

PHASE I – RFQ/P PROPOSAL FROM BLUE TARP REDEVELOPMENT LLC

The following is a summary of relevant material non-confidential provisions of the Proposer’s response to the Phase I - RFQ/P, and does not constitute an analysis of such response by the City of Springfield or its consultants.

Proposer:

Blue Tarp reDevelopment LLC (the “**Proposer**”), c/o MGM Resorts International, 3799 Las Vegas Blvd. South, Las Vegas, NV 89109.

Ownership:

The Proposer is a newly-formed Massachusetts limited liability company which will be owned by:

- (1) MGM Resorts International (“**Resorts**”), a publicly-traded company (NYSE: “MGM”);
- (2) Paul C. Picknelly;
- (3) Francis J. Cataldo, Jr.; and
- (4) Thomas D. Murphy.

(NOTE: The percentage ownership of each member of the Proposer is confidential).

The Proposer also notes the following relationships with local entities:

- MGM Resorts entered into an agreement with Rolling Hills Estates Realty Trust (“**Rolling Hills**”) pursuant to which Rolling Hills will receive certain payments based on a percentage of gross revenue in the event that MGM Springfield is successful in securing a license to develop and operate a gaming facility in Springfield, Massachusetts. The principals of Rolling Hills are Vincent F. Barletta and David J. Callahan.
- MGM Springfield is partnering with Davenport Companies (“**Davenport**”) to lead development of the entertainment, retail, office and residential components of the project. Davenport is based in Massachusetts and specializes in development, management, and repositioning of commercial real estate. Davenport manages and advises 95 retail properties between Washington D.C. and Boston. Davenport’s effort for MGM Springfield is led by Charles Irving.

Management:

The casino will be managed by MGM Resorts. No outside management company will be utilized.

Projected Cost of Development:

Projected total costs for the development is approximately \$750 to 800 million. The various components of this cost estimate are confidential.

Plan of Financing:

MGM Resorts is confident that it can finance the project based on its sound general financial strength, significant portfolio of assets and an established track record of meeting its financial obligations. MGM Resorts has the ability to fund the project either on balance sheet (similar to funding for MGM Grand Detroit) or off balance sheet (similar to funding for CityCenter and MGM Macau) financings.

On Balance Sheet Financing. To the extent MGM Resorts elects to fund the development through debt or new equity, it has demonstrated a proven ability to successfully access the capital markets, raising \$2.85 billion so far in 2012. These long-term capital raises at successively lower coupons demonstrate MGM Resorts' strong following in the bond market. In September 2012, MGM Resorts issued \$1 billion of senior unsecured notes at a rate of 6.75%. This represented the lowest coupon achieved by the company since April 2006. Due to significant investor demand, the deal was upsized from \$700 million to \$1 billion. MGM Resorts has also raised significant equity capital over the past couple of years. In October 2010, MGM Resorts raised \$588 million through the sale of equity in a one day transaction. Even during the financial crisis, MGM Resorts was able to raise \$1.2 billion through the sale of equity in a one day transaction in May 2009.

Off Balance Sheet Financing. This form of financing, in which funds could be raised specifically for the project, and not from the company's balance sheet, will also be available. CityCenter and MGM Macau were funded in this manner. Many casino developments in new jurisdictions are funded this way.

MGM Resorts is confident it could fund the Springfield project and all or any of the three other projects it is currently pursuing – MGM Cotai, Maryland and Toronto. (NOTE: Certain details concerning Proposer's financing plan are confidential.)

Location and Land Assemblage:

The Proposer's casino complex is to be constructed on an approximately 10- to 15-acre site located in the City of Springfield generally bounded by Main Street and East Columbus Avenue and State Street and Union Street.

No MGM Resorts-affiliated entity owns or controls any land in Massachusetts other than the proposed casino site described above.

Size/Ancillary Development:

The Proposer's project will be a mixed-use leisure entertainment, retail, residential and office development in the heart of Springfield's South End. The project is expected to be designed to catalyze significant regeneration in an area of Springfield that was directly affected

by the 2011 tornado. The architecture of the project is intended to be indigenous to the local context adding to the charm and aesthetic Downtown Springfield.

The Proposer's project will incorporate the following components, subject to acquisition of all parcels constituting Proposer's project site:

- *Hotel.* A four star luxury hotel comprised of 264 standard guest rooms and 20 VIP suites.
- *Meeting/Convention Space.* Approximately 40,000 square feet of meeting/convention space including a 14,000 square foot main ballroom (divisible), a 5,000 square foot junior ballroom, a 2,000 square foot space for breakout rooms, and a 35,000 square foot garden terrace for weddings, receptions and events.
- *Spa.* A 10,000 square foot spa including an indoor pool, fitness center and spa.
- *Residential.* Approximately 25 apartment units consisting of three bedroom units (approximately 2,500 square feet), two bedroom units (approximately 1,800 square feet), one bedroom units (approximately 1,000 square feet) and studio units (approximately 700 square feet).
- *Offices.* Refurbishment of two existing buildings – 101 and 95 State St. - resulting in approximately 160,000 square feet of office rental space in addition to a further 2,500 square feet of new office rental space along Main Street.
- *Pedestrian Bridge.* A direct pedestrian bridge across State and Main Streets connecting to MassMutual Center is planned as part of the project.
- *Parking.* 4,850 parking spaces.
- *Casino.* Casino with 2,700 to 3,000 slot machines, 75 table games, 25 poker tables, and a VIP-gaming area.
- *Restaurants.* A variety of dining options are expected.
- *Retail.* 12,000 square feet of branded retail integrated into the project.
- *Union Station.* The Proposer will propose to the City a plan to help restore Union Station to its full potential by locating MGM Resorts' regional corporate office (as well as certain back of the house areas for the Springfield project) and a regional training institute in the building.
- *Entertainment Square.* Entertainment Square is expected to be located between Union and Howard Streets and will be an entertainment destination. Entertainment offerings will complement the rest of the resort and will feature: movie cinemas (12 -15 screens), 80,000 square feet of retail including popular and quality brands, luxury bowling with 12 to 16 lanes and an outdoor plaza that will feature dynamic video displays and outdoor areas for events, concerts and shows.

- *Child Care.* Child care facility for the community and property employees.
- *Other Amenities.* Other amenities being planned include the following: trolley service connecting 15 points of interest throughout Springfield; collaboration with MassMutual Center and Symphony Hall and City Stage; and a riverfront jetty and boat dock to connect patrons and public to Six Flags, if feasible, based on ongoing studies of river water levels.

Other Jurisdictions:

MGM Resorts owns and operates 15 gaming properties located in Nevada, Mississippi and Michigan and has 50% investments in three other properties in Nevada and Illinois. One of those investments is CityCenter, an unprecedented urban resort destination located on the Las Vegas Strip. MGM Resorts also holds a 51% interest in MGM China Holdings Limited, which owns the MGM Macau resort and casino.

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