

# Temporary Reduction Economic Impact

We are requesting the reduction of 71 VLT machines for a 6 month period of time and anticipate no loss in gaming revenue during this time period. The chart below shows the modest increase in win per unit we expect to see as a result of the temporary reduction machines in December:

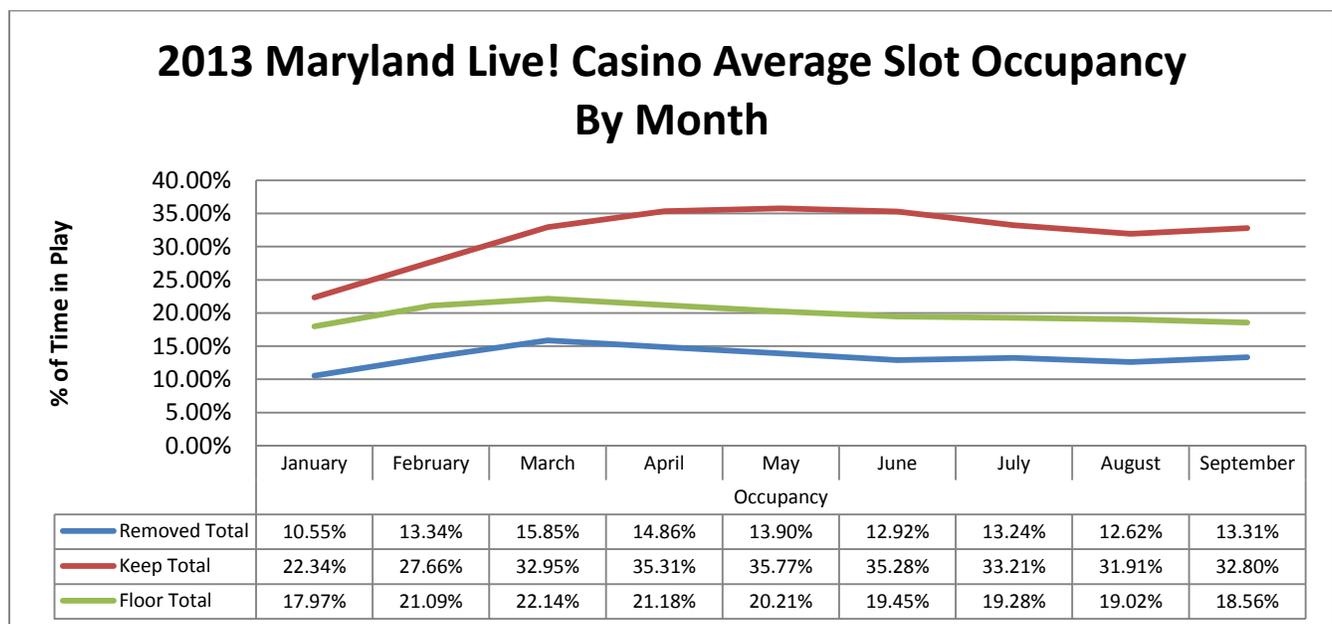
	December 2013	
	Current Projections	Proposed Projections
Machine Count	4,341	4,270
Projected WPU	\$252	\$257
Net Taxable Win	\$34,019,090	\$34,019,090

Additionally, we expect the state to save \$371,602 from associated lease payments.

Daily Fee for the 71 VLTs	Days out of service	Total Savings to MLGCA
\$1925.40	193	\$371,602.20

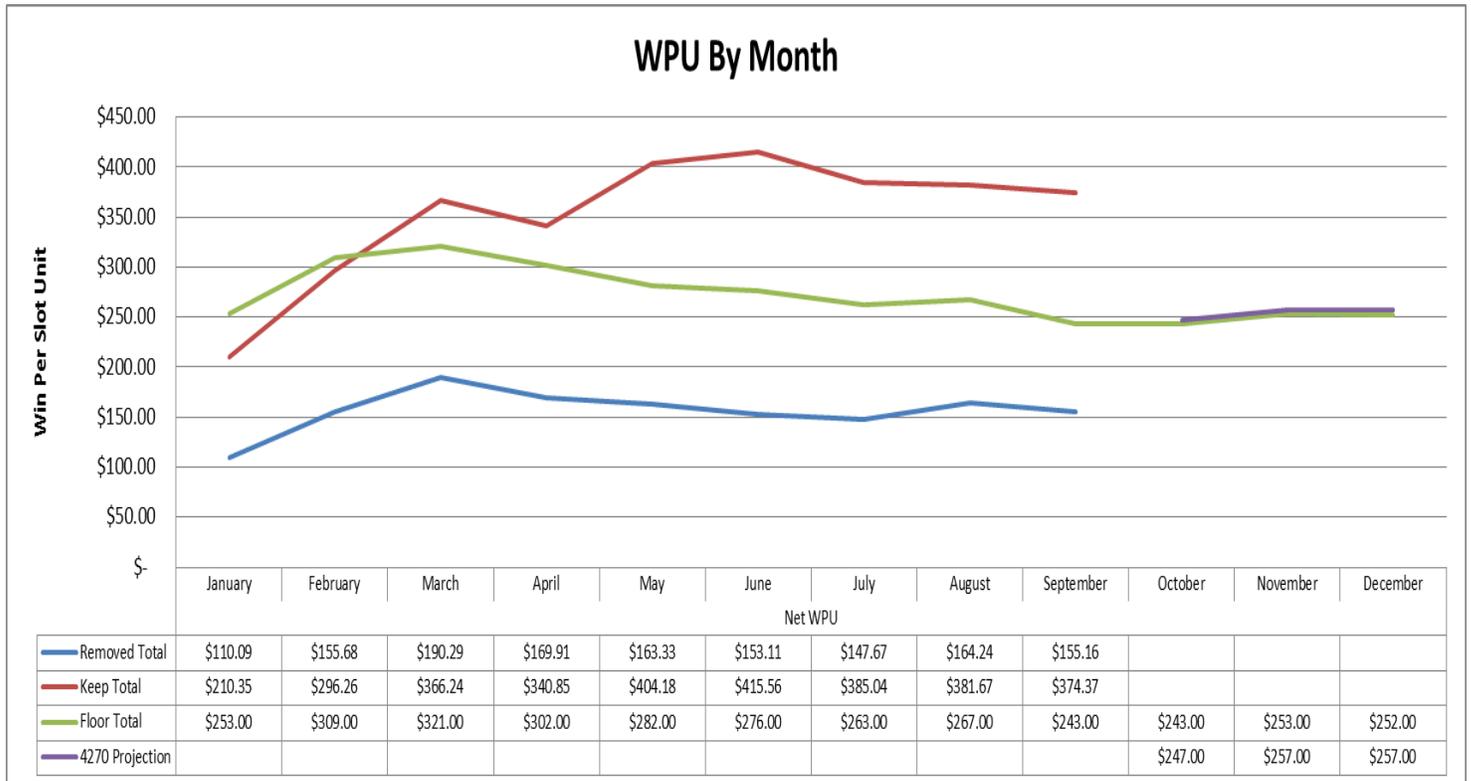
Throughout the course of Maryland Live! Casino’s reconfiguring to allow live action table games, our highest win per unit and occupancy percentages came in March and April, when we were offering the fewest amount of VLTs since opening with the full complement of 4,750 VLTs. Ever since, Maryland Live! Casino has steadily increased its count to 4,341, and has seen a decline in occupancy (fig 1). Because of this, we believe that 4,270 VLTs will be more than sufficient to capture all of the game play we are projecting for the remainder of FY2013 and beyond.

Fig 1



The reduction plan proposes keeping the highest performing games from the selected areas and relocating them into other areas of the casino and replacing poor performing games. The games that have been selected for reduction are underperforming the floor average by 35%. We believe by targeting games that have consistently struggled in both occupancy and win per unit, and replacing them with unique games that are performing well in both occupancy and win per unit from the proposed Asian Pit area, there will be no impact on taxable net win generated by VLTs for the remainder of 2013, and in to 2014. The graph below (fig. 2) shows the historical win per unit and the modest gain that we anticipate as a result of this proposal.

Fig 2



# Overall State Income Impact Once Project Is Completed

Maryland Live! Casino believes the addition of an Asian style restaurant, and adjacent Asian themed gaming area will be accretive to the state revenue by over \$3.6M in FY2014.

FY2014			
	Current Projections	Proposed	Incremental
<b>Slots</b>			
Taxable Win	\$ 432,000,000	\$ 432,000,000	\$ -
Tax Rate	67%	67%	
State Income	\$ 289,440,000	\$ 289,440,000	\$ -
<b>Table Games</b>			
Taxable Win	\$ 189,333,333	\$ 204,480,000	\$ 15,146,666.67
Tax Rate	20%	20%	
State Income	\$ 37,866,667	\$ 40,896,000	\$ 3,029,333
<b>Sales and Use</b>			
Asian Dining	\$ 2,920,000	\$ 5,745,726	\$ 2,825,726.00
Tax Rate	6%	6%	
State Income	\$ 175,200	\$ 344,744	\$ 169,544
<b>Salaries &amp; Wages (F&amp;B)</b>			
Salaries & Wages	\$ 584,000	\$ 1,361,485	\$ 777,485
Maryland Tax	\$ 26,006	\$ 60,628	\$ 34,622
<b>Maryland State Revenue</b>	\$ 327,507,873	\$ 330,741,371	\$ 3,233,498.72
<b>Daily Slot Fee Covered by MLC for 90 Day Temp Reduction</b>	\$ -	\$ 371,602	\$ 371,602.20
<b>Total</b>			\$ <b>3,605,100.92</b>