for Regional Businesses."

While we oppose the City of Lynn's application for designation as a "surrounding community" pursuant to the terms of 205 CMR 125.01, we firmly believe in developing good and long-standing relationships within the communities in which we operate. To that end, we are committed to engaging in a dialogue with the City of Lynn to determine whether we can facilitate a mutually beneficial relationship.

RESORTS DEVELOPMENT

Very Truly Yours,

Jacqui Krum
Senior Vice President and General Counsel

cc: Judith Flanagan Kennedy
Mayor, City of Lynn

RESORTS DEVELOPMENT

January 23, 2014

Chairman Stephen Crosby
Massachusetts Gaming Commission
84 State Street
Boston, MA 02109

Dear Chairman Crosby:

We are in receipt of the City of Melrose's petition to be designated as a "surrounding community" to our proposed development in the City of Everett.

As part of our application process, Wynn MA, LLC ("Wynn") thoughtfully and deliberately reviewed the statutory definition of a "surrounding community" as set forth in 205 CMR 125.01. In particular, we considered the following factors: (1) proximity to host community and gaming establishment including location of residential communities; (2) "significant and adverse" transportation infrastructure impacts caused by the gaming establishment; (3) "significant and adverse" pre-opening impacts including noise and environmental impacts and increased construction vehicle trips; (4) "significant and adverse" post-opening impacts including public safety, utility demand, housing impact, impact on local retail, entertainment and service establishments, social service needs including, but not limited to, those related to problem gambling, and impact on public education in the community; and (5) any other "significant and adverse" impacts caused by the gaming establishment.

To facilitate our review of the foregoing, Wynn engaged outside experts to provide a thorough analysis of potential impacts. Attached please find a copy of the following studies: (i) RKG Associates Inc.'s "Impact of the Wynn Resort Casino on Neighboring Communities" dated August 29, 2013; (ii) TMG Consulting's "Gaming Market Assessment" dated November 2013; and (iii) TMG Consulting's "Projected Benefit for Regional Businesses."

While we oppose the City of Melrose's application for designation as a "surrounding community" pursuant to the terms of 205 CMR 125.01, we firmly believe in developing good and long-standing relationships within the communities in which we operate. To that end, we are committed to engaging in a dialogue with the City of Melrose to determine whether we can facilitate a mutually beneficial relationship.

RESORTS DEVELOPMENT

Very Truly Yours,

Jacqui Krum
Senior Vice President and General Counsel

cc: Mayor Robert J. Dolan