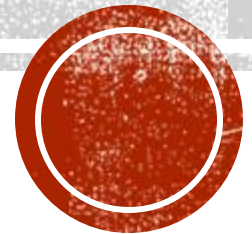


PRINCE GEORGE'S COUNTY MARKET ASSESSMENT

Jim Oberkirsch

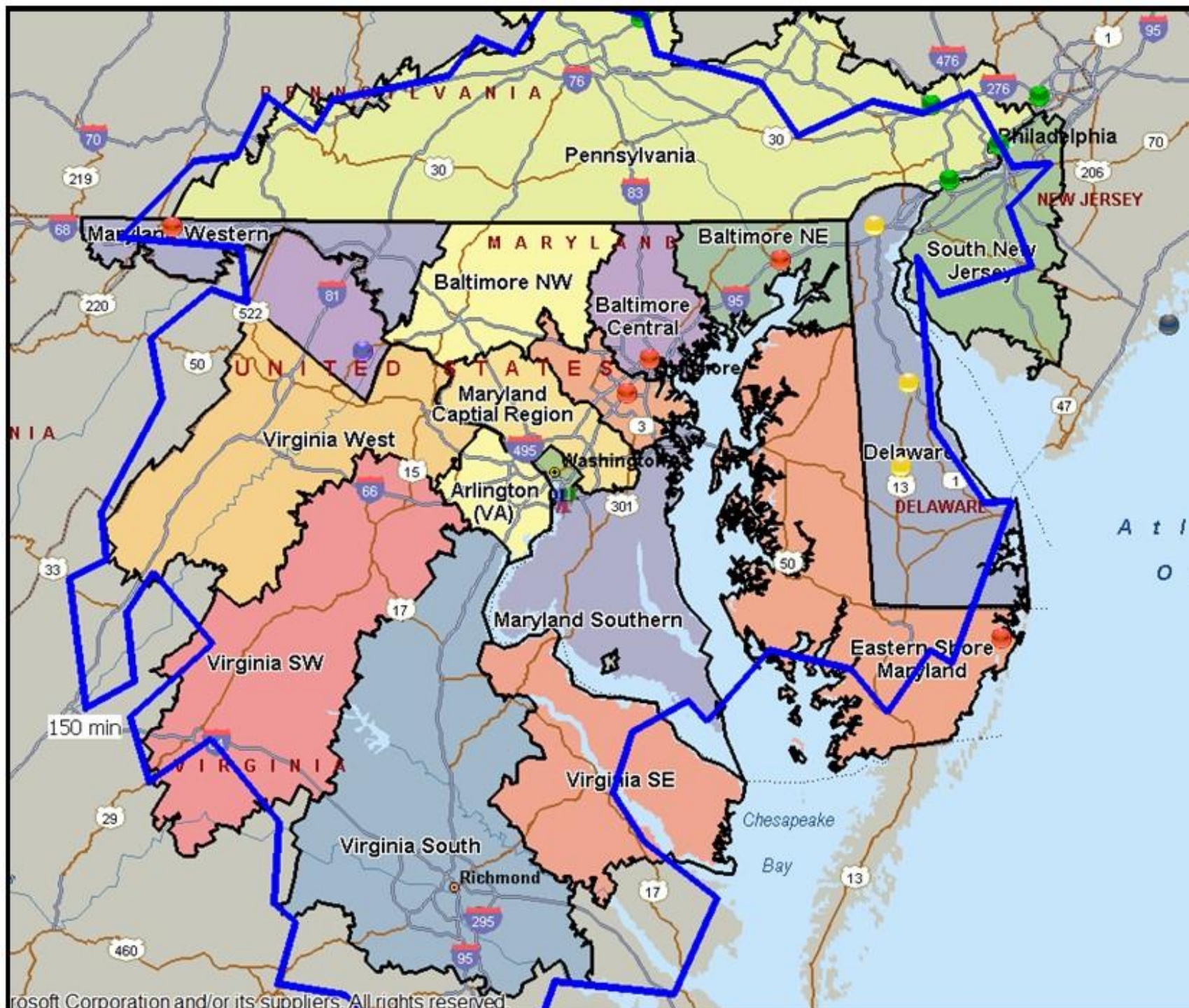
Custom Gaming Consulting



SOURCES OF GAMING REVENUE

1. Local Market
2. Casino Hotel Guests (Overnight Gamers)
3. Washington D. C. Tourists
4. Racing Patron Crossover
5. Traffic Intercept

LOCAL MARKET



DEFINE AND SEGMENT THE LOCAL MARKET

- Residents living within a “reasonable drive” of the facility
- Captures 4 major metropolitan areas
- Segregated market into 38 manageable segments for the gravity model analysis
- Summarized market into 18 territories for reporting and discussion purposes

GRAVITY MODEL COMPONENTS

1. Calculation of Market Gaming Revenue
2. Allocation of Market Gaming Revenue to Competitive Set

CALCULATION OF MARKET REVENUE

Gamer Population	x	Propensity	=	Gamers	x	Frequency	=	Gamer Visits	x	Win / Visit	=	Gaming Revenue
---------------------	---	------------	---	--------	---	-----------	---	-----------------	---	----------------	---	-------------------

1,082,400	x	38%	=	406,500	x	11	=	4,291,000	x	\$61	=	\$263,500,000
-----------	---	-----	---	---------	---	----	---	-----------	---	------	---	---------------

- **Propensity** – Percentage of the gamer (adult) population that is expected to patronize an area gaming facility at least once per year;
- **Frequency** – Average number of times per year a person with a propensity to patronize a gaming facility actually does so;
- **Win per Visit** (“WPV”) – Average amount the casino wins per gaming visit.

MARKET FORECAST (BASELINE FY19)

Market Segments	Gamer Population	Propensity	Gamers	Frequency	Total Visits	Win / Visit	Gaming Revenue
Maryland Southern	600,100	26.4%	158,514	7.3	1,156,524	\$98	\$113,311,153
Maryland Capital Region	1,245,400	28.6%	356,745	8.3	2,966,335	\$91	\$269,925,290
Baltimore South	517,700	31.5%	163,276	9.5	1,556,767	\$82	\$127,624,447
Baltimore Central	1,082,400	37.6%	406,531	10.6	4,291,736	\$61	\$263,501,904
Baltimore NW	312,700	29.4%	92,026	8.3	762,779	\$90	\$68,529,023
Eastern Shore Maryland	265,100	34.9%	92,596	9.2	849,684	\$76	\$64,657,494
Baltimore NE	258,900	35.6%	92,142	9.4	866,588	\$75	\$64,678,054
Western Maryland	163,600	35.3%	57,686	9.6	550,954	\$65	\$36,012,003
District of Columbia	541,000	28.7%	155,524	7.7	1,197,866	\$91	\$109,389,281
Arlington	1,211,500	23.4%	283,447	6.9	1,959,171	\$118	\$230,923,037
Virginia Western	431,100	27.1%	116,690	8.3	966,178	\$96	\$92,679,064
Virginia SW	433,700	20.1%	87,093	6.2	539,000	\$105	\$56,762,772
Virginia South	1,277,100	14.4%	183,823	4.6	847,682	\$114	\$96,692,819
Virginia SE	87,100	13.3%	11,585	3.9	45,148	\$105	\$4,727,969
West Virginia	133,200	38.8%	51,675	11.7	606,718	\$56	\$34,178,541
Delaware	697,500	40.0%	278,802	12.2	3,407,984	\$65	\$222,337,726
Pennsylvania	3,660,800	36.0%	1,319,565	10.2	13,474,179	\$68	\$921,948,945
New Jersey	893,200	36.2%	322,898	9.7	3,135,480	\$73	\$228,563,100
Total	13,812,100	30.6%	4,230,617	9.3	39,180,773	\$77	\$3,006,442,621

GAMING FACTOR FLUCTUATION

1. Convenience of Gaming
2. Demographic Characteristics
3. Size, Quality and Scope of Gaming Alternatives

IMPACT VARIABLES

1. Location or the Convenience of Project
2. Breadth or Gravity of the Project

CONVENIENCE

Drive Time Variances				
Origination	Most Convenient	Rosecroft	MGM	Parx
From NE (via I-495)	Rosecroft		2	6
From S (via Hwy 210 or Hwy 5)	Parx	8	7	
From N (via I-295)	MGM	2		3
From W (via Woodrow Wilson Bridge)	MGM	3		4
Note 1: Values are in minutes based on Microsoft MapPoint				
Note 2: Values do not consider traffic delays				

GRAVITY RATING

Rosecroft	Parx	MGM
3.7	4.4	4.5
* Based on a scale of 1 to 5.		

GRAVITY RATING ATTRIBUTES

1. On-Site Convenience Characteristics
2. Size in terms of Gaming Positions
3. Quality Level
4. Amenity Package
5. Promotional Level
6. Game Availability

LOCAL MARKET REVENUE RESULTS

Market Territories	Rosecroft	Parx MD	MGM
Maryland Southern	\$73	\$96	\$88
Maryland Capital Region	\$62	\$56	\$69
District of Columbia	\$68	\$75	\$86
Arlington	\$166	\$189	\$244
Virginia South	\$82	\$95	\$102
Virginia SE	\$4	\$6	\$5
All Other Segments	\$50	\$56	\$65
Total	\$505	\$573	\$659

\$68 / 13%

\$87 / 15%

\$155 / 31%

LOCAL MARKET REVENUE BY SOURCE

	Rosecroft	% of Total		Parx	% of Total		MGM	% of Total
Market Growth	\$208	41%	✓	\$262	46%	✓	\$312	47%
Capture from MD	\$179	36%	✓	\$186	33%	✓	\$207	31%
Capture from DE	\$34	7%	✓	\$37	6%	✓	\$40	6%
Capture from WV	\$70	14%	✓	\$75	13%	✓	\$84	13%
Capture from PA	\$13	3%	✓	\$13	2%	✓	\$15	2%
Capture from NJ	\$1	0%	✓	\$1	0%	✓	\$1	0%
Total	\$505	100%		\$573	100%		\$659	100%
<i>Total Capture</i>	<i>\$297</i>	<i>59%</i>		<i>\$311</i>	<i>54%</i>		<i>\$348</i>	<i>53%</i>

REVENUE BY ACCESS ROUTE

Access Route	Rosecroft	Parx MD	MGM
From NE (via I-495)	\$93	\$45	\$62
From S (via Hwy 210 or Hwy 5)	\$66	\$97	\$81
From N (via I-295)	\$68	\$112	\$130
From W (via Woodrow Wilson Bridge)	\$278	\$319	\$387
Total	\$505	\$573	\$659
% of Total:			
From NE (via I-495)	18%	8%	9%
From S (via Hwy 210 or Hwy 5)	13%	17%	12%
From N (via I-295)	13%	19%	20%
From W (via Woodrow Wilson Bridge)	55%	56%	59%
Total	100%	100%	100%

HOTEL GUEST GAMING REVENUE

	Rosecroft	Parx	MGM
Room Count	258	250	300
Occupancy Rate	95%	95%	95%
Room Night Demand	89,500	86,700	104,000
Gamer Capture Rate	82%	80%	69%
Gamer RND	73,800	69,600	71,800
Win / RN	\$274	\$276	\$263
Gaming Revenue (millions)	\$20.2	\$19.2	\$18.9

PRIMARY HOTEL DEMAND TYPES

1. Casino Demand
2. Group Demand
3. FIT Demand

Room Night Demand by Category (% of total)			
	Rosecroft	Parx	MGM
Casino Demand	50%	45%	23%
Group Demand	0%	10%	37%
FIT Demand	50%	45%	36%
Other	0%	0%	4%
Total	100%	100%	100%

TOURIST GAMING REVENUE

	Rosecroft	Parx	MGM
Unique Tourists	9,600,000	9,600,000	9,600,000
Gamer Capture Rate	1.7%	1.9%	3.1%
Gamer Visits	161,800	186,100	299,400
Win / Gamer	\$134	\$135	\$136
Gaming Revenue (millions)	\$21.6	\$25.1	\$40.8

CAPTURE RATE CONSIDERATIONS

- Awareness due to Visibility
- Convenience
 - Access
 - Comfort Level with Directions
- Nearby Attractions
- Unique Development

OTHER REVENUE

Racing Patron Crossover Revenue

	Rosecroft
Est. Racetrack Attendance	137,225
Crossover Rate	20%
Gamers Visits	27,445
Win / Gamer	\$65
Gaming Revenue (millions)	\$1.8

Traffic Intercept Revenue

	Rosecroft
Annual Truck Volume	4,603,000
Adults / Truck	1.2
Total Adults	5,523,000
Gamer Capture Rate	0.8%
Gamer Visits	44,185
Win / Visit	\$62
Gaming Revenue	\$2.7

TOTAL GAMING REVENUE

Component	Rosecroft	Parx	MGM
Local Market	\$505	\$573	\$659
Casino Hotel	\$20	\$19	\$19
Overnight Tourist	\$22	\$25	\$41
Racing Patron Crossover	\$2	\$0	\$0
Traffic Intercept	\$3	\$0	\$0
Total	\$551	\$617	\$719
% of Total:			
Local Market	91.6%	92.8%	91.7%
Casino Hotel	3.7%	3.1%	2.6%
Overnight Tourist	3.9%	4.1%	5.7%
Racing Patron Crossover	0.3%	0.0%	0.0%
Traffic Intercept	0.5%	0.0%	0.0%
Total	100%	100%	100%

IMPACT ON EXISTING MARYLAND CASINOS

Impact Summary (millions)						
Maryland Properties	Rosecroft -----		Parx MD -----		MGM -----	
	Change	% Change	Change	% Change	Change	% Change
Prince George's County	\$551.3	NM	\$617.3	NM	\$719.2	NM
Horseshoe Baltimore	-\$59.0	-12.2%	-\$61.6	-12.8%	-\$68.4	-14.2%
Maryland Live	-\$113.8	-20.0%	-\$117.7	-20.7%	-\$130.8	-23.0%
Hollywood Perryville	-\$5.5	-6.7%	-\$5.8	-7.0%	-\$6.5	-7.8%
Ocean Downs	-\$0.5	-0.8%	-\$0.5	-0.8%	-\$0.6	-1.0%
Rocky Gap	-\$0.6	-1.1%	-\$0.6	-1.2%	-\$0.7	-1.4%
Net Impact	\$371.8	29.7%	\$431.0	34.4%	\$512.1	40.9%
<i>Total Impact</i>	<i>-\$179</i>		<i>-\$186</i>		<i>-\$207</i>	

GAMING POSITION EQUALIZATION SCENARIO

- No Change in Location or the Convenience of Projects
- Reevaluation of Gravity of the Projects

Slots Count Impact			
	Rosecroft	Parx	MGM
Base	3,000	4,750	3,600
Equalization	3,000	3,000	3,000
Change	0	-1,750	-600
<i>% Change</i>	<i>0%</i>	<i>-37%</i>	<i>-17%</i>

Gravity Rating Adjustment *			
	Rosecroft	Parx	MGM
Base	3.7	4.4	4.5
Equalization	3.7	3.9	4.3
* Based on a scale of 1 to 5.			

EQUALIZATION REVENUE SUMMARY

	Rosecroft	Parx	MGM
Base	\$551	\$617	\$719
Equalization	\$554	\$556	\$681
Change	\$3	-\$61	-\$38
<i>% Change</i>	<i>1%</i>	<i>-10%</i>	<i>-5%</i>

CONSULTANT COMPARISON — AS PROPOSED

	Rosecroft	Parx	MGM
Cummings	\$560	\$682	\$713
Custom Gaming	\$551	\$617	\$719
Difference	-\$9	-\$65	\$7
<i>% Difference</i>	<i>-2%</i>	<i>-10%</i>	<i>1%</i>



CONSULTANT COMPARISON — APPLES TO APPLES

	Rosecroft	Parx	MGM
Cummings	\$566	\$575	\$660
Custom Gaming	\$554	\$556	\$681
Difference	-\$12	-\$19	\$21
<i>% Difference</i>	<i>-2%</i>	<i>-3%</i>	<i>3%</i>



COMPARISON TO APPLICANT PROJECTIONS

	Rosecroft	Parx	MGM
Applicant	\$413	\$809	\$688
Consultant Average	\$556	\$650	\$716
Difference	\$143	-\$159	\$28
<i>% Difference</i>	<i>35%</i>	<i>-20%</i>	<i>4%</i>



QUESTIONS