

## Exhibit VIII.A.6.b (Financing Description):

Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of the RFA, including reasonable and customary contingencies, and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Expressly identify the funding source to cover any forecasted operating loss.

The project is anticipated to be financed with \$618.9 million of debt and \$206.3 million of equity representing a 25% equity contribution to the project. The sponsors are committed to funding a minimum of 25% and up to 30% of project costs in equity pursuant to the LLC agreement of the Applicant and committed to sourcing the most efficient financing for the project. The sponsors will also provide project completion guarantees that are normally be required by the lenders. Should more than 30% be required, the Applicant will pursue financing sources in addition to what is currently contemplated. We have received [REDACTED] highly confident letters from leading investment banks in addition to [REDACTED] commitment letters. Based on discussions and indications associated with those letters, we have derived a base case financing structure that assumes the equity contribution (25%) referenced above. This case provides for conservative cost of financing assumptions. The base case structure consists of a first lien secured term loan bifurcated into a tranche funded on closing for the financing and a delayed draw tranche to be committed at closing of the financing and available for a defined period during construction. We anticipate supplementing the term loan with a small amount of vendor and / or equipment financing. And, we plan to have a \$15 million revolver available to us at the opening of the casino as part of the financing package to provide a working capital cushion for the operation of the project. [REDACTED]

The table below describes our base case financing assumptions:

Exhibit VIII A.6.b.

	Amount	Rate	Cumulative x EBITDAM <sup>1</sup>	Cumulative x EBITDA <sup>2</sup>	Term	Scheduled Amort
Funded First Lien Term Loan	\$480.0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12-Month Delayed Draw First Lien Term Loan	60.0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
16-Month Delayed Draw First Lien Term Loan	60.0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Vendor Financing	18.9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Debt</b>	<b>618.9</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cash Equity	206.3					
<b>Total Project</b>	<b>825.2</b>					

<sup>1</sup> EBITDAM multiple is calculated against year 3 figures  
<sup>2</sup> EBITDA multiple is calculated against year 3 figures

## **Exhibit VIII.A.6.b (Financing Description):**

*Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of the RFA, including reasonable and customary contingencies, and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Expressly identify the funding source to cover any forecasted operating loss.*

We anticipate working with our financing sources over the next several months to achieve the optimal financing structure. [REDACTED]

Additionally, we anticipate that after reaching a steady state of operations we would refinance our debt with a less expensive structure similar to that of our existing casinos, which carry much lower cost of funds than shown in this application. In each of our properties in Pennsylvania and Illinois, we successfully refinanced our debt after reaching stabilized earnings. In each case the new debt capital was comprised in part or in whole with senior commercial bank debt, dramatically reducing the cost. Our blended interest rates on our debt have decreased by approximately 30%-75% on the initial refinancings, depending on the project. We are confident in our ability to access the senior commercial bank market once the project is stabilized and anticipate dramatically lowering our cost of financing at that point.

We have extensive experience and success with greenfield casino financings. During and shortly after the financial crisis (from late 2008 to 2011), we opened four greenfield casino projects, making us the clear and unrivaled casino developer in the U.S. We closed an aggregate \$1.1 billion across four separate project-specific greenfield financings for those projects. In fact, SugarHouse Casino in Philadelphia was the first new casino financed coming out of the Great Recession. It was financed in September of 2009 and opened its doors in September of 2010. As each project was built on time and on budget and ultimately performed well, we have developed a stellar reputation in the construction financing market.

This reputation has improved as our properties have matured. In addition to the \$1.1 billion of construction financings we have completed since the end of 2007, we've issued over \$2.2 billion of debt over several refinancing transactions. These transactions have resulted in substantially lower run-rate cost and greater flexibility. And, our debt is well received by the market. We have had bonds outstanding for some combination of our projects since 2010. And, in each case, our bonds have traded at significant premiums to similar issuances from other single-asset casino companies. We currently have notes (or, bonds) outstanding on our casinos in Pittsburgh and Philadelphia that are quoted at yields-to-worst below 5% and in the 6.75% range, respectively, as of the middle of June. These are meaningfully lower rates relative to almost any other similarly leveraged single-property issuer.

## **Exhibit VIII.A.6.b (Financing Description):**

*Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of the RFA, including reasonable and customary contingencies, and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Expressly identify the funding source to cover any forecasted operating loss.*

Our willingness and ability to finance and support our projects is evidenced by several examples. We rescued the only casino in Pittsburgh while it was still under construction. Early on in the construction process, the prior owner / developer, and the original licensee, ran out of money and faced foreclosure and / or bankruptcy. We, working with the gaming control board in Pennsylvania, local authorities in Pittsburgh, the contractor, the prior owner and lenders, stepped in and recapitalized the project. This included a new [REDACTED] equity investment from us and our partners and new [REDACTED] debt-financing package. We completed the project as the developer, opening on time and on budget. As the project opened in the midst of the Great Recession (in August 2009), it required a longer than normal ramp-up period. We again answered the call, investing meaningful additional equity to support the capital structure and made some physical and operational changes to improve the project. Today, the casino is a renowned success and the clear market share leader in the Pittsburgh market.

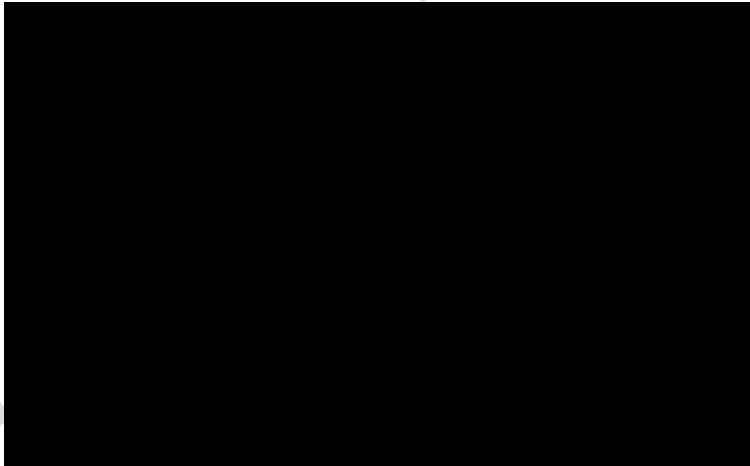
Another example of our equity support and financing ability is SugarHouse. In December of 2006, we and one other major casino operator were selected to receive the two licenses being awarded in Philadelphia. Over the next few years, several obstacles, including anti-casino groups and then the Great Recession, came about. We tirelessly plowed ahead with our SugarHouse project. We significantly increased our equity commitment and redesigned the project in order to make it viable in the middle of the recessionary period. In fact, we doubled the equity commitment that was originally contemplated in our company documents and invested over [REDACTED] of cash equity in the [REDACTED] first phase of the project. Due to our financial resources, relationships in the credit market and our commitment to Pennsylvania and Philadelphia, we remain the only casino in the city today. While we were writing large equity checks, working with local communities and eventually financing and building Sugarhouse, our would-be competitor was unsuccessfully seeking additional financial resources. The other former-licensee, a major U.S. casino company, ultimately failed and had their license revoked in December 2010, four years after they were selected as a licensee, as they had made no meaningful progress. SugarHouse was already open at the time, generating meaningful tax revenue for Pennsylvania and Philadelphia and employing over 1,100 people.

## Exhibit VIII.A.6.b (Financing Description):

Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of the RFA, including reasonable and customary contingencies, and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Expressly identify the funding source to cover any forecasted operating loss.

The sources and uses are as follows:

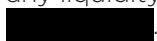
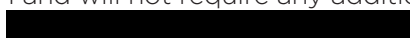
### Exhibit VIII A.6.b.

Sources:		Uses:
Debt*	\$ 618.9	
Equity	206.3	
	<u>825.2</u>	

\*See Exhibit VIII. A.6.b for description of debt  
\*\*Includes application fee as well as application and suitability investigation expenses

All costs of the project that will be incurred prior to the closing of the financing will be funded with equity from the sponsors. Closing of the financing is anticipated at the start of construction.

We anticipate our financing package will include a revolving line of credit of \$15.0 million at opening for any liquidity needs. 

. Based on our projections the project is expected to be cash flow positive starting in year 1 and will not require any additional sources outside of the company operations, the cage cash and . This is demonstrated in each of the cash flow statements below.

## Exhibit VIII.A.6.b (Financing Description):

Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of the RFA, including reasonable and customary contingencies, and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Expressly identify the funding source to cover any forecasted operating loss.

Average Case: Statement of Cash Flows

Statement of Cash Flows (In \$ Millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

[Redacted Content]										
--------------------	--	--	--	--	--	--	--	--	--	--

## Exhibit VIII.A.6.b (Financing Description):

Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of the RFA, including reasonable and customary contingencies, and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Expressly identify the funding source to cover any forecasted operating loss.

High Case: Statement of Cash Flows

Statement of Cash Flows (In \$ Millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
[Redacted Content]										

## Exhibit VIII.A.6.b (Financing Description):

Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of the RFA, including reasonable and customary contingencies, and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of the RFA. Expressly identify the funding source to cover any forecasted operating loss.

Low Case: Statement of Cash Flows

Statement of Cash Flows (In \$ Millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

[Redacted Content]										
--------------------	--	--	--	--	--	--	--	--	--	--