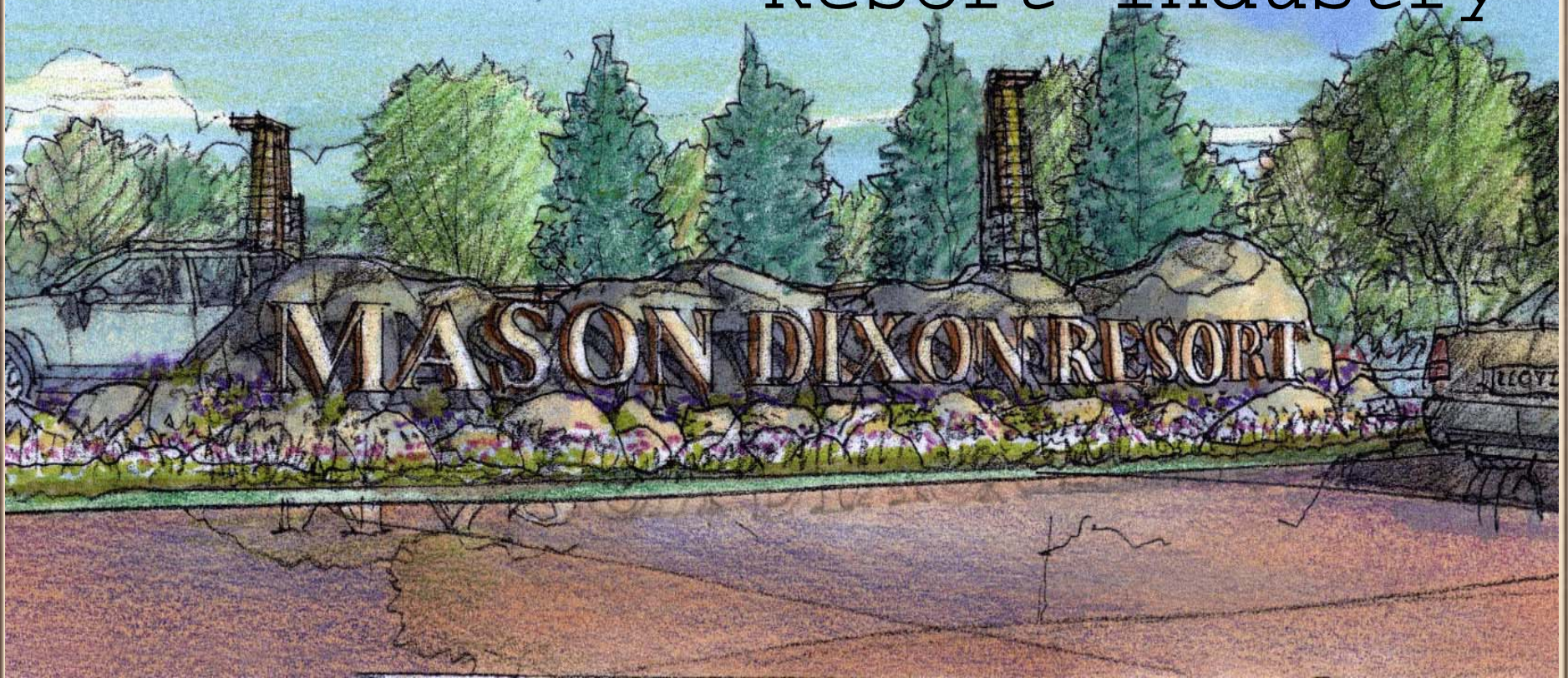


A New Dimension in Pennsylvania's Entertainment Resort Industry



Pennsylvania Gaming Control Board
Sustainability Hearing
November 16, 2010

www.masondixongaming.com

MASON DIXON
RESORT & CASINO

Introduction

Swearing In

Principals

Presentation Outline

Local Ownership-David LeVan

- David LeVan to be majority owner
- Adams County native/philanthropist
- Anticipate opening Dec. 31, 2011

Project

Overview

Eisenhower Hotel and Conference Center

- Well-established resort hotel
- More than 275 guest rooms
- Substantial year-round amenities
- Not located within 15 miles of another casino

■ No new green space used

Eisenhower r Amenities

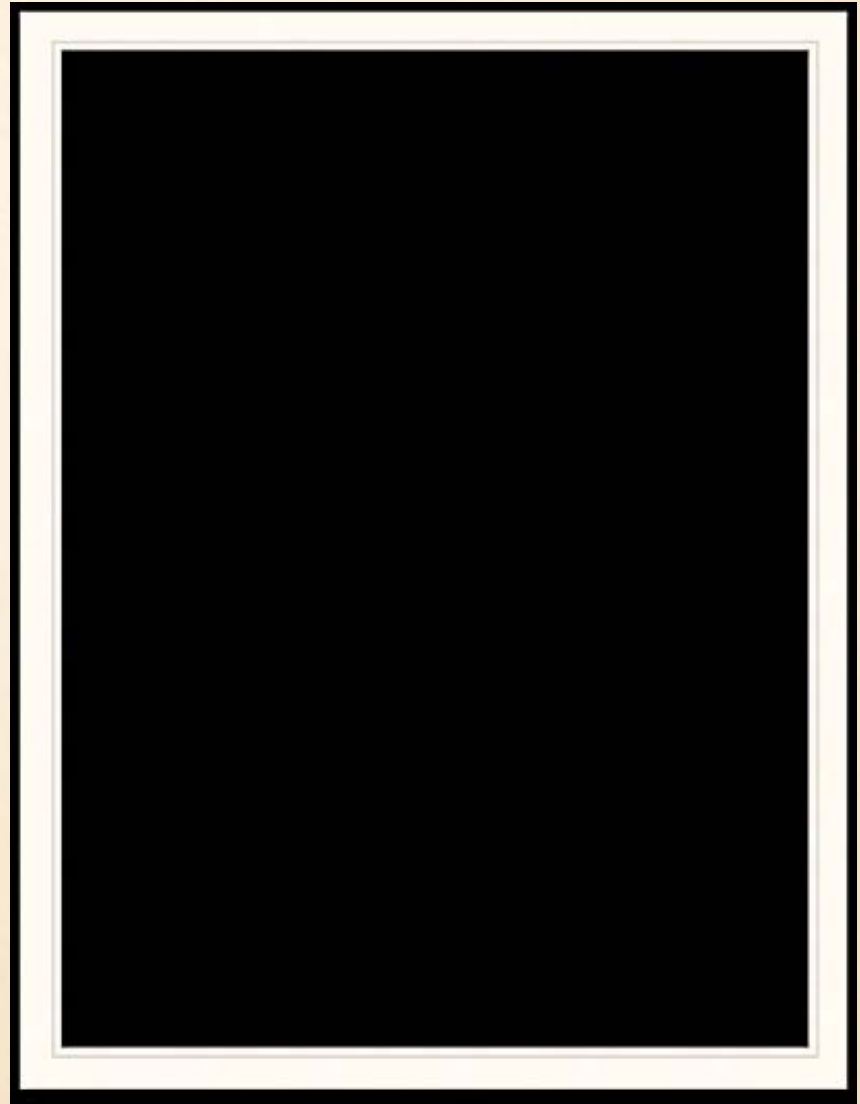
Conference/banquet
facilities

Lake

Boating

Pool

Camping



Status

- More than adequate supply of "good quality" water.
- More than adequate sewage treatment capacity for this facility.
- Joint application filed with PA DEP and US COE
- PHMC, NPS approval

Local Adams County Support

- More than 200 businesses
 - Gettysburg Tours
 - Links at Gettysburg
 - Ski Liberty
 - Wide variety of small businesses



Historic Tourism

Duarte B. Morais, Ph.D.
Associate Professor,
Recreation, Park and Tourism
Management
The Pennsylvania State
University

Historic Tourism

- Casino Development in Gettysburg
- Social, Economic and Heritage Impacts
- March 2010

Findings

- Casino Development = rapid economic growth
- Evidence shows gaming revenue has funded historic preservation
 - Colorado, South Dakota, Mississippi
- Gaming visitors stay longer to enjoy historic attractions

Morias Conclusions

- 15 to 20% of casino patrons will visit the battlefield and other local attractions
- Equates to an additional 115,000 people
- 9% increase in the number of visitors

Public Polling

Dr. G. Terry Madonna, President
Terry Madonna Opinion Research

Dr. G. Terry Madonna

- Leading PA political and polling expert
- Longest-serving PA pollster
- National pollster for Hearst Television
- Award-winning speaker

Madonna Poll Overview

- Adams County residents only
- Highest concentration in host community
- Average sample size

Results

- 65% support legalized gaming
- 65% favor table games expansion
- 40% visited a casino or regularly play lottery
- 62% support the project
- 89% believe it will create jobs
- 70% believe it will not hurt local businesses
- 62% believe it will not harm historic character
- 59% believe it will not increase crime



Architectural Vision
Donald H. Dissinger, AIA, RAIC
EwingCole
www.ewingcole.com

Donald H. Dissinger, AIA, RAIC

- 30 years of experience
- City Museum of Manassas
- Franklin Institute
- Naval Historical Center
- Smithsonian
- United States Holocaust Memorial
- Bucknell University
- The Pennsylvania State University

Local Commercial Landscape

- Existing businesses
- Long-established commercial corridor
- Civil War-themed attractions

Mason-Dixon Resort & Casino

- Quintessential characteristics of modern resort
- Native Adams County influence
- Incorporate natural surroundings
- Protect existing green space

Mason-Dixon Resort & Casino

"An Exciting New Dimension in
Pennsylvania's Entertainment Resort
Industry"



A map of the New York State Thruway (I-190) area. The map shows the main route (I-190) and several exits: York St. Exit, Taneytown Rd. Exit, and Steinwehr Ave. Exit. Directions are indicated: To York, To Hanover, To Fairfield, To, and To. Highway shields for I-190, I-30, I-34, I-15, I-97, and I-134 are shown. A compass rose is in the top right. A red star marks the location of the Eisenhower Inn & Conference Center. A white text box is overlaid on the map.

Traffic Impact/Mitigation

Daniel Thornton
Transportation Engineer
Transportation Resource Group,
Inc.

www.consulttrg.com

www.consulttrg.com

EISENHOWER.
INN & CONFERENCE CENTER

Daniel Thornton, PE and TRG

- Transportation Engineering
- South Hanover Shopping Mall
- Harley-Davidson
- Gettysburg National Battlefield Museum and Visitors Center

Traffic Impact/Mitigation

- Trip generation
- Trip distribution
- Level of service analysis
- Improvements
- Follow-up study
- Mason-Dixon to pay all costs



Local Economic Impact

Michael R. Mariano, B.S.
Managing Director of Spatial
Analytics and GIS Solutions
Econsult Corporation

www.econsult.com

MASON DIXON
RESORT & CASINO

Mr. Mariano and Econsult

- Managing Director, GIS Projects
- Oversees all research and analysis for economic and fiscal impact studies
- Valley Forge Category 3 license project
- Consultant, Philadelphia Gaming Advisory Task Force
- Consultant, PA Department of Community and Economic Development
- Consultant, multiple casino projects throughout Kansas and Iowa

Local Economic Impact Study

- Model background & methodology: RIMS II Input-Output Model
 - Bureau of Economic Analysis/US Dept. of Commerce
- Spinoff benefits and ripple effects
 - Direct Impacts
 - Indirect & Induced Impacts
- Impact Metrics
 - Job potential
 - Wage potential
 - Economic activity/output

Local Economic Impact

- 900 permanent jobs
- \$16 million annual wages
- \$66 million annual economic activity
- \$3 million annual local taxes
- \$37 million annual state tax revenue

Cumberland Township

Mr. Ben Thomas, Township Manager

Cumberland Township

- Commissioned study by PA Economy League to study long-range budget issues

Cumberland Township

■ Findings

- Revenue shortfalls to increase annually
- Reserve funds depleted
- 25% of land tax exempt (6,000 acre battlefield)
- Drastic cuts in police department

Premier Gaming Market

Peter Tyson, ISHC

Vice President

PKF Consulting USA

Peter Tyson, ISHC

- Consults on a wide range of hospitality projects
 - Hotels/resorts
 - Casinos
 - Conference/convention centers
 - Golf courses
 - Retail
 - Public parks
 - Ecotourism projects

Premier Gaming Market

Local Developer/Operator

Penn National Gaming

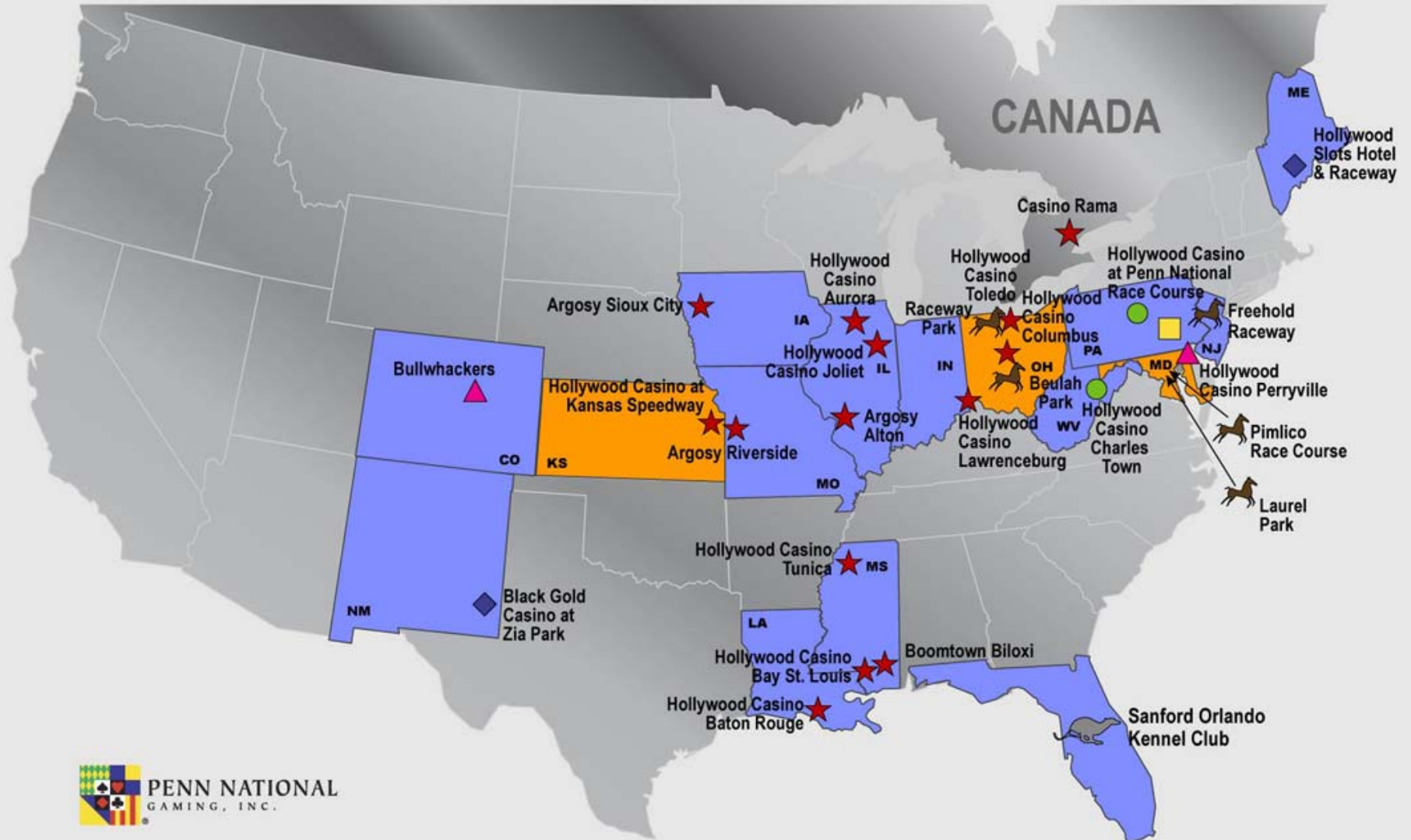
Penn National Overview

- Largest pari-mutuel operator in the U.S.
- Third largest publicly-traded gaming company in U.S.
- Publicly traded on the NASDAQ (PENN)
- Named *Best Managed* company in the industry
- Named 100 fastest growing companies in the country for a record 6 out of 7 years
- 22 facilities in 16 jurisdictions in the U.S. & Canada



PENN NATIONAL GAMING, INC. FACILITIES

- ★ Casino
- Casino with Racetrack
- Racetrack
- ◆ Race Tracks with Slots
- ▲ Slots
- Dog Racing
- Corporate Offices



What Wall Street is saying about PENN

- Fortune's 100 fastest Growing Companies a record 6 years
- Forbes 400 Best Big Companies in America
- "Penn National, which is considered one of the healthiest casino companies" -- A.D. Pruitt, Wall Street Journal, 2/11/09
- "We hold a high regard for Penn's management team" -- Morningstar, 4/7/09
- "Our top pick among the casino operators is Penn National Gaming ... we think its strong balance sheet is allowing it to look for acquisitions opportunistically." -- Janney Montgomery Scott analyst Brian McGuill, 4/21/09
- "Penn National Gaming's robust performance going forward is expected to be driven by the company's tighter cost controls and strong regional trends" --NewRatings.com, 4/7/09
- "...We continue to believe that Penn is the best-run company within the country within the industry, with an underleveraged balance sheet and amongst the best positioning to benefit from a consumer recovery." -- Joel Simking, Macquarie Research, 4/22/10

Penn has the financial flexibility to weather the current economic storm and simultaneously pursue avenues of growth.

Morgan Joseph analyst, Justin Sebastiano, 3/10/09

Penn National and Mason-Dixon

- Developer of the \$75 million project
- 100% full financing available from balance sheet for full project to ensure immediate renovation upon licensure
- Put our experience to work as Mason-Dixon operator
- Well established in the regional marketplace.

Penn National's Workforce Snapshot

- Reflective of the community around us
- Overall workforce: 52% are women; 28% are minority*
- Penn National remains committed to a diverse workforce and vendor base
- The company has consistently met or exceeded goals put forth in its projects and workforce around the country
- Our properties put a priority on hiring locally and ensuring we put forth our best effort to support minority and women owned businesses (MBE/WBE) as well as small businesses in our communities

• * Based on 2009 EEO Information Report

RESORT & CASINO

MBE/WBE Participation in Recent Penn National Construction Projects

Grantville, Pennsylvania		
\$335 million project	21% MBE/WBE	
↓		
Lawrenceburg, Indiana		
\$330 million project	38% MBE/WBE	
↓		
Kansas City, Kansas*		
\$286 million project	21% MBE	11% WBE
↓		
Perryville, Maryland		
\$97.5 million project	22% MBE/WBE	
↓		
Joliet, Illinois		
\$25 million project	35% MBE/WBE	

*Project is currently under construction and percentages are reflective of development to date

Penn's Management Team

- Peter Carlino, Chairman & CEO
- Tim Wilmott, President & COO
- Bill Clifford, CFO
- Jordan Savitch, General Counsel
- Steve Snyder, SVP - Corporate Development
- John Finamore, SVP - Regional Operations
- Tom Auriemma, Chief Compliance Officer
- Eric Schippers, SVP - Public Affairs
- Carl Sottosanti, VP & Deputy General Counsel

Combined,
Penn National's
Management Team
has more than
100 years
experience in
gaming and
hospitality
management.



Penn National Gaming Foundation

- The Penn National Gaming Foundation is a 501(c)3 private foundation which supports numerous local non-profit organizations in the communities in which we operate.
- The Foundation is a supplement to the charitable activities of each of our properties in their local communities.
- In 2009, Penn National and its casinos provided \$3 million in donations across the country.
- In addition, Penn National's employees donated over 5,000 hours of community service.
- Penn National and its properties focus on supporting organizations that promote community development, education, human and health services, diversity and cultural affairs.

Pennsylvania Category 3 Selection Comparative Assessment



Presented by:
Randall A. Fine, Managing Director



The Fine Point Group

- Largest Las Vegas-based gaming consulting firm
- Unique differentiator: 100% Casino Operators
- 2009 revenues totaled \$11.5M
- Completed Assignments in 18 U.S. States and Canadian Provinces
- Licensed Consultants in Pennsylvania since 2008
 - Philadelphia Park
 - Mount Airy



Randall A. Fine

- Corporate vice president, Total Rewards for Harrah's Entertainment, Inc.
 - Inventor of key intellectual property behind Total Rewards
- Corporate vice president of Slot Operations for Harrah's
 - Responsible for 40,000+ slot machines
- Chief marketing officer for Icahn's Nevada/New Jersey gaming company
- Chief executive officer of \$350M Greektown Casino in Detroit, Michigan
- McKinsey & Company consultant
- Teaching Fellow in Economics at Harvard College
- Undergraduate degree, *magna cum laude*, from Harvard College
- MBA, with high honors, from Harvard Business School
 - Baker Scholar



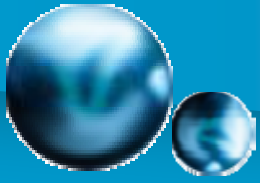
Comparative Methodology

- Determination of Key Criteria on which to evaluate applicants
- Includes both quantitative and qualitative criteria
- Current and future industry conditions taken into account
- Out-of-scope: “Resort” qualifications
 - Assumes all submissions meet statutory criteria of room count
 - Assumes all submissions meet statutory definition of “resort”
- Considers Pennsylvania legislative priorities
 - Maximize Commonwealth revenue
 - Positive local tourism impact
 - Increasing Employment
 - Economic Development
 - Enhanced Economic Opportunities



Comparative Matrix

Criteria	Mason-Dixon	Nemacolin	Fernwood	Holiday Inn
GTR				
WPU				
Tax Estimate				
Location Strength				
Access				
Housing Density				
Social Points				
Competitive Set				
Recapture PA Rev				
Size				
Parking				
Hotel Proximity				
Speed To Open				
Casino Cost				
Job Creation				
Community Value				
Traffic				
Operator				
AVERAGE				



Proposed Casino Sizes

	Mason-Dixon	Nemacolin	Fernwood	Holiday Inn
Slots	600	600	500	600
Tables	50	28	22	50

Sources:

Mason Dixon – PKF Consulting report

Nemacolin – TMG consulting report

Fernwood – Public hearing presentation

Holiday Inn – Public hearing presentation



Gross Gaming Revenue Estimates

- Mason-Dixon Inn Nemacolin Fernwood Holiday Inn
- \$83M \$68M \$107M \$87.2?

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A	F	F	F

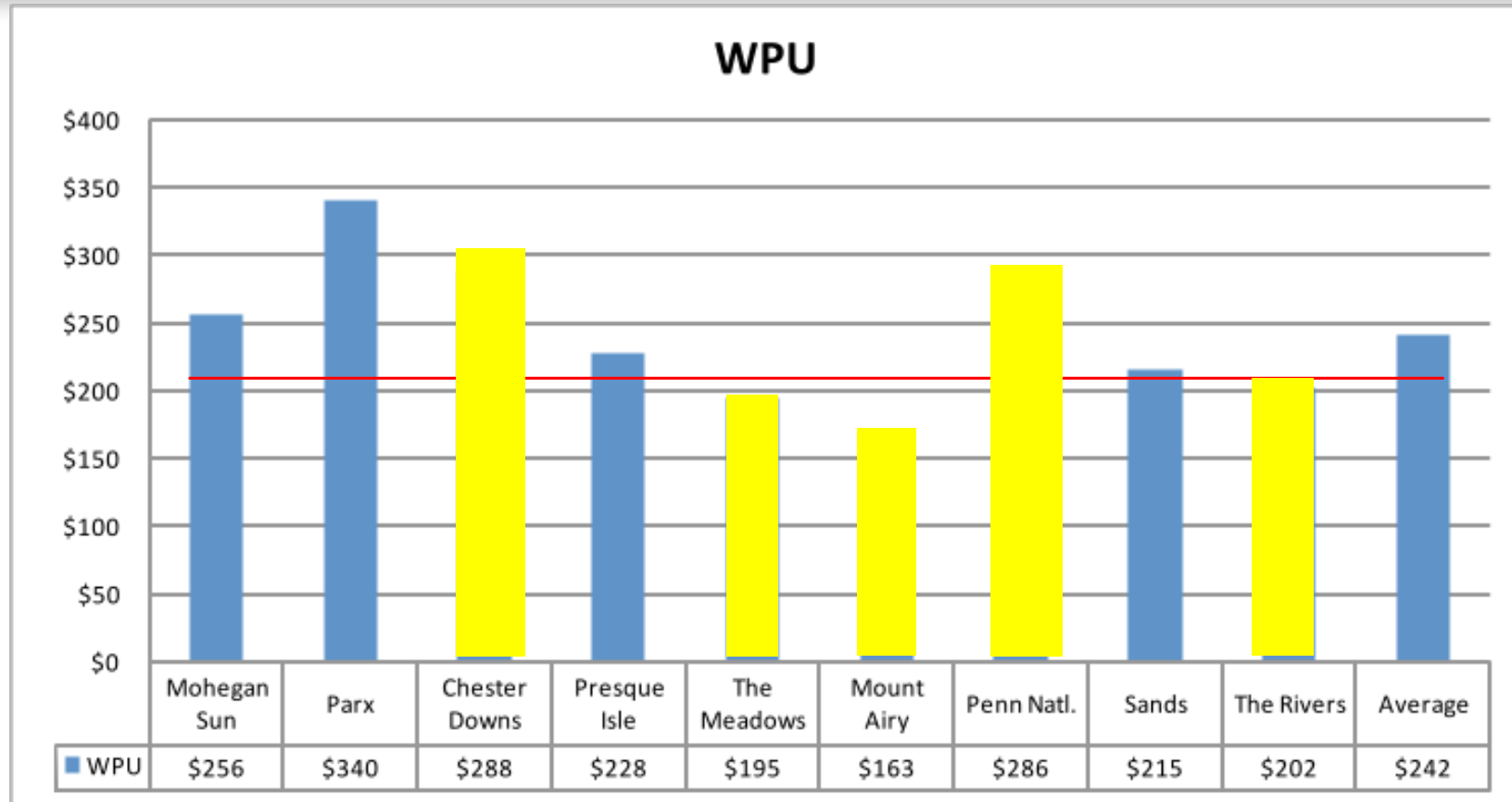
Commentary

- Given the geographic proximity to nearest casino competitors along with their gaming performance, as well as proximity to major visitation opportunities – Mason-Dixon has the most reasonable Gross Terminal Revenue estimate
- Nemacolin Management Company publicly projects \$55M
- Fernwood projections are greater than 3X value submitted in 2008
- Holiday Inn estimates are not supported by disclosed financial source

Sources –
Mason-Dixon local impact study
Nemacolin TMG Aug submission
Isle of Capri Management Presentation
Fernwood public input submission



Win Per Unit Averages



- Mount Airy performance is most proximate to Fernwood
- The Meadows and The Rivers is most proximate to Nemaquin
- Hollywood/Penn National is most proximate to Holiday Inn
- Chester Downs and Charlestown, WV is most proximate to Mason-Dixon

Source - PGCB



Win Per Unit Estimates

- Mason-Dixon Inn Nemacolin Fernwood Holiday Inn
- \$275 \$244 \$513 \$310?

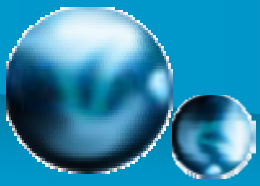
Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A		F	F

Commentary

- The Fernwood WPU is significantly greater than any existing facility or applicant
- Nemacolin submissions are inconsistent with Management revenue projections
- Fernwood projections are greater than 3X value submitted in 2008
- Holiday Inn estimates are not supported by disclosed financial source

Sources –
 Mason-Dixon local impact study
 Nemacolin TMG Aug submission
 Fernwood public input presentation



Competitive PA Situation



Win Per Unit Per Terminal



Source – VisitPA/Google Maps



State and Local Tax Estimates

- Mason-Dixon Inn Nemascolin Fernwood Holiday
- \$37M \$33M \$47M \$41M

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemascolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A	F	F	F

Commentary

- State tax is a direct result of Gaming Terminal Win so this result is consistent with prior slides
- Nemascolin estimates are projected much higher per dollar of revenue than others

Sources –
 Mason-Dixon Local Impact Study
 Nemascolin TMG Aug submission
 Fernwood public input presentation



Geographic Location Strength

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>	
A		F	C	C

Commentary

- Mason-Dixon has best location based on proximity to existing tourist attraction and closeness to Baltimore-Washington Metropolitan area
- Nemacolin is significantly removed from any main metropolitan area
- Holiday Inn is adjacent to Harrisburg and in Mechanicsburg; however that market is currently served by a casino



Access to Major Traffic Arteries

- | <u>Mason-Dixon Inn</u> | <u>Nemacolin</u> | <u>Fernwood</u> | <u>Holiday Inn</u> |
|------------------------|------------------|-----------------|--------------------|
| <5 miles | 19 miles | 10 miles | <5 miles |

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
B	D	B	A

Commentary

- Although Nemacolin is on Highway 40, it is not near a major area, thus we looked at proximity to the interstate.
- Mason-Dixon, Fernwood, and Holiday Inn are all proximate to either an interstate or major traffic artery between locales.

Source – Google Maps



Proximity to Place of Worship/Public Space

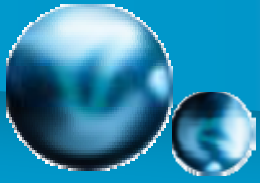
- Mason-Dixon Inn Nemacolin Fernwood Holiday
- N/A Adjacent N/A N/A

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A	F	A	C

Commentary

- The Nemacolin casino building is directly across the street from a church and a child care facility



Proximity to Social Institutions – Nemaocolin



- Scale is 1" = 200ft
- Church and child care across the street from the proposed facility

Source – Google Maps



Competitive Situation



- The Meadows to Nemaquin – 45 miles
- Hollywood to Holiday Inn – 25 miles

- Mount Airy to Fernwood – 22 miles
- Hollywood to Mason-Dixon – 65 miles

Source – VisitPA/Google Maps



Ability to Recapture PA Gaming Rev

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>	
A		C		F

Commentary

- The location of Mason-Dixon near the border with Maryland will help recapture lost PA gaming revenue from West Virginia and possibly Maryland
- Nemacolin's ability to recapture revenue from Wheeling is limited given the existing strategy of Meadows and Rivers to capture that revenue.
- Fernwood and Holiday Inn will most likely just cannibalize existing operator revenue, with limited ability to recapture PA gaming revenue lost to other states



Convenience of Parking/Access

<u>Mason-Dixon Inn</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday</u>
840	900	587	631

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A	A	F	C

Commentary

- Both Mason-Dixon and Nemacolin will have substantial convenient parking adjacent to the casino as well as simple access in and out of the facility
- Fernwood traffic pattern once in the facility is unworkable
- Holiday Inn parking spaces are insufficient

Sources –
 Mason-Dixon traffic study
 Nemacolin website
 Fernwood public input submission
 Holiday Inn 2010 disclosure form



Traffic Impact at Location/In Community

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>	
A		A	D	F

Commentary

- The Holiday Inn location and access point is along a currently congested route and any meaningful traffic increase for casino peak periods will be very difficult to accommodate without extensive changes to the traffic pattern.
- Fernwood's inadequate entry/parking situation will bleed into traffic issues.
- The other facilities are located in areas that the access into the resort will not create congestion on the primary entry roadway



Convenience of Casino to Hotel

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>	
B	F	C	A	

Commentary

- Nemacolin casino facility is a significant distance from the hotel regardless of which street route is taken. The distance is over 1 mile and a shuttle or own car drive is required. Walking is not an option.
- Mason-Dixon is a short covered walk from hotel.
- Fernwood requires a walk across the highway
- Holiday Inn site is adjacent to the hotel

Source – Google Maps



Casino Cost/Spend in Community

- | <u>Mason-Dixon Inn</u> | <u>Nemacolin</u> | <u>Fernwood</u> | <u>Holiday</u> |
|------------------------|------------------|-----------------|----------------|
| \$75M | \$50M | \$36M | \$75M |

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A	C		D
			A

Commentary

- Mason-Dixon and Holiday Inn intend to spend the most immediate investment into the local construction economy. Nemacolin and Fernwood have existing structures that do not require as much infrastructure development.

Sources –
 Mason-Dixon public input submission
 Nemacolin Isle of Capri DB presentation
 Fernwood public input submission



Ability to Drive Value to Community

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A		D	D

Commentary

- Mason-Dixon will drive incremental business to the immediate Gettysburg area. Many casino hotel patrons look for non-gaming outlets as part of their visit, and a tour of Gettysburg will no doubt be a great attraction. The other three projects do not offer similar levels of synergy with a world-class tourist attraction.
- All non-gaming activity will most likely take place on the resort grounds for the other three facilities. We do not expect any of the other projects to generate meaningful tourism spending beyond their casinos.
- Nemacolin site intentionally designed not to integrate into resort “community.”



Management Company Comparison

Penn National Gaming vs. Isle of Capri



Penn National Gaming

- Profile – Pennsylvania based company with 19 properties and over 16,000 employees. One current property in Pennsylvania.
- Leadership –
 - Peter Carlino, CEO. 16 year tenure. AGA Director.
 - Tim Wilmott, COO. Longtime Harrah's executive.
- Financials –

	2009	2008	2007
Rev	\$ 2,370	\$ 2,425	\$ 2,435
Unusual Charge	\$ 540	\$ 285	\$ -
EBITDA	\$ -	\$ 280	\$ 650
Operating Income	\$ (200)	\$ 110	\$ 500
Cash	\$ 715	\$ 750	\$ 175
Debt	\$ 2,350	\$ 2,400	\$ 3,000

- Commentary – Balance sheet has substantial cash position since the aborted buyout from Fortress and Centerbridge. Penn is an active seeker of acquisition. Focuses on mid-market gaming expansion – PA, KS, MD, and OH. Performance from last 4 years shows there is upside.



Isle of Capri

- Profile – Missouri based company with 14 properties and 8,000 employees. Isle has no prior Pennsylvania experience, no experience in any of the surrounding states.
- Leadership –
 - Jim Perry, CEO. Two years as CEO; Two-year CEO at Trump; Six-year CEO at Argosy
 - Virginia McDowell, COO. Three years COO, former executive at Trump and Argosy with Mr. Perry
- Financials –

	2009	2008	2007
Rev	\$ 1,120	\$ 1,110	\$ 990
Unusual Charge	\$ (50)	\$ 20	\$ 8
EBITDA	\$ 310	\$ 170	\$ 170
Operating Income	\$ 190	\$ 50	\$ 70
Cash	\$ 115	\$ 110	\$ 205
Debt	\$ 1,300	\$ 1,500	\$ 1,420

- Commentary – Disproportionate interest in development speculation versus existing asset optimization, for example, unsuccessful speculations in Las Vegas and Detroit. Management also shows high SG&A.



Investment Performance



- Penn National Gaming has increased its value dramatically over the past year
- Isle of Capri has fallen precipitously over the past year in comparison
- Capital markets believe that Penn National is outperforming the broader mid-market gaming industry

Source – Yahoo Finance



Current Liquidity (Millions)

Penn National Gaming					
		Q2 2010	2009	2008	2007
Cash	\$	398	\$ 715	\$ 750	\$ 175
Debt	\$	2,098	\$ 2,350	\$ 2,400	\$ 3,000
LTM EBITDA	\$	556			
Interest	\$	138			
EBITDA Int. Cov.		4.0			
Line of Credit	\$	1,000			

Isle of Capri					
		Q2 2010	2009	2008	2007
Cash	\$	63	\$ 115	\$ 110	\$ 205
Debt	\$	1,300	\$ 1,300	\$ 1,500	\$ 1,420
LTM EBITDA	\$	162			
Interest	\$	79			
EBITDA Int. Cov.		2.0			
Line of Credit	\$	126			

- Penn is sitting on 7x as much cash availability as Isle



Isle Commitment Risk

- Current two IOC development projects cost \$175M
 - \$50M Nemaquin
 - \$125 in Missouri
- IOC cash-on-hand is \$63M
- IOC has .66 EBITDA leverage left before reaching covenant
 - $.66 \times \$170\text{M EBITDA Estimate} = \112M
- Cash-on-hand + “Dry Powder” leverage = \$175M
- FPG believes that should IOC win both projects, they will either drop one or will have to get covenant change
 - » source: Isle Fall 2010 IR Presentation



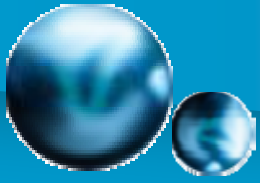
Gaming Operator Value

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>	
A		C	A	D

Commentary

- Penn National has the better balance sheet
- Penn National is proven in the Commonwealth both in operating performance and development
- Penn National is a Pennsylvania company that supports the local community
- Isle's access to additional liquidity looks limited
- Isle only participates in casino operations – limits synergy with complete resort.
- Penn Harris independent operators have shown no gaming management data to prove they will be successful

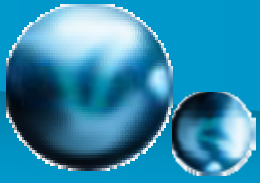


Summary/Conclusion

Criteria	Mason Dixon	Nemacolin	Fernwood	Holiday Inn
GTR	A	F	F	F
WPU	A	F	F	F
Tax Estimate	A	D	F	F
Location Strength	A	F	C	C
Access	B	D	B	A
Housing Density	A	A	C	F
Social Points	A	F	A	C
Competitive Set	A	D	F	D
Recapture PA Rev	A	C	F	F
Size	B	A	B	C
Parking	A	A	F	C
Hotel Proximity	B	F	C	A
Speed To Open	A	A	B	B
Casino Cost	A	C	D	A
Job Creation	A	F	F	A
Community Value	A	D	D	D
Traffic	A	A	D	F
Operator	A	C	A	D
AVERAGE	A-	C	D	C



APPENDIX



Assessment Contents

- The Fine Point Group Credentials
- Comparative Methodology
- Analysis of Current Pennsylvania Performance
- Comparative Criteria Assessment
- Penn National Gaming vs. Isle of Capri
- Conclusion

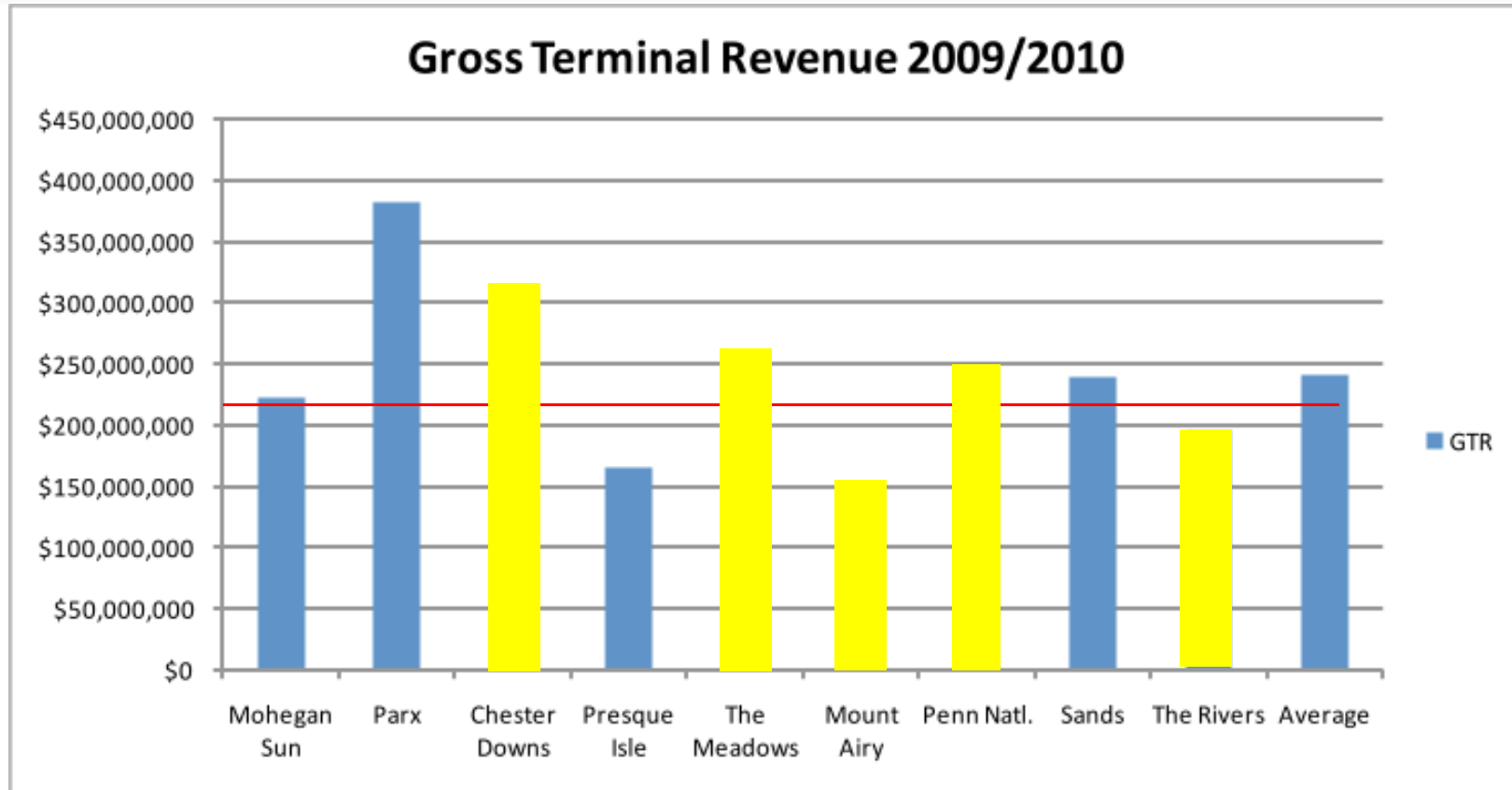


Why Discuss Current Performance?

Current competitive performance
provides direct insight into
potential property performance
due to geographic proximity



Current Gross Terminal Revenues



- Chester Downs and Charlestown, WV is most proximate to Mason-Dixon
- The Meadows and The Rivers is most proximate to Nemaquin
- Mount Airy performance is most proximate to Fernwood
- Hollywood/Penn National is most proximate to Holiday Inn

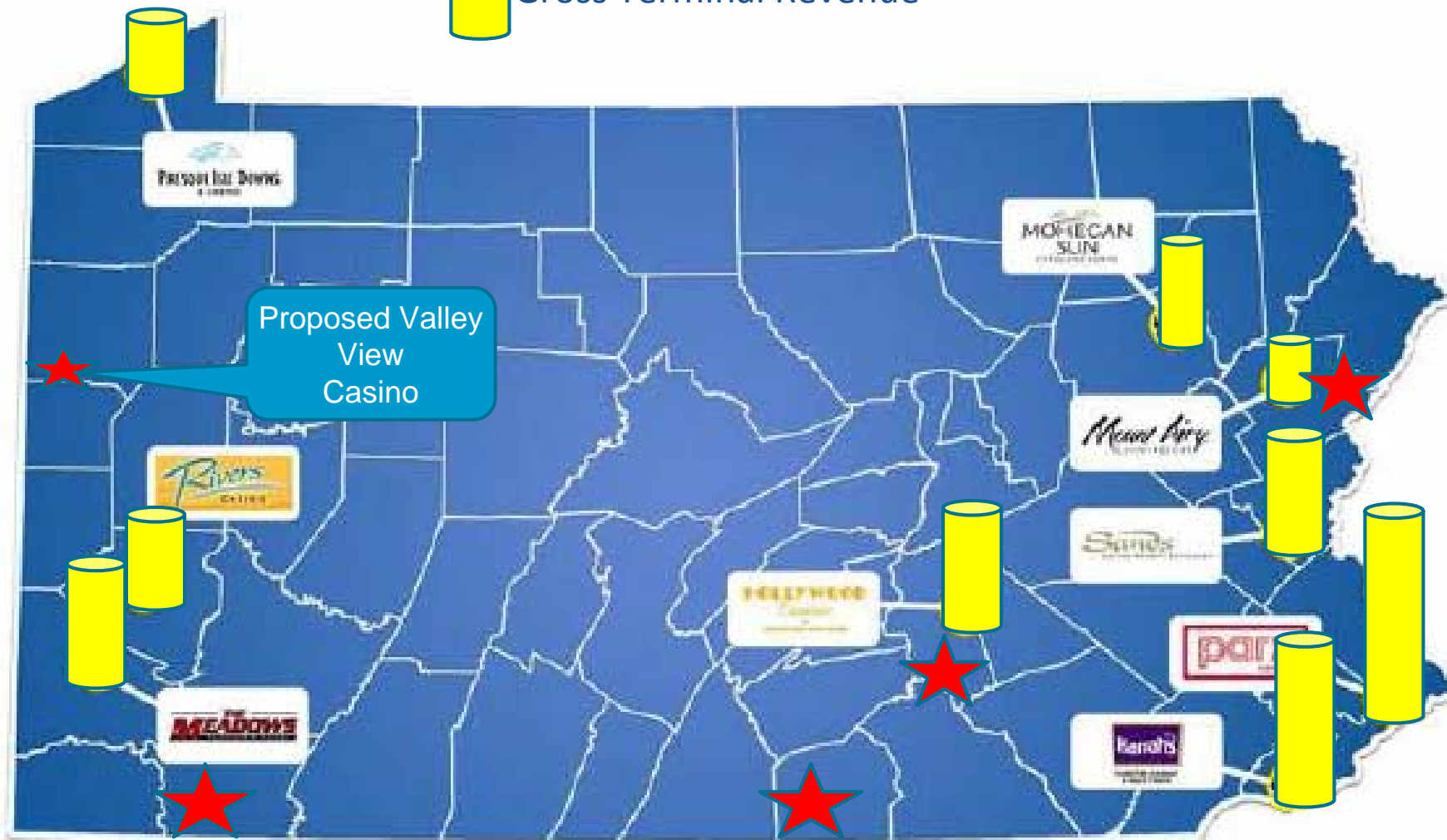
Source - PGCB



Competitive PA Situation



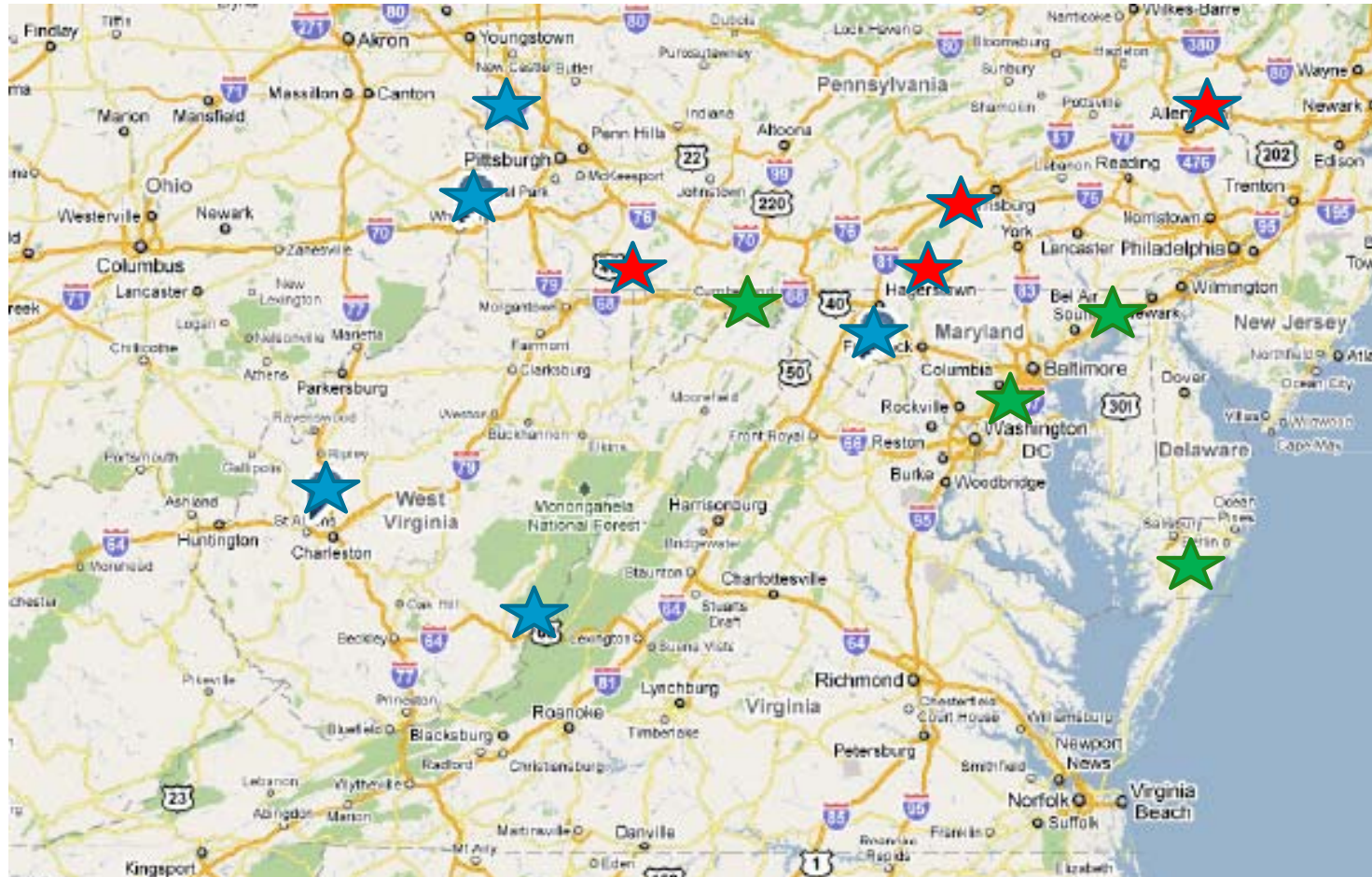
Gross Terminal Revenue



Source – VisitPA/Google Maps



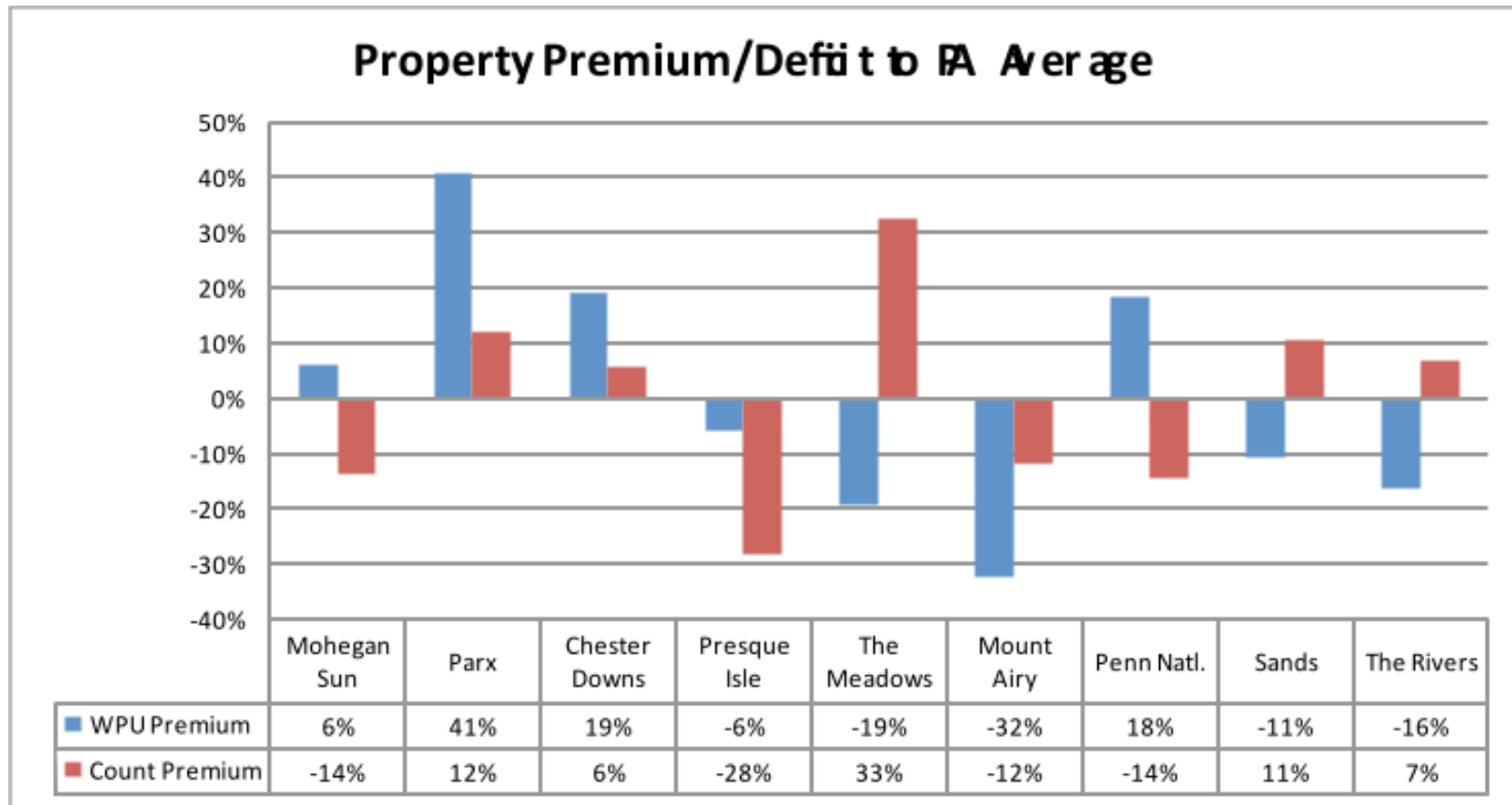
West Virginia/Maryland Casinos



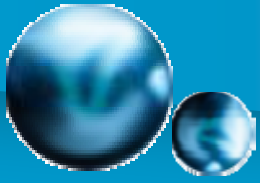
- ★ West Virginia has several racinos that surround its borders, including PA
- ★ MD just opened Perryville with Ocean Downs soon to open. Arundel Mills is under debate
- Performance at each varies



Current Property Premium/Deficit



- Parx and Chester drive higher average but Sugarhouse will impact
- Mount Airy, The Meadows, and The Rivers by far underperform the market



Proximity to Dense Housing

- Mason-Dixon Inn Nemacolin Fernwood Holiday Inn
- >1 mile >1 mile <1 mile Adjacent

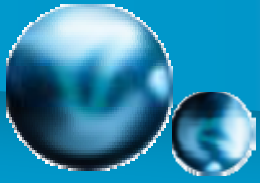
Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>	
A	A	C	F	

Commentary

- See following slides

Source – Google Maps

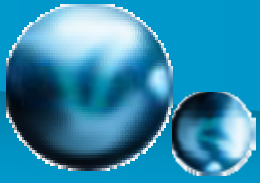


Proximity to Dense Housing – Mason-Dixon



- Scale is 1" = 2000ft
- No meaningful residential communities in immediate area

Source – Google Maps



Proximity to Dense Housing – Nemaquin



- Scale is 1" = 2000ft
- No meaningful residential communities in immediate area

Source – Google Maps



Proximity to Dense Housing – Fernwood



- Scale is 1" = 500ft
- Residential community is across the street

Source – Google Maps



Proximity to Dense Housing – Penn Harris



- Scale is 1" = 500ft
- Dense residential is adjacent to property

Source – Google Maps



Impact of Current/Future Competition

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>	
A		D	F	D

Commentary

- Mason-Dixon has the most distance to any current competitor and has limited exposure to future builds
- Nemacolin is surrounded by current and/or future casino projects; all of which are located between it and the associated major metropolitan area
- Fernwood is in the same county as Mount Airy Casino, currently the weakest performing casino in PA. The properties currently cross-market to each other's patrons. Fernwood would likely simply further weaken Mount Airy's performance, rather than growing the market.
- NY casinos in Aqueduct and potentially on Long Island will continue to hurt Fernwood's long range outlook
- Holiday Inn is located just down the highway from Hollywood Casino and the would cannibalize existing gaming demand



Casino Speed to Opening (approx.)

- Mason-Dixon Inn Nemacolin Fernwood Holiday Inn
- <9months <9months >9months >9months

Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemacolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A	A	B	B

Commentary

- The facilities being designed are not complex given today's building standards, with very little construction impediments. The speed to build is purely based on whether the facility modifies an existing structure or builds new.

Sources –
Mason-Dixon public input submission
Nemacolin OCT Pre-Hearing Memo
Fernwood public input submission



New Job Creation

- Mason-Dixon Inn Nemaocolin Fernwood Holiday
- 375 400 360 300

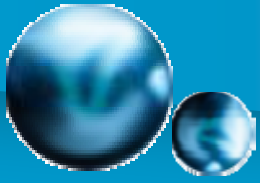
Reasonableness Rating

<u>Mason-Dixon</u>	<u>Nemaocolin</u>	<u>Fernwood</u>	<u>Holiday Inn</u>
A	F	F	A

Commentary

Only Mason-Dixon and Holiday Inn propose using full allocation of slots and tables; makes Nemaocolin & Fernwood numbers unrealistic

Sources –
 Mason-Dixon Local Impact Study
 Nemaocolin Evidence Memo
 Fernwood public input submission



Penn vs. Isle



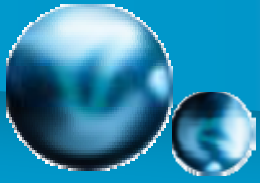
14 Properties

- Colorado
- Florida
- Iowa
- Louisiana
- Mississippi



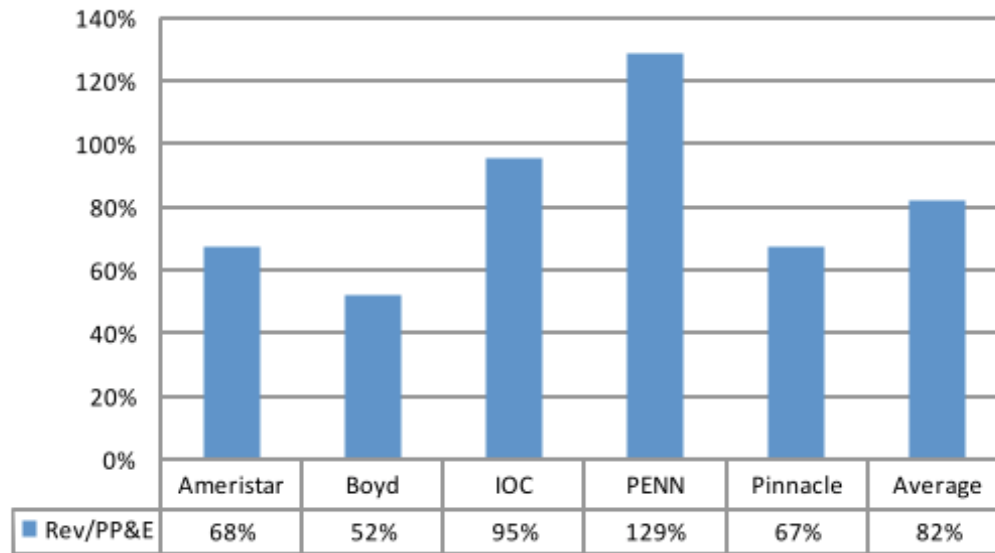
19 Properties

- Colorado
- Florida
- Illinois
- Indiana
- Maine



Operator Comparative Metrics

Revenue to PP&E (net) Ratio



Penn generates \$.34 more cents of revenue for every dollar of capital spent than Isle.

Preservation and Gaming

Brendan Synnamon, President
Gettysburg Battlefield Preservation
Association

Gettysburg Battlefield Preservation Association

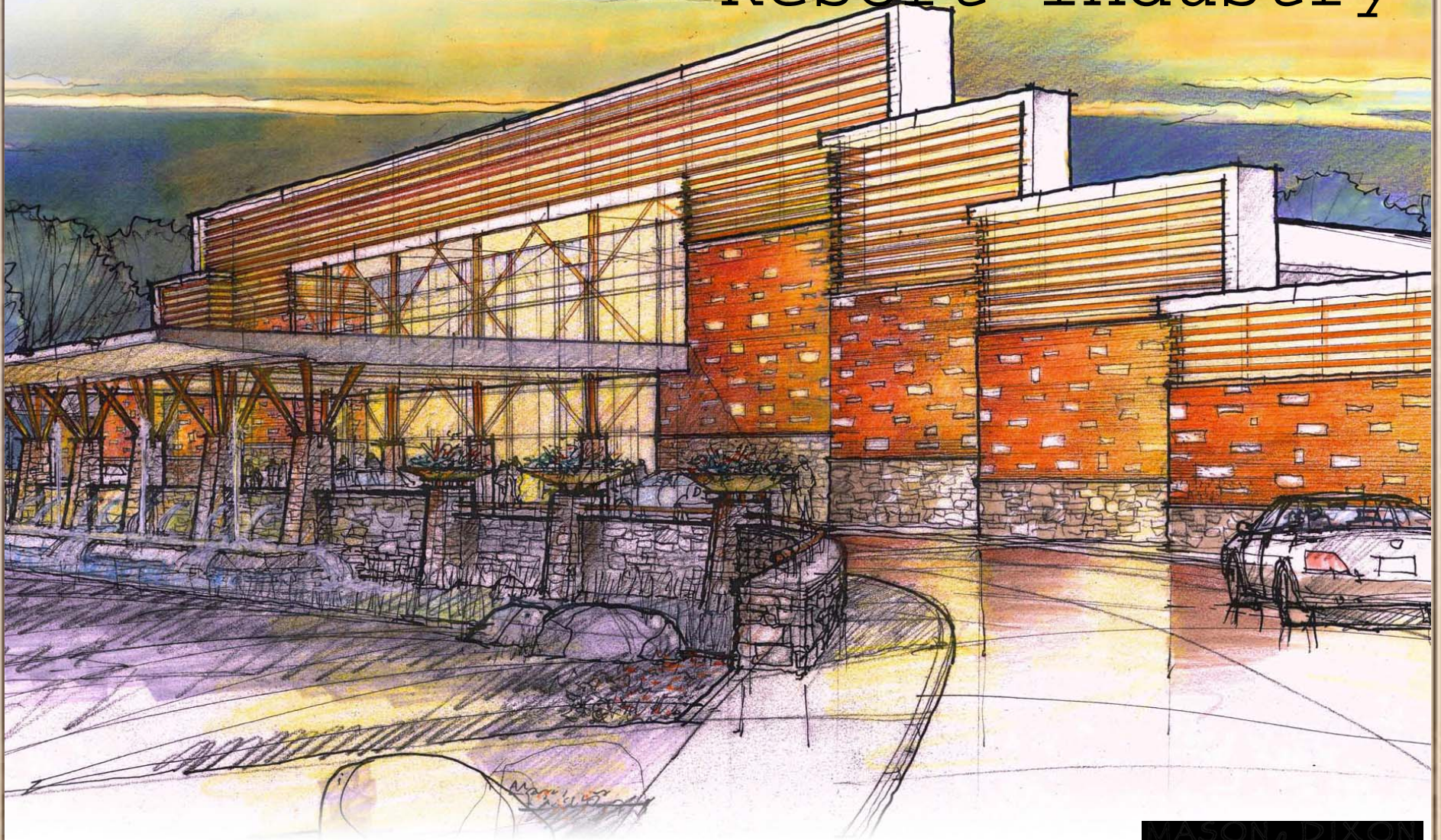
- Oldest preservation Civil War preservation group
- Celebrating 50th Anniversary
- Preserved more than a third of battlefield

Gettysburg Battlefield Preservation Association

- Would not support development that threatens battlefield
- Mason-Dixon would be located at 40-year old existing resort
- Not located on battlefield
- Preservation requires thriving local economy

Vicksburg

A New Dimension in Pennsylvania's Entertainment Resort Industry

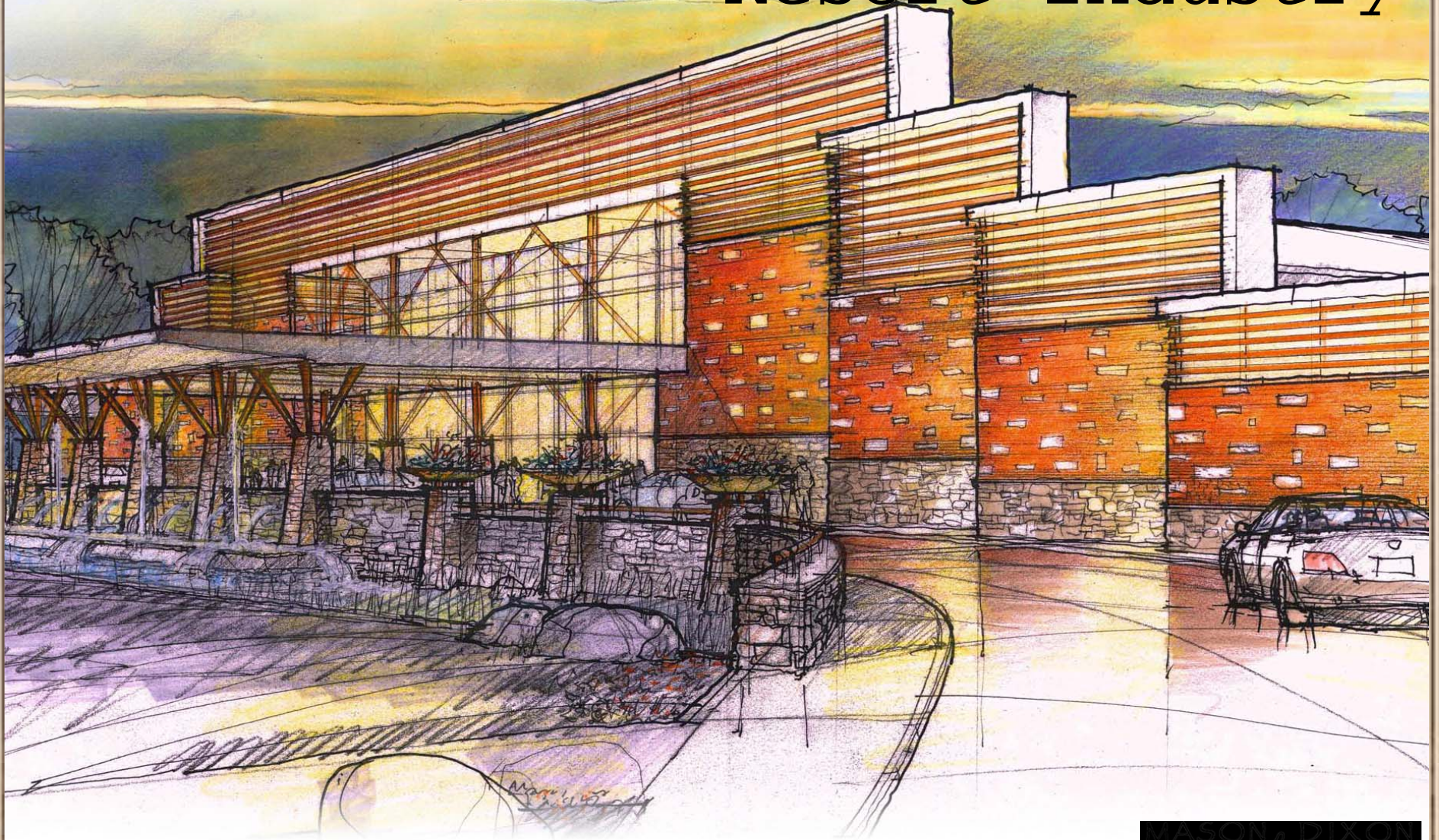




Hon. Paul E.
Winfield

Mayor, City of Vicksburg

A New Dimension in Pennsylvania's Entertainment Resort Industry



The slide features a background image of water splashing against a light blue sky. A central black box with a white border contains the title and presenter information. The text is in a serif font. In the bottom right corner, there is a small logo for Mason Dixon.

Water/Sewer Study

Robert Sharrah, President
Sharrah Design Group, Inc.

Robert Sharrah

- Licensed professional land surveyor (PA and MD)
- Professional engineer (PA and MD)
- Registered landscape architect (PA and MD)
- CADD technicians
- All necessary qualifications to perform sewer, water, land planning, permit work.

Sewer Study

■ Waste Water

■ More than adequate sewage treatment capacity for this facility.

■ Development will give Cumberland Township the ability to complete public water system.

■ Mason Dixon to pay all costs

Water Study

- Water determined to be "good quality"
- Current well has been deepened on adjacent property
- Add second well
- No affect on neighboring wells

Environmental Approvals

- DEP has approved well site as public water source.
- Army Corps of Engineers has determined area is not a bog turtle habitat.
- U.S. Fish & Wildlife concurs no bog turtle habitat and no Indiana bat conflict.
- PA Museum Commission indicates no further archeological surveys required.