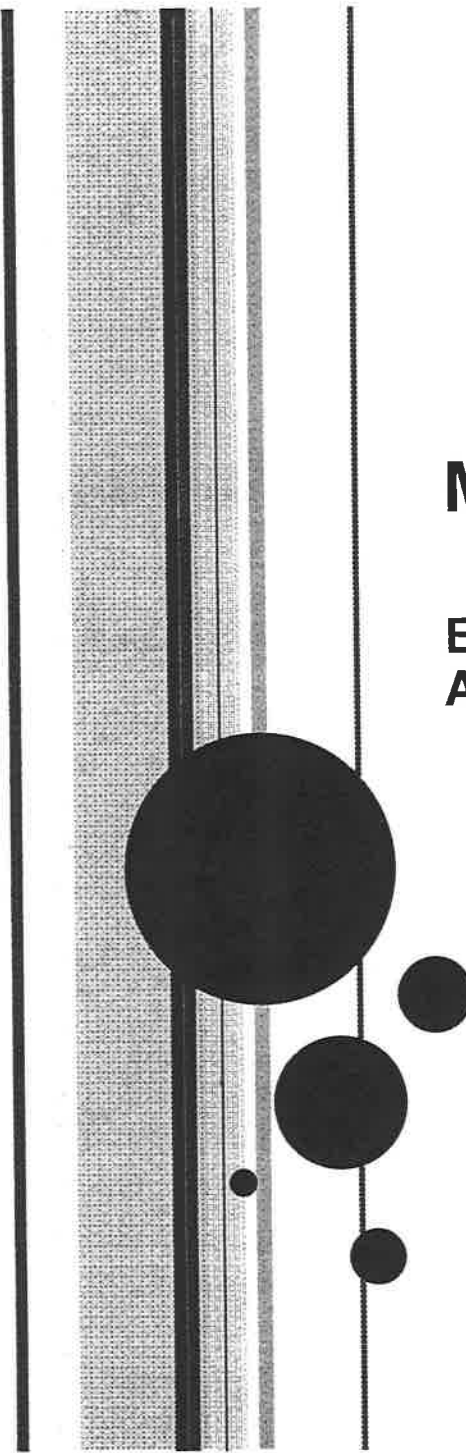


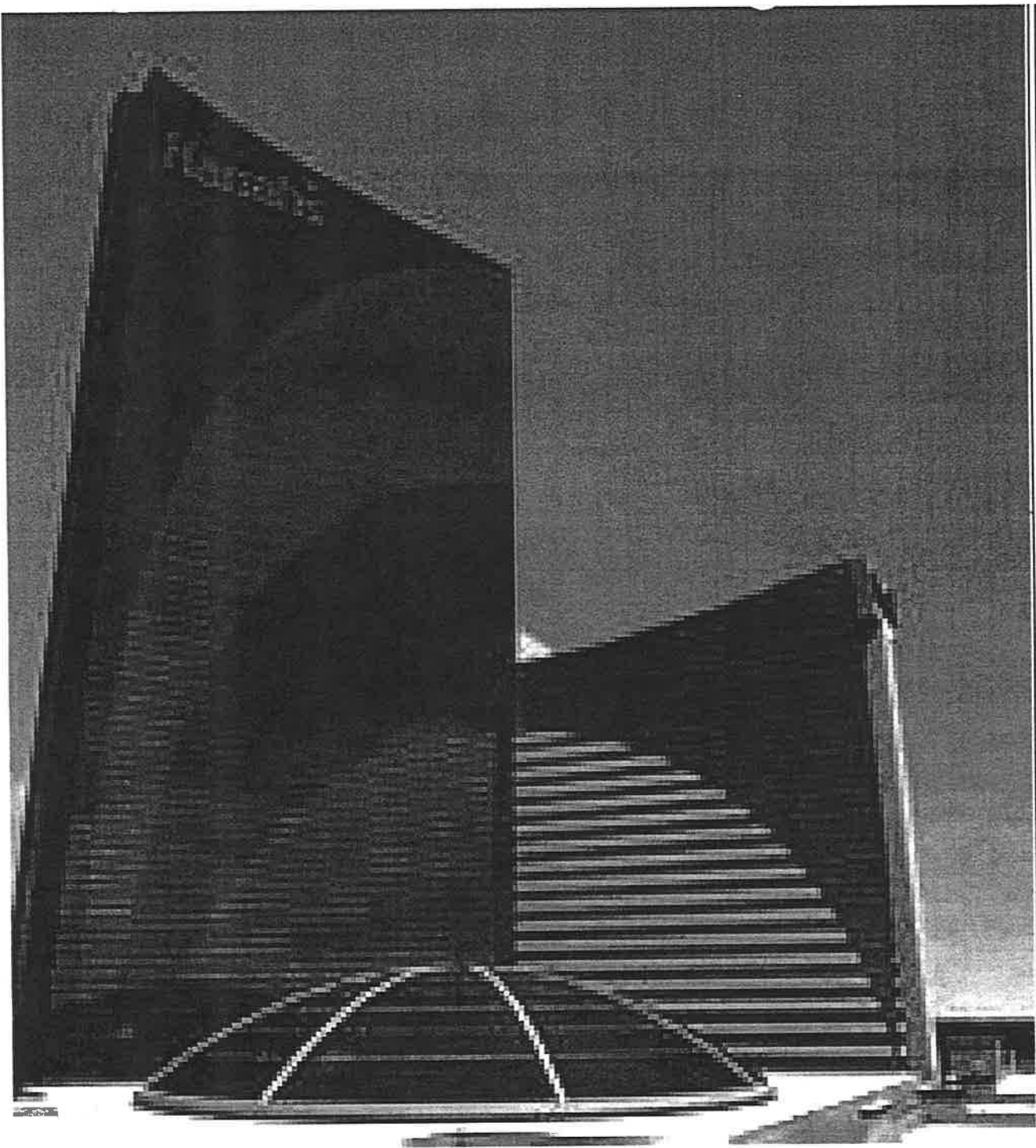


MASSACHUSETTS GAMING LAW:

ECONOMIC & FISCAL REQUIREMENTS FOR A LICENSE APPLICATION

CATEGORY 1: RESORT CASINOS

- **\$500 MILLION MINIMUM CAPITAL INVESTMENT:**
 - **A GAMING AREA**
 - **AT LEAST ONE HOTEL**
 - **OTHER AMENITIES (restaurants, bars, VIP lounge, retail shops, entertainment venues, dance club, comedy club, spa and indoor pool, meeting and conference facilities, golf course, ground parking, parking garage)**
 - **LIVE ENTERTAINMENT VENUES LESS THAN 1,000 SEATS OR MORE THAN 3,500 SEATS**



HARRAH'S RESORT ATLANTIC CITY

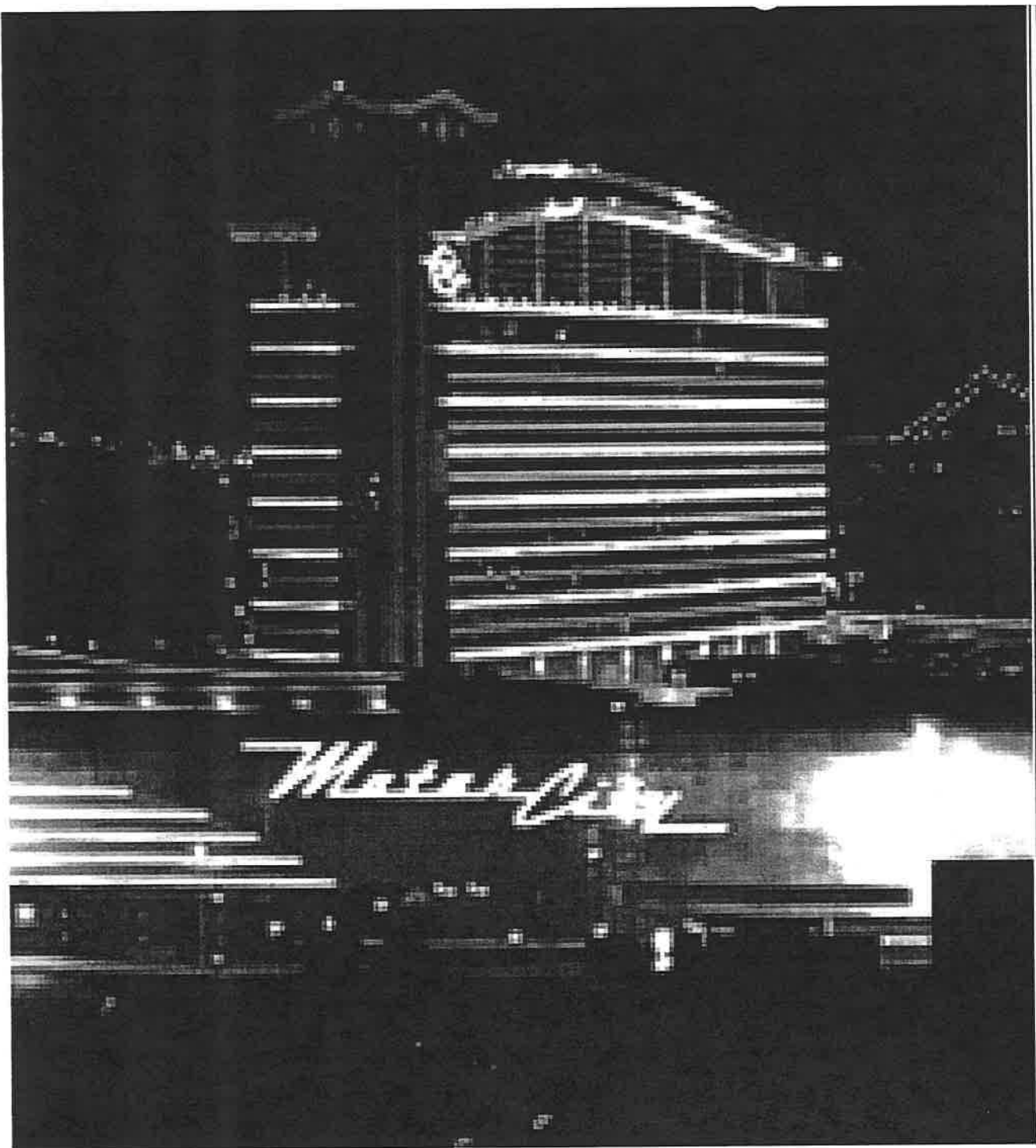
150,000 square
foot casino

3,800 slot
machines

100 table games

2,590 hotel rooms





MOTOR CITY CASINO DETROIT

2,800 slot
machines

57 table games

400 hotel rooms





BEAU RIVAGE BILOXI

2,100 slot
machines

50 table games

1,740 hotel rooms

50,000 sq. ft.
meeting space



APPLICATION REQUIREMENTS: FINANCIAL

- The commission shall determine whether Minimum Capital Investment shall include:
 - the purchase/lease price of land
 - Cost of infrastructure designed to support the site (e.g., drainage, utility support, roadways, interchanges, fill and soil, ground or surface water contamination issue)
- Clear and convincing evidence of financial stability
- Sufficient business ability and experience

APPLICATION REQUIREMENTS: FINANCIAL

- Upon award of license deposit 10% of total investment into interest bearing account; held in escrow until final stage of construction
- Deposit forfeited in unable to complete construction
- \$85 Million license fee payable within 30 days after final award of license
- Begin operations within 1 year of date specified in construction timeline or may be fined \$50 Million

APPLICATION REQUIREMENTS: ECONOMIC & EMPLOYMENT IMPACTS

- **Number of construction hours to complete work**
- **Stages of construction with deadlines**
- **Number of permanent employees, including
“detailed” information on pay rates and benefits**
- **Names of proposed vendors of gaming
equipment**



APPLICATION REQUIREMENTS: PHYSICAL

- o Description of ancillary entertainment services and amenities**
- o Type and number of games to be conducted and specific location of games**
- o Number of hotels and rooms, restaurants and other amenities and how they measure in quality to other area hotels and amenities**



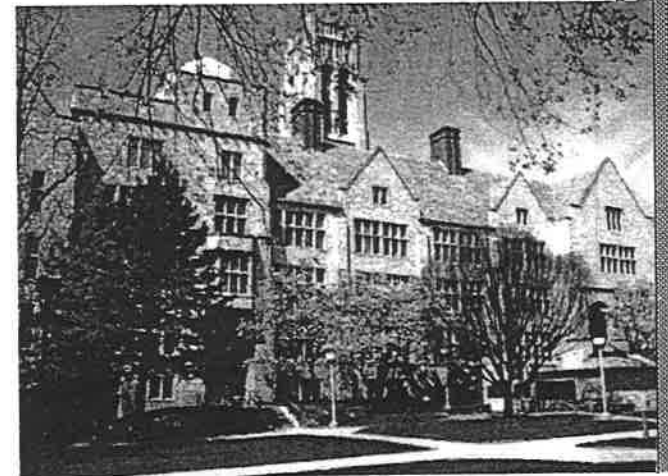
APPLICATION REQUIREMENTS: STUDIES & AGREEMENTS

- The legislation requires casino developers to prepare several market, economic, fiscal, community, and social impact studies as part of the application for a gaming license.
- Legislation also requires casino developers to negotiate a “host community agreement” and to pay a “community impact fee” to the host community to mitigate potential impacts on the community.



APPLICATION REQUIREMENTS: STUDIES & AGREEMENTS

- The legislation “requires,” but is not limited to the following “completed studies and reports” on proposed casino developments (Chapter 23K, Section 9(a)):
 - (13) (i) economic benefits to the region and the commonwealth;
 - local and regional social, environmental, traffic, and infrastructure impacts;
 - impact on the local and regional economy, including the impact on cultural institutions and on small businesses in the host community and surrounding communities;
 - cost to the host community and surrounding communities and the commonwealth for the proposed gaming establishment to be located at the proposed location; and



APPLICATION REQUIREMENTS: STUDIES & AGREEMENTS

- the estimated municipal and state tax revenue to be generated by the gaming establishment;
- (17) the number of hotels and rooms, restaurants and other amenities located at the proposed gaming establishment and how they measure in quality to other area hotels and amenities;
- (18) whether the applicant's proposed gaming establishment is part of a regional or local economic plan;



APPLICATION REQUIREMENTS: STUDIES

- Section 15. No applicant shall be eligible to receive a gaming license unless the applicant meets the following criteria and clearly states as part of an application that the applicant shall:
- (6) demonstrate to the commission how the applicant proposes to address lottery mitigation, compulsive gambling problems, workforce development and community development as well as host and surrounding community impact and mitigation issues as set for in the memoranda of understanding required under this chapter;
- (7) identify the infrastructure costs of the host and surrounding communities incurred in direct relation to the construction and operation of a gaming establishment and commit to a community mitigation plan for those communities;



APPLICATION REQUIREMENTS: AGREEMENTS

o(8) provide to the commission a signed agreement between the host community and the applicant setting forth the conditions to have a gaming establishment located within the host community; provided, however, that the agreement shall include a community impact fee for the host community and all stipulations of responsibilities between the host community and the applicant, including stipulations of known impacts from the development and operation of a gaming establishment;

o(10) provide to the commission signed agreements between the impacted live entertainment venues and the applicant setting forth the conditions to have a gaming establishment located in proximity to the impact live entertainment venues; provided, however, that the agreement shall include, but not be limited to, terms relating to cross marketing and coordination of performance schedules;

o(14) provide a community impact fee to the host community.

HOST COMMUNITY REFERENDUM

- o LOCAL TOWN/CITY MUST PASS REFERENDUM

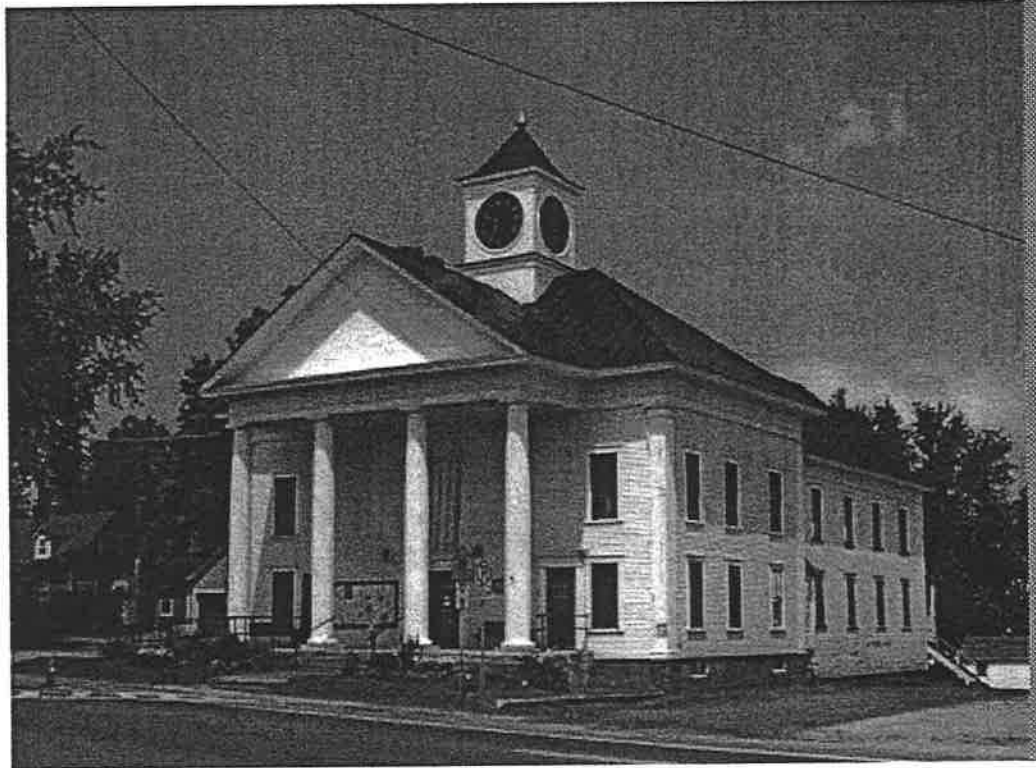


- o VOTE CANNOT BE HELD UNTIL HOST COMMUNITY AGREEMENT IS SIGNED



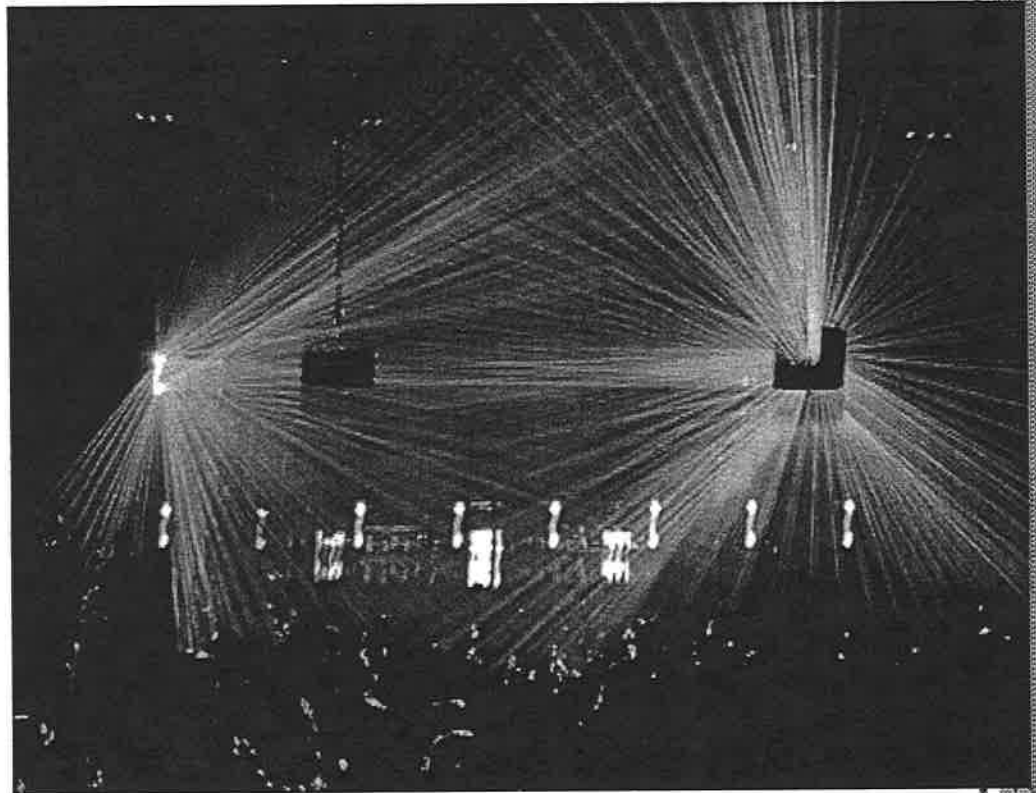
APPLICATION REQUIREMENTS: SURROUNDING COMMUNITIES

- Section 17. (a) After a review of the entire application and any independent evaluations, the commission shall identify which communities shall be designated as the surrounding communities of a proposed gaming establishment; provided, however, that any community that has negotiated a surrounding community memorandum of understanding with the applicant that was submitted with the application shall be considered a surrounding community by the commission...
- If commission determines a city or town to be a surrounding community and the applicant has not included a signed agreement with that community in its application, the applicant shall negotiate a signed agreement with that community within 30 days and no action shall be taken on its application prior to the execution of that agreement. When necessary the commission may facilitate the negotiation of fair and reasonable agreements between the applicant and surrounding communities.



APPLICATION REQUIREMENTS: LIVE ENTERTAINMENT VENUES

- Section 17. (b) After a review of the entire application and any independent evaluations, the commission shall identify which live entertainment venues shall be designated as impacted live entertainment venues of a proposed gaming establishment;
- any live entertainment venue that has negotiated an agreement with the applicant shall be considered an impacted live entertainment venue by the commission.
- If commission determines a live entertainment venue to be an impacted LEV and the applicant has not included a signed agreement with that LEV its application, the applicant shall negotiate a signed agreement with that LEV within 30 days and no action shall be taken on its application prior to the execution of that agreement.
- When necessary the commission may facilitate the negotiation of fair and reasonable agreements between the applicant and impacted live entertainment venues.



OPENING DATE

- Commission determines at what stage a licensee may open for business:
 - gaming area, and other ancillary entertainment services and non-gaming amenities have been built and are of superior quality
 - total infrastructure improvements on-site and around the vicinity of gaming establishment shall be completed (e.g., traffic mitigation)
 - shall not approve for opening before completion of permanent gaming area.

