#### MASSMUTUAL CENTER SPRINGFIELD, MASSACHUSETTS

Partner and Sponsorship Proposal May 2013 Update



BELLAGIO® ARIA™ VDARA™ MGM GRAND® THE SIGNATURE AT MGM GRAND® MANDALAY BAY® THEhotel AT MANDALAY BAY® THE MIRAGE® MONTE CARLO™ NEW YORK-NEW YORK® LUXOR® EXCALIBUR® CIRCUS® LAS VEGAS RAILROAD PASS™ HENDERSON, NEVADA CIRCUS® RENO, NEVADA SILVER LEGACY™ RENO, NEVADA GOLD STRIKE® JEAN, NEVADA BEAU RIVAGE® BILOXI, MISSISSIPPI GOLD STRIKE® TUNICA, MISSISSIPPI MGM GRAND® DETROIT, MICHIGAN GRAND VICTORIA® ELGIN, ILLINOIS MGM MACAU™, CHINA MGM GRAND® SANYA, CHINA







#### SUMMARY

The mayor and city leaders have said they want the casino project to create spin-off effects for the rest of the City. MGM Springfield has the potential, because of proximity and the commitment of MGM Resorts, to activate many of the city's wonderful, but under-performing assets.

Since our initial discussions in the Fall of 2012, much progress has already been made to demonstrate MGM Resorts' ability to deliver on the mayor and city leader's desires. The following proposal is updated from our initial discussions to partner with MassMutual Center in a way that is meaningful to both Springfield tourism development generally, as well as MassMutual Center specifically.

MGM Resorts International, through its MGM Springfield project, proposes to include MassMutual Center as a key component in its plans for an integrated entertainment, retail, restaurant, and casino complex in Downtown Springfield.

The following pages detail the **major partnership elements** listed below, should MGM Resorts succeed in obtaining a license for Springfield:

- Arena Home Team Sponsorship
  - Major sponsorship of Falcons and Armor (Minimum three years)
- Financial Underwriting of Major Events
  - Up to \$1 million potential loss annually (First three years)
  - Up to \$500,00 potential loss annually (Next five years)
- Support of Local VCB Activities (Minimum \$250,000 annually)
- Ultimate Management of MassMutual Center – No fee (\$250,000 value annually)
- Support of non-MGM sponsored events
  - \$250,000 in tickets purchases annually



# IMMEDIATE AND FUTURE SPONSORSHIP OF TWO RESIDENT SPORTING TEAMS AT MASSMUTUAL ARENA

MGM Springfield has become one of the **largest corporate sponsors of the AHL Springfield Falcons**. Specifically, we purchased an integrated sponsorship for the 2012/2013 season. In addition to significant in-arena branding and activation, we receive 50 tickets per game. The majority of these tickets are being given to nonprofit groups focusing on children and families in the community via the "Friends of the Falcons" program. It would be our intent to continue with this sponsorship on an annual basis, at a minimum for a 3-year period following our opening.

Likewise, MGM Springfield is the **corporate presenting sponsor for the Armor**, Springfield's NBA D-League franchise for the 2012/2013 season. Similar to the Falcon's sponsorship, assuming licensing, we will continue our annual commitment for a minimum 3-year post-opening period. MGM Springfield is one of the first corporate sponsors in the D-League to obtain uniform naming rights giving added exposure to both Springfield and MGM in the cities of their league competitors. Furthermore, hospitality opportunities utilizing sponsor tickets are being activated for community organizations.

MGM Springfield was also a **significant sponsor of the men's and women's MAAC Conference basketball tournament** in early March, 2013. Our sponsorship provides first right of refusal for future tournaments which we would plan to exercise upon awarding of a license.



# DEVELOPMENT OF AN EXCITING CALENDAR OF ENTERTAINMENT AND SPORTING EVENTS IN THE ARENA.

MGM Resorts' access to top name and unique entertainment, as well as key sporting events is virtually unmatched. Over the past several months, we have been meeting with our key promoters and partners and have begun to craft an entertainment calendar beginning May 2013.

MGM Springfield will not have a dedicated entertainment venue as part of the integrated project, rather we are committed to, and in fact, prepared to provide **underwriting to support entertainment acts and events** utilizing each of Springfield's existing venues. Specific to MassMutual Center is the commitment to **bring a minimum of four key acts or events (sporting, etc.) on an annual basis to the Center**. In addition, as outlined previously, we would plan to support existing tenant sporting franchises and tournaments through significant sponsorship providing activation that drives tourism to downtown.

Two events have already been booked by MGM Springfield in MassMutual Center for 2013:

- Pitbull In Concert May 23, 2013 (tickets currently on sale)
- Professional Bull Riders Lucas Oil Pro Touring: September 6–7 (tickets on sale soon)

MGM Resorts has very strong relationships with international entertainment providers Live Nation and AEG, and we are leveraging those relationships to break the jurisdictional hold that the Mohegan Sun Arena has on the Springfield market (through event-specific geographic exclusivity arrangements).





The following events have been targeted for MassMutual Center. In many cases, preliminary discussions have taken place, and we are working closely with Matt Hollander and his team from Global Spectrum on finding mutually beneficial dates and deals for 2013 and beyond. Our ability to meet our programming commitment above is also contingent upon our ability to work collaboratively with the team at MassMutual Center to build a calendar based on existing commitments and future opportunities.

- UFC<sup>®</sup> Strike Force Mixed Martial Arts Committed to at least one event in 2013.
- *Cirque du Soleil*<sup>®</sup> Touring Show Committed to find a mutually beneficial date for 2013.
- Extreme Sports Dew Tour, for example.
- Indoor Volleyball Tour Featuring most recent US Olympic Team.
- Electronic Dance Music Partnering with current nightclub promoter partners Light Group and AMG. AMG recently signed an exclusive two-year MGM Resorts deal with Tiesto. Other names being pursued are Deadmau5 and Calvin Harris.
- Celebrity Tennis Event Doubles Challenge McEnroe/Chang vs. Agassi/Courier.
- Boxing Top Rank Boxing and Golden Boy Promotions are key partners with MGM Resorts.
- Headline entertainers Routing discussions have already taken place for many of the performers targeted for Las Vegas, principally for Mandalay Bay's Beach Concert series and the Mandalay Bay Events Center. Likewise, MGM Resorts enjoys a great relationship with one of the largest entertainment booking and promotions agencies in the Northeast, based in Boston. We will look to leverage opportunities with the agency.



### MGM SPRINGFIELD FINANCIAL COMMITMENT

As a demonstration of our commitment to the City, we will work with Global Spectrum in securing and marketing quality acts and events (a min. of four per year) which collectively, we believe, will meet pro-forma sell out status. However, in the event that the pro-forma is not met, MGM Springfield will commit to **underwrite up to a \$1MM annual loss** for a period of three years post-opening. Assuming success is achieved by generally hitting our pro-forma numbers, and to further ensure quality acts, MGM will, however, commit to **underwrite up to a \$500,000 annual loss** for an additional 5-year period.

As your partner, we would propose a bi-weekly meeting with the Global Spectrum team to collaborate on plans for MassMutual Center. The purpose of the meeting will be to optimize the overall planning, marketing, and implementation of our joint events. Included on the agenda would be a review of the calendar, booking opportunities, cooperative marketing, promotions, etc.



# IMMEDIATE AND DIRECT SUPPORT FOR CONVENTION AND MEETING SALES

We propose to deploy MGM Resorts corporate and regional office sales managers to assist in securing additional business for the MassMutual Center. As operators of the fifth largest convention center in North America (Mandalay Bay) as well as the most significant amount of meeting space collectively in Las Vegas and regional properties, we receive and solicit many convention and meetings leads. As such, we have the ability to steer opportunities to MassMutual in the short-term.

Long-term, should MGM Resorts be successful in its bid, we propose a direct relationship with MassMutual to utilize the approximately 15,000 square feet of proposed meeting space in MGM Springfield, along with the existing 70,000 square feet in MassMutual to attract programs that develop the tourism base by groups which previously could not meet due to space constraints.

We recognize that the Pioneer Valley VCB has direct involvement in providing leads and working directly with MassMutual management, and we have already discussed with them our desire to assist in meeting their key goal of tourism development.

Specifically, we will participate in Pioneer Valley VCB coordinated external cooperative marketing programs, as well as to collaborate on the development of a joint private/public sales and marketing plan for the region with emphasis on MGM Springfield and the MassMutual Center along with complementary venues that will support the group segment. **We will commit a total of \$250,000 annually to those efforts.** 



# CORPORATE MANAGEMENT OF MASSMUTUAL CENTER

At the conclusion of the current management contract with Global Spectrum, MGM Resorts proposes taking over full corporate management of MassMutual at a financial arrangement that would allow it only to cover its direct cost of such management. There would be **no profit for MGM Resorts built into the agreement**. We understand this would **save the Center approximately \$250,000 annually.** 

# ADDITIONAL COMMITMENTS

We will provide the following to MCCA at no cost:

- Utilization of the MGM Springfield parking garage for all MassMutual Center events/conventions (approx. 3,000 spaces)
- Interior directional signage from MGM parking structure to MassMutual Center
- Allocated time on the proposed large digital marquee planned for the MGM parking structure with high visibility to I-91
- MassMutual Center and Arena marketing messages on MGM Springfield digital signs throughout the property
- MassMutual Center proprietary channel on in-room televisions
- MassMutual Center content on in-room and property collateral as appropriate





- Dedicated link on the MGM Springfield website to MassMutual Center website or promotional landing pages as appropriate
- Events promotion for all MassMutual Center events and entertainment (MGM sponsored and non-sponsored) in all forms of MGM Springfield and M life social media
- Event content in quarterly M life newsletters (6.3MM database)
- Regular entertainment calendar features in M life TV (nearly 1MM YouTube views) and M life Magazine (150K circulation)
- Occasional story placement in M life magazine and feature segment on M life TV

MGM Springfield will **dedicate marketing funds up to \$250,000 annually to purchase tickets to non-MGM Springfield events at MassMutual Center**. The exact amount will be determined based on forecasted customer demand.



