

BCLC Gambling Service Provider Commissions Report

1997–2010

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British Columbia's Gambling Operations Model

Under the *Gaming Control Act* (B.C.), BCLC is mandated to conduct, manage and operate commercial gaming on behalf of the Government of British Columbia. BCLC enters into contracts with private sector service providers to build and operate gambling facilities including casinos, community gaming centres and bingo halls.

Under this model, BCLC owns all the gambling equipment such as slot machines, table games and associated equipment. Service providers build, provide and operate the gambling facilities on BCLC's behalf in addition to offering other entertainment amenities. The service provider finances the facility construction and pays the capital costs of development including any enhancements or upgrades. The service provider is also responsible for the ongoing costs of maintaining the facility to BCLC standards.

In return for operating the facility, service providers earn a commission that is divided into two parts: an operating commission and a Facility Development Commission (FDC). FDC is what the service provider earns as a percentage of revenue based on their investment in creating and maintaining high quality facilities.

Each jurisdiction in Canada has its own unique operating model, including those where the crown corporation owns and operates the facilities and assumes the capital cost and responsibility for developing, maintaining and operating the facilities. BCLC's model has been highly effective. It eliminates many of the risks to BCLC associated with owning and operating facilities while still providing a safe gambling environment, high quality facilities and a significant return to government.

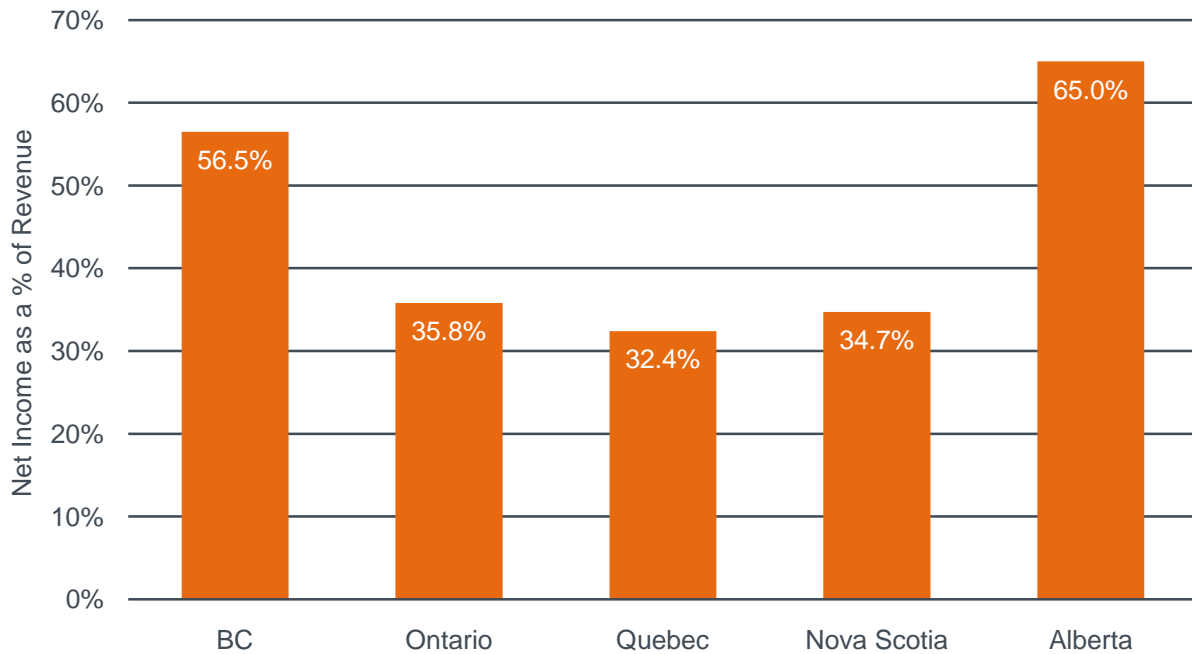
For example, in 2003/04 casino gambling provided a net to government of \$418.3 million on revenues of \$733.5 million. BCLC's vision then began to evolve to higher quality facilities with better amenities. Service providers made significant investments in non-gaming, complimentary entertainment amenities. The investments contributed to significant revenues. By 2009/10 casino gaming provided a \$731.3 million net to government on revenues of \$1,321.6 million.

BCLC's model has resulted in some of the best in class casinos and community gaming facilities in Canada.

The following chart outlines the percentage of net revenue from full service casino gaming that is returned to the province of jurisdiction. For the purposes of this chart, a full service casino operates commercially and includes live table games and slot games.

Canadian Full Service Casino Comparatives

March 31, 2009



Information for this chart was obtained from publically available audited financial statements issued by each gaming jurisdiction.

For Alberta the 65% represents the approximate allocation to government based on available annual report information and assumptions with respect to expense allocations.

BCLC's model is one of the most profitable full service casino models in Canada¹.

¹ Unlike any of the other provinces represented on this chart, Alberta's casino model is limited to commercial slots with table games operating under a charitable gaming model.

Casino Service Provider Commissions

B.C.'s casino operations model was developed in 1997 when the provincial government announced a new gaming policy and issued a Request for Proposal—*Destination and Charitable Gaming Facilities in the Province of British Columbia* (RFP). The compensation structure was for a total commission of 28 per cent of net win from slots and 43 per cent net win from table games (net win = revenue after prizes paid/won by the player). The 28 per cent commission is divided into two parts—25 per cent operating commission, three per cent Facility Development Commission (FDC). The 43 per cent commission from table games is also divided into 40² per cent operating commission and three per cent FDC.

This compensation structure is captured in the Casino Operational Services Agreement (COSA), which are typically 10 year contracts with a renewal option for an additional 10 years. The COSA defines service, operating and marketing responsibilities for the casino company and forms the basis for the 25 and 40 per cent per cent operating commission. It also defines the requirements for earning the three per cent FDC.

The three per cent FDC can be earned by the service provider if they incur costs related to casino and ancillary amenities development based on BCLC guidelines, subject to BCLC review and approval. Since taking responsibility for casino gambling in 1998, BCLC's vision for gambling facilities in B.C. has been to build fewer, bigger, better facilities with comprehensive entertainment amenities such as restaurants and lounge areas.

In 2006, BCLC added the Accelerated Facility Development Commission (AFDC) of two per cent of net win. Service providers designate a one-time project to qualify for AFDC and may only do so once in the lifetime of the facility.

HOW BCLC DETERMINES FDC QUALIFYING EXPENDITURES

Before a redevelopment project begins, the service provider determines the scope of the project in discussion with BCLC. In order to qualify to earn FDC the service provider must incur FDC qualifying expenditures—costs associated with developing or redeveloping the facility, including BCLC approved entertainment amenities that will enhance the gaming experience.

Then the service provider submits to BCLC a detailed list of expenditures. BCLC reviews the submission and determines which, and the extent to which the expenditures that qualify for FDC, based on a set of guidelines (Appendix 1). BCLC also considers the merits of each specific project and the unique marketplace in which each facility operates.

In the event a service provider doesn't have any qualifying expenditures, they are required to hold the three per cent of net win in a FDC designated bank account and cannot access these funds until they have incurred qualifying expenditures.

All service provider commissions are earned based on the net win generated by their facility, so the better the performance, the more the service provider will earn in commissions. It's important to note that, depending upon the size of the capital investment and the net win generated, it may take a service provider 10 to 15 years to earn the equivalent to the qualifying costs they incurred.

ACCELERATED FACILITY DEVELOPMENT COMMISSION (AFDC)

Guidelines for AFDC qualifying expenditures are the same as those for FDC. However, service providers must designate a one-time project they would like to qualify for the two per cent AFDC. Only one AFDC

2 Commission on Poker is 75 per cent and commission on Craps is 75 percent on the first \$270,000 in revenue earned (per quarter) and 40 per cent on amounts above that (per quarter). These commissions reflect the higher staffing and operating costs required for these games.

project is permitted for the lifetime of each facility. For AFDC, the project must be substantially completed and in operation before the service provider is entitled to earn the AFDC.

Casino Service Provider Capital Investments and Development Commissions Earned

This chart details investments that have qualified for FDC/AFDC since 1997. In cases where a casino has relocated or where several casinos have merged into one larger redeveloped casino, total includes qualified amounts from all of those facilities.

(in thousands of dollars)

Casino	FDC Qualifying Projects	AFDC Qualifying Projects	Total Capital Investment (qualifying for FDC or AFDC)	Total FDC/AFDC Earned as at March 31, 2010	Balance of qualified expenditures remaining as at March 31, 2010
Billy Barker Casino	<ul style="list-style-type: none"> Initial development of Billy Barker Casino Redevelopment of Billy Barker Casino incorporating a show lounge 	No project designated to date	4,348	3,532	816
Boulevard Casino	<ul style="list-style-type: none"> Initial development of casino Casino redevelopment and parkade 	Show theatre	141,397	47,716	93,681
Cascades Casino/Royal Towers	<ul style="list-style-type: none"> Initial Royal Towers Casino development Initial Cascades Casino development 	Cascades Casino parkade development and casino enhancement	50,477	28,835	21,642
Casino of the Rockies	<ul style="list-style-type: none"> Initial Development of the Casino of the Rockies Minor maintenance and renovations 	No project designated to date	5,517	3,109	2,408
Edgewater Casino/Grand Casino/Royal Diamond Casino	<ul style="list-style-type: none"> Initial development of the Grand Casino Initial Development of the Royal Diamond Casino Initial development of Edgewater Casino Additional Edgewater Casino enhancements Edgewater Casino poker room 	No project designated to date	22,592	20,407	2,185
Fraser Downs	<ul style="list-style-type: none"> Initial build out 	2 nd floor gaming relocation and addition of table games	44,886	15,323	29,563
Grand Villa/Burnaby Casino	<ul style="list-style-type: none"> Initial Burnaby Casino development 	Development of Grand Villa Casino, convention space, restaurants hotel upgrade, show lounge and parkade redevelopment	77,313	51,139	26,174

Casino	FDC Qualifying Projects	AFDC Qualifying Projects	Total Capital Investment (qualifying for FDC or AFDC)	Total FDC/AFDC Earned as at March 31, 2010	Balance of qualified expenditures remaining as at March 31, 2010
Hastings Park		Temporary and permanent slots facility build out	38,069	2,157	35,912
Kamloops	<ul style="list-style-type: none"> Initial development of the Kamloops Casino Subsequent redevelopment and enhancement of Kamloops Casino 	No project designated to date	7,322	10,932	(3,610) ³
Kelowna	<ul style="list-style-type: none"> Initial development of the Kelowna Casino Reconfiguration and enhancement of the Kelowna Casino Minor maintenance and renovations 	No project designated to date	13,285	13,806	(521)
Nanaimo	<ul style="list-style-type: none"> Initial Build out Property refresh 		10,979	15,904	(4,925)
Penticton	<ul style="list-style-type: none"> Initial development of Penticton Casino Development of direct access from the parkade and completion of the poker room Minor maintenance and renovations 	No project designated to date	10,660	8,184	2,476
River Rock Casino	<ul style="list-style-type: none"> Initial development of the casino, show theatre, parkade and hotel upgrades 	Development of convention space, second parkade, poker room, VIP gaming room, gaming floor reconfiguration	249,838	58,573	191,265
Starlight Casino/ Royal City Star Casino	<ul style="list-style-type: none"> Initial development of Royal City Star Casino Subsequent Starlight gaming floor reconfiguration 	Initial development of Starlight Casino and parkade	99,887	23,056	76,831

3 If a service provider operates more than one facility, BCLC allows for consolidation of FDC eligible expenditures from all facilities. The service provider earns FDC based on the consolidated eligible expenditure balance. BCLC tracks FDC qualified and earned expenditures by facility, but where applicable, considers the consolidated qualifying expenditures in order to determine if a service provider is eligible to receive the FDC/AFDC earned. Therefore, some sites may show a negative balance of remaining qualified expenditures.

Casino	FDC Qualifying Projects	AFDC Qualifying Projects	Total Capital Investment (qualifying for FDC or AFDC)	Total FDC/AFDC Earned as at March 31, 2010	Balance of qualified expenditures remaining as at March 31, 2010
Treasure Cove Casino/Casino Hollywood	<ul style="list-style-type: none"> Initial development of Casino Hollywood Initial development of Treasure Cove Casino and Show Lounge 	<ul style="list-style-type: none"> Reconfiguration and enhancement of Treasure Cove Casino Incorporation of bingo into Treasure Cove Casino 	22,985	13,377	9,608
Vernon	<ul style="list-style-type: none"> Initial development Minor maintenance and renovations 	Redevelopment of relocated Vernon Casino	7,865	9,343	(1,479)
View Royal/Mayfair	<ul style="list-style-type: none"> Minor renovations to Mayfair Initial build-out of View Royal 	Parkade construction and land purchase	41,874	20,926	20,949
Closed sites and transfers ⁴			20,545	18,013	2,532
Total			864,831	359,014	505,817

⁴ Total includes closed sites and transfers from the closed site to other sites in owned by the same service provider.

Commissions Earned by Casino Service Providers Annually

See Appendix 3 for further details on locations, service providers and former names of existing casinos.

1997–1998

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ⁵
Billy Barker	1,161	-	1,161	290	35		325
Kelowna	7,896	-	7,896	1,974	237		2,211
Mandarin Centre	2,109	-	2,109	527	63		591
Newton	13,807	-	13,807	3,452	414		3,866
Royal Towers	10,622	-	10,622	2,655	319		2,974
Treasure Cove	1,849	-	1,849	462	55		518
Vernon	3,303	-	3,303	826	99		925
Total	40,746	-	40,746	10,187	1,222	-	11,409

Y/E March 31, 1998:

- In March 1997, Government of BC announced its new gaming policy
- First 191 slots machines were activated on October 23, 1997 at Great Canadian Casino's Surrey (Newton) location.
- During the year 850 Slots were installed by the corporation at six different casino locations.

5 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

1998–1999

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ⁶
Billy Barker	7,819	573	8,391	2,184	252		2,436
Grand		17,071	17,073	6,829	512		7,341
Grand Villa	2,183	591	2,774	782	83		865
Holiday Inn		19,325	19,328	7,731	580		8,311
Kamloops	24,968	2,707	27,675	7,325	830		8,155
Kelowna	20,052	3,344	23,396	6,351	702		7,053
Mandarin Centre		10,445	10,447	4,179	313		4,492
Mayfair		5,500	5,501	2,200	165		2,365
Nanaimo	21,846	4,432	26,279	7,235	788		8,023
Newton	1,533	14,562	16,098	6,209	483		6,692
Red Lion		698	699	279	21		300
Renaissance		11,667	11,668	4,667	350		5,017
River Rock		36,502	36,506	14,603	1,095		15,698
Royal Diamond		16,772	16,775	6,710	503		7,213
Royal Towers	40,370	13,891	54,263	15,650	1,628		17,278
Treasure Cove	14,790	1,977	16,767	4,488	503		4,991
Vernon	13,212	1,286	14,498	3,817	435		4,252
Total	146,772	161,344	308,137	101,239	9,244	-	110,483

Y/E March 31, 1999:

- In 1998, Government of BC transferred the responsibility for Casino Table gaming to BCLC
- By the end of this fiscal year there were 16 community casinos in operation, including eight with slot machines

6 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

1999–2000

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ⁷
Billy Barker	8,573	739	9,312	2,439	279		2,718
Grand		19,029	19,029	7,612	571		8,183
Grand Villa	56,080	29,965	86,045	26,006	2,581		28,587
Holiday Inn		23,015	23,015	9,206	690		9,896
Kamloops	24,965	3,016	27,980	7,447	839		8,287
Kelowna	27,384	4,852	32,236	8,787	967		9,754
Mandarin Centre		14,836	14,836	5,934	445		6,379
Mayfair		7,361	7,361	2,944	221		3,165
Nanaimo	36,464	5,956	42,420	11,498	1,273		12,771
Newton	-	16,852	16,852	6,741	506		7,246
Renaissance		11,692	11,692	4,677	351		5,028
River Rock		36,453	36,453	14,581	1,094		15,675
Royal Diamond		15,458	15,458	6,183	464		6,647
Royal Towers	28,638	14,394	43,031	12,917	1,291		14,208
Starlight	12,223	6,645	18,868	5,714	566		6,280
Treasure Cove	17,808	2,621	20,429	5,500	613		6,113
Vernon	18,392	1,799	20,191	5,317	606		5,923
Total	230,526	214,681	445,207	143,504	13,356	-	156,860

Y/E March 31, 2000:

- *Lake City Casino Kelowna relocated May 20, 1999, adding 145 slots (total 300) and 8 tables (20 tables)*
- *Royal City Star Opened October 5, 1999*
- *Slot machines have not been in play at Great Canadian Casino Newton since April 17, 1998*

⁷ Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2000–2001

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ⁸
Billy Barker	8,346	615	8,961	2,333	269		2,601
Grand		18,470	18,470	7,388	554		7,942
Grand Villa	68,427	35,214	103,641	31,192	3,109		34,302
Holiday Inn		20,288	20,288	8,115	609		8,724
Kamloops	22,142	2,518	24,660	6,543	740		7,282
Kelowna	24,707	3,972	28,679	7,766	860		8,626
Mandarin Centre		14,933	14,933	5,973	448		6,421
Mayfair		7,958	7,958	3,183	239		3,422
Nanaimo	40,409	6,004	46,414	12,504	1,392		13,896
Newton		18,987	18,987	7,595	570		8,165
Penticton	13,213	1,894	15,106	4,061	453		4,514
Renaissance		9,969	9,969	3,988	299		4,287
River Rock		40,548	40,548	16,219	1,216		17,436
Royal Diamond		12,658	12,658	5,063	190		5,253
Royal Towers	23,711	13,020	36,731	11,136	1,102		12,238
Starlight	31,320	12,171	43,491	12,698	1,305		14,003
Treasure Cove	20,137	2,529	22,666	6,046	680		6,726
Vernon	16,486	1,631	18,117	4,774	544		5,317
Total	268,898	223,380	492,278	156,576	14,579	-	171,155

Y/E March 31, 2001:

- Lake City Casino Penticton opened May 15, 2000

8 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2001–2002

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ⁹
Billy Barker	8,671	566	9,237	2,388	277		2,666
Boulevard	26,948	14,435	41,383	12,374	1,242		13,616
Grand		20,224	20,224	7,888	607		8,494
Grand Villa	72,225	40,012	112,237	33,661	3,367		37,028
Holiday Inn		27,880	27,880	10,873	836		11,710
Kamloops	19,386	2,354	21,740	5,765	652		6,417
Kelowna	23,646	3,575	27,220	7,308	817		8,125
Mandarin Centre		16,071	16,071	6,268	482		6,750
Mayfair		6,333	6,333	2,470	190		2,660
Nanaimo	40,097	5,521	45,619	12,186	1,369		13,556
Newton		11,768	11,768	4,589	353		4,942
Penticton	14,649	1,222	15,871	4,149	476		4,626
Renaissance		11,047	11,047	4,308	331		4,640
River Rock		42,286	42,286	16,515	1,270		17,785
Royal Diamond		3,314	3,314	1,308	(0)		1,308
Royal Towers	20,266	13,327	33,593	10,275	1,009		11,284
Starlight	36,908	13,355	50,263	14,577	1,509		16,086
Treasure Cove	20,944	2,776	23,720	6,321	712		7,033
Vernon	15,445	1,327	16,772	4,379	503		4,882
View Royal	12,553	3,254	15,807	4,421	475		4,897
Total	311,739	240,647	552,386	172,023	16,478	-	188,501

Y/E March 31, 2002:

- Royal Diamond Casino closed due to a labour disruption July 15, 2001
- Great Canadian Casino Surrey closed October 5, 2001
- Great Canadian Casino Coquitlam opened October 5, 2001
- Great Canadian Casino View Royal opened December 6, 2001
- Great Canadian Casino Mayfair closed January 1, 2002

9 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2002–2003

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹⁰
Billy Barker	9,055	563	9,619	2,494	290		2,784
Boulevard	56,896	32,333	89,229	26,833	2,677		29,509
Casino of the Rockies	4,535	576	5,111	1,363	154		1,516
Grand		20,996	20,996	8,186	630		8,815
Grand Villa	64,080	40,258	104,338	31,704	3,129		34,833
Holiday Inn		30,606	30,606	11,936	918		12,855
Jack o' Clubs	303	9	312	81	10		90
Kamloops	23,061	2,665	25,726	6,804	772		7,576
Kelowna	28,945	4,367	33,312	8,934	999		9,933
Mandarin Centre		18,156	18,156	7,081	545		7,626
Nanaimo	34,132	4,907	39,039	10,450	1,171		11,621
Penticton	17,099	1,426	18,525	4,850	556		5,406
Renaissance		11,665	11,665	4,549	350		4,899
River Rock		44,811	44,811	17,404	1,339		18,742
Royal Towers	18,583	14,948	33,531	10,466	1,005		11,471
Starlight	34,578	11,813	46,392	13,364	1,391		14,755
Treasure Cove	21,776	2,663	24,439	6,482	733		7,215
Vernon	18,989	1,342	20,331	5,272	610		5,882
View Royal	41,593	10,393	51,987	14,442	1,559		16,001
Total	373,627	254,497	628,124	192,694	18,837	-	211,531

Y/E March 31, 2003:

- *Casino of the Rockies opened on September 21, 2002. Lake City Casinos Limited operates the casino behalf of Ktunaxa / Kinbasket Tribal Council Society and 554381 B.C. Ltd.*
- *Jack o' Clubs opened on June 21, 2002 as a seasonal casino open only during the summer months each year*

10 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2003–2004

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹¹
Billy Barker	9,430	443	9,873	2,572	301		2,874
Boulevard	80,979	37,480	118,460	34,888	3,557		38,444
Casino of the Rockies	10,389	993	11,381	3,471	345		3,815
Grand		23,158	23,158	9,018	694		9,711
Grand Villa	87,023	42,828	129,851	38,473	3,897		42,370
Holiday Inn		31,970	31,970	12,468	959		13,427
Jack o' Clubs	245	14	259	68	8		76
Kamloops	27,638	2,491	30,128	7,885	904		8,790
Kelowna	33,621	4,261	37,883	10,064	1,137		11,201
Mandarin Centre		17,937	17,937	6,995	538		7,533
Nanaimo	37,699	4,623	42,322	11,243	1,272		12,514
Penticton	18,797	1,229	20,026	5,206	603		5,809
Renaissance		7,691	7,691	2,999	231		3,230
River Rock		56,279	56,279	21,639	1,665		23,303
Royal Towers	21,770	14,183	35,953	10,978	1,079		12,057
Starlight	37,946	11,232	49,178	13,985	1,476		15,461
Treasure Cove	24,953	2,249	27,201	7,117	816		7,934
Vernon	22,661	1,162	23,824	6,124	715		6,840
View Royal	50,396	9,715	60,111	16,416	1,807		18,223
Total	463,547	269,938	733,486	221,610	22,003	-	243,614

11 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2004–2005

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹²
Billy Barker	9,339	414	9,753	2,541	298		2,839
Boulevard	80,085	39,371	119,457	35,418	3,588		39,006
Casino of the Rockies	10,806	965	11,771	3,962	358		4,321
Edgewater	5,780	4,836	10,616	3,502	325		3,827
Fraser Downs	38,037	864	38,901	7,823	1,956		9,779
Grand		12,141	12,141	4,743	366		5,108
Grand Villa	88,361	43,915	132,276	39,574	3,976		43,550
Holiday Inn		26,295	26,295	10,422	789		11,211
Jack o' Clubs	71	-	71	18	2		21
Kamloops	28,998	2,468	31,466	8,236	947		9,182
Kelowna	36,022	4,579	40,601	10,833	1,222		12,055
Mandarin Centre		16,158	16,158	6,303	485		6,788
Nanaimo	41,330	4,780	46,111	12,232	1,386		13,618
Penticton	19,996	1,439	21,434	5,611	647		6,258
Renaissance		1,241	1,241	484	37		521
River Rock	77,574	110,524	188,098	65,114	5,632		70,746
Royal Towers	16,343	12,286	28,629	8,883	860		9,743
Starlight	26,902	8,115	35,016	9,998	1,054		11,051
Treasure Cove	29,818	2,337	32,155	8,385	967		9,352
Vernon	23,462	1,447	24,909	6,456	750		7,206
View Royal	55,662	10,119	65,782	17,902	1,978		19,880
Total	588,587	304,293	892,880	268,440	27,623	-	296,063

Y/E March 31, 2005:

- Fraser Downs racetrack & Casino opened April 5, 2004
- Casino Hollywood relocated on September 16, 2004 and is now known as Treasure cove Casino.
- Richmond Casino within the City of Richmond closed and opened as River Rock Casino , June 24, 2004
- Grand Casino (closed November 21, 2004) and Royal Diamond Casino (closed due to labour disruption on July 15, 2001) consolidated and relocated opening as Edgewater Casino on Feb 3, 2005

12 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2005–2006

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹³
Billy Barker	9,566	357	9,923	2,560	298		2,859
Boulevard	89,119	40,187	129,306	38,728	3,880		42,609
Cascades	66,226	22,744	88,970	26,792	2,670		29,462
Casino of the Rockies	11,747	1,038	12,785	4,070	384		4,454
Edgewater	37,020	36,125	73,145	24,392	2,196		26,587
Fraser Downs	46,821	-	46,821	9,381	2,342		11,724
Grand Villa	110,575	41,218	151,793	44,095	4,556		48,651
Holiday Inn		24,096	24,096	9,438	723		10,161
Jack o' Clubs	57	-	57	15	2		16
Kamloops	29,670	2,423	32,093	8,397	964		9,361
Kelowna	40,501	4,856	45,357	12,050	1,362		13,411
Mandarin Centre		979	979	381	29		410
Nanaimo	45,398	4,432	49,830	13,126	1,496		14,623
Penticton	21,984	1,542	23,527	6,149	707		6,856
River Rock	100,417	114,763	215,179	73,484	6,454		79,938
Royal Towers	7,309	6,235	13,544	4,259	406		4,665
Starlight	19,880	7,271	27,151	7,899	816		8,715
Treasure Cove	38,248	2,429	40,677	10,556	1,221		11,778
Vernon	23,908	1,526	25,434	6,606	764		7,370
View Royal	64,618	10,062	74,679	20,115	2,241		22,356
Total	763,063	322,282	1,085,346	322,494	33,511	-	356,004

Y/E March 31, 2006:

- *Mandarin Casino in Vancouver closed April 30, 2005*
- *Royal Towers Casino in New Westminster was relocated as Cascades Casino in Langley and opened May 5, 2005*
- *Coquitlam Casino was redeveloped as Boulevard Casino November 17, 2005*
- *Royal Towers Casino in New Westminster closed November 30, 2005*

13 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2006–2007

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹⁴
Billy Barker	9,729	439	10,168	2,671	306		2,977
Boulevard	113,824	44,414	158,237	47,934	4,745		52,679
Cascades	90,622	24,265	114,887	33,230	3,445		36,675
Casino of the Rockies	13,013	1,349	14,362	4,415	432		4,847
Edgewater	47,590	37,440	85,030	27,694	2,548		30,241
Fraser Downs	51,590	273	51,863	10,508	2,594		13,102
Grand Villa	122,437	42,337	164,774	47,434	4,944		52,378
Holiday Inn		26,264	26,264	10,681	788		11,469
Kamloops	32,016	2,413	34,430	8,996	1,034		10,030
Kelowna	43,794	4,607	48,401	12,782	1,453		14,235
Nanaimo	45,763	4,130	49,893	13,057	1,497		14,554
Penticton	25,160	2,036	27,196	7,224	817		8,041
River Rock	108,006	125,061	233,067	79,102	6,984		86,085
Starlight	26,317	9,026	35,343	10,217	1,061		11,276
Treasure Cove	43,688	2,609	46,297	12,101	1,389		13,490
Vernon	27,110	1,431	28,540	7,388	857		8,245
View Royal	69,197	10,942	80,139	21,571	2,404		23,975
Total	869,855	339,036	1,208,891	357,006	37,295	-	394,301

Y/E March 31, 2007:

- *Jack o' Clubs closed permanently in June 2006.*

14 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2007–2008

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹⁵
Billy Barker	10,833	446	11,278	2,944	338		3,282
Boulevard	132,367	46,163	178,530	53,288	5,355	3,566	62,209
Cascades	103,472	23,544	127,016	36,113	3,810		39,923
Casino of the Rockies	15,128	1,501	16,629	4,973	499		5,472
Edgewater	54,764	48,190	102,954	34,509	3,088		37,597
Fraser Downs	61,246	1,354	62,599	13,968	2,664	466	17,099
Grand Villa	133,612	43,081	176,692	50,481	5,302		55,784
Hastings	2,139	-	2,139	536	64	43	644
Holiday Inn	-	16,141	16,141	6,492	483		6,975
Kamloops	36,695	2,650	39,344	10,266	1,181		11,447
Kelowna	46,210	4,570	50,780	13,375	1,524		14,899
Nanaimo	45,993	4,061	50,053	13,085	1,502		14,587
Penticton	28,381	2,310	30,691	8,159	1,021		9,180
River Rock	112,409	123,382	235,791	79,161	7,071	1,795	88,027
Starlight	41,620	16,579	58,200	17,250	1,746	656	19,652
Treasure Cove	47,206	2,358	49,564	12,871	1,487		14,358
Vernon	28,906	1,594	30,500	7,898	915		8,813
View Royal	72,929	10,292	83,221	22,248	2,497		24,745
Total	973,908	348,215	1,322,123	387,619	40,548	6,527	434,695

Y/E March 31, 2008:

- *Starlight casino opened December 10, 2007*
- *Hastings Racetrack Casino opened November 10, 2007*
- *Fraser Downs Racetrack and Casino added tables to the gaming floor on November 22, 2007*
- *Royal City Star Casino closed on December 8, 2007 and relocated as Starlight Casino*
- *Great Canadian Casino Vancouver (Holiday Inn) closed November 17, 2007*

15 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2008–2009

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹⁶
Billy Barker	9,723	448	10,170	2,676	306		2,983
Boulevard	129,315	44,681	173,996	51,741	5,234	3,489	60,464
Cascades	95,085	20,110	115,196	32,537	3,467	794	36,798
Casino of the Rockies	14,636	1,389	16,024	4,803	483		5,285
Edgewater	60,458	59,994	120,451	41,105	3,629		44,734
Fraser Downs	49,544	5,197	54,741	14,384	1,649	1,099	17,131
Grand Villa	120,657	52,142	172,798	50,742	5,205	1,653	57,600
Hastings	18,006	-	18,006	4,530	298	616	5,444
Kamloops	32,487	2,830	35,316	9,306	1,063		10,370
Kelowna	40,885	4,848	45,732	12,186	1,376		13,563
Nanaimo	43,485	4,129	47,614	12,514	1,432		13,947
Penticton	27,153	2,270	29,422	7,871	1,477		9,347
River Rock	104,273	128,741	233,014	78,700	7,016	4,678	90,394
Starlight	76,373	39,992	116,365	35,648	3,504	2,336	41,489
Treasure Cove	40,465	2,158	42,623	11,069	1,282	854	13,205
Vernon	28,018	1,458	29,477	7,645	888		8,533
View Royal	70,847	9,445	80,292	21,364	2,417	759	24,540
Total	961,408	379,831	1,341,240	398,823	40,726	16,279	455,828

Y/E March 31, 2009:

- *Hastings Park temporary facility closed August 11, 2008 and the new facility opened August 14, 2008*
- *Gateway Casino Burnaby closed November 4, 2008 and reopened as Grand Villa casino on November 5, 2008*

16 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

2009–2010

(in thousands of dollars)

Casino Name	Slot Revenue	Total Table Rev	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission ¹⁷
Billy Barker	9,102	325	9,427	2,437	283		2,719
Boulevard	118,053	43,194	161,247	47,418	4,835	3,223	55,476
Cascades	99,979	19,055	119,034	33,030	3,570	2,380	38,980
Casino of the Rockies	14,121	1,025	15,146	4,380	454		4,835
Edgewater	60,355	57,477	117,832	39,162	3,533		42,695
Fraser Downs	45,469	5,581	51,050	13,247	1,531	1,021	15,799
Grand Villa	125,018	61,724	186,742	54,629	5,602	3,735	63,966
Hastings	22,709	-	22,709	5,548	682	454	6,684
Kamloops	30,894	2,645	33,539	8,757	1,006		9,762
Kelowna	34,333	4,013	38,346	10,151	1,150		11,301
Nanaimo	40,838	3,322	44,160	11,508	1,324		12,833
Penticton	26,330	2,225	28,555	7,610	1,427		9,037
River Rock	108,659	116,795	225,454	73,531	6,758	4,506	84,795
Starlight	73,909	38,707	112,616	34,079	3,382	2,255	39,716
Treasure Cove	38,951	2,348	41,299	10,556	1,239	826	12,621
Vernon	35,135	260	35,395	8,891	1,062	595	10,547
View Royal	70,744	8,328	79,072	20,544	2,372	1,581	24,497
Total	954,599	367,025	1,321,624	385,478	40,210	20,575	446,263

Y/E March 31, 2010:

- *Lake City Casino Vernon moved to new location and discontinued the use of table games effective June 10, 2009. Table game revenue reflects revenue from April 1, 2009 to June 10, 2009*

17 Service providers pay BCLC for certain costs which are subtracted in order to calculate the Total Commission. These costs include: the equivalent to one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.5 to 0.6 per cent of total revenue from any sites with 400 or more slot machines); and other cost adjustments from time to time.

Community Gaming Service Provider Commissions

Community gaming includes commercial bingo halls and community gaming centres (CGC).

BCLC assumed the conduct and manage role of commercial bingo gaming in 2003. Bingo facilities in the province were not well maintained and there was little or no incentive to enhance the facilities. The commission structure recognized the need to incent service providers to enhance or redevelop their facilities. However, because bingo revenues have been in decline year over year since the late 1990s, it has been challenging for bingo hall service providers to take on any extensive upgrades.

BCLC developed the CGC model in 2004, recognizing that a different model was needed to help capture and maintain player interest. CGCs combine bingo and slot gaming with enhanced food & beverage and entertainment options. These enhanced facilities are popular with players and are sized to fit the marketplace.

All community gaming service providers have Operational Service Agreements with BCLC and receive the standard bingo commission, which incorporates an operating component as well as a FDC component. The bingo operating commission structure is:

- 60% of bingo sales (after prizes are paid) on the first \$20,000 per week,
- 40% of bingo sales (after prizes are paid) on the next \$60,000 per week
- 25% on bingo sales (after prizes are paid) greater than \$80,000 per week.

The bingo FDC component is five per cent of bingo sales (after prizes are paid).

CGC service providers receive a slot gaming commission of 28 per cent of net win, which is divided into two parts: 25 per cent operating commission and three per cent FDC.

AFDC is also part of the CGC commission structure and is currently¹⁸:

- 10% of bingo sales (after prizes) on the first \$20,000 per week
- 8% of bingo sales (after prizes) on the next \$60,000 per week
- 6% of bingo sales (after prizes) on sales greater than \$80,000 per week

The process for determining FDC and AFDC qualifying expenditures is similar to the process used for casino service providers. Guidelines are in place for bingo and CGC FDC/AFDC (see Appendix 2).

18 BCLC is transitioning CGC AFDC to 2% of bingo and slot gaming net win in order to align it with the casino commission structure. Implementation is scheduled to be completed on April 1, 2012.

Community Gaming Service Provider Capital Investments and Development Commissions Earned

This chart details investments that have qualified for FDC/AFDC since 2002/03. (in thousands of dollars)

CGC or Bingo Hall	Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC)	Total FDC/AFDC Earned as at March 31, 2010	Balance of qualified expenditures remaining as at March 31, 2010
Bingo Bingo Esquimalt	<ul style="list-style-type: none"> Major renovations to enhance player experience Minor renovations 	905	610	295
Boardwalk Gaming Centre - Burnaby	<ul style="list-style-type: none"> Initial build out of facility 	2,528	1,580	949
Chances Abbotsford (Abbotsford Bingo)	<ul style="list-style-type: none"> Initial build out of facility 	3,877	956	2,922
Chances Boardwalk Mission (Mission Bingo Country)	<ul style="list-style-type: none"> Initial build out of facility 	4,215	1,147	3,067
Chances Boardwalk Squamish	<ul style="list-style-type: none"> Initial build out of facility 	8,000	46	7,954
Chances Campbell River (Campbell River Bingo Palace)	<ul style="list-style-type: none"> Initial build out of facility 	8,538	2,153	6,385
Chances Courtenay (Valley Entertainment Palace)	<ul style="list-style-type: none"> Initial build out of facility 	9,908	1,341	8,568
Chances Cowichan (Inkspot Bingo)	<ul style="list-style-type: none"> Initial build out of facility 	5,031	1,956	3,076
Chances Dawson Creek (Bear Mountain Bingo)	<ul style="list-style-type: none"> Renovations to incorporate slot machines Initial build out of facility 	14,133	2,036	12,097
Chances Fort St John (Rainbow Bingo Hall)	<ul style="list-style-type: none"> Initial build out of facility 	16,901	1,677	15,224
Chances Kamloops (Enterprise Entertainment)	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	7,325	3,347	3,978
Chances Kelowna (Bingo Kelowna)	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	9,504	5,191	4,313
Chances Prince Rupert (Prince Rupert Bingo)	<ul style="list-style-type: none"> Initial build out of facility 	7,664	907	6,756
Chances Rim Rock (Dob City)	<ul style="list-style-type: none"> Initial build out of facility 	3,217	1,062	2,155
Chances Signal Point Gaming (Lucky's Bingo Centre)	<ul style="list-style-type: none"> Initial build out of facility 	6,502	2,494	4,009
Chances Terrace (Lucky Dollar Bingo Palace)	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	3,854	1,413	2,441
Chilliwack Bingo	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	374	1,539	(1,165)
Fairweather Bingo	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	122	655	(534)
Harbour City Bingo	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	740	800	(59)
Langley Bingo Palace	<ul style="list-style-type: none"> Initial build out of facility to include slot machines 	2,683	2,503	180

CGC or Bingo Hall	Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC)	Total FDC/AFDC Earned as at March 31, 2010	Balance of qualified expenditures remaining as at March 31, 2010
Maple Ridge CGC (Haney Bingo Plex)	<ul style="list-style-type: none"> • Renovations for temporary slot operation • Initial build out of facility 	260	797	(537)
Newton Bingo Country	<ul style="list-style-type: none"> • Minor renovations to enhance player experience 	2,266 ¹⁹	2,019	247
Penticton Bingo Palace	<ul style="list-style-type: none"> • Minor renovations to enhance player experience 	497	474	23
Planet Bingo	<ul style="list-style-type: none"> • Minor renovations to enhance player experience 	1,351	2,093	(742)
Playtime Bingo (Nanaimo)	<ul style="list-style-type: none"> • Minor renovations to enhance player experience 	812	732	79
Playtime Gaming (Victoria)	<ul style="list-style-type: none"> • Minor renovations to enhance player experience 	642	611	31
Rocky Mountain Bingo	<ul style="list-style-type: none"> • Minor renovations to enhance player experience 	56	242	(186)
Treasure Cove Bingo	<ul style="list-style-type: none"> • Initial build out of facility 	8,467	2,404	6,062
Closed sites		3,262	2,306	956
Total		131,537	42,995	88,543

19 If a service provider operates more than one facility, BCLC allows for consolidation of FDC eligible expenditures from all of that service provider's facilities. For both Newton Country Bingo and Penticton Bingo, BCLC has transferred eligible expenditures to these sites from other sites owned by those service providers. Totals for these sites include site specific and transferred eligible expenditures.

Commissions Earned by Community Gaming Service Providers Annually

See Appendix 3 for further details on locations, service providers and former names of existing facilities.

2002–2003 (in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
711 Bingo Emporium		663	663	151	-		151
Bingo Bingo Esquimalt		3,543	3,543	501	-		501
Bingo City		2,310	2,310	280	-		280
Boardwalk Gaming Centre - Burnaby		7,441	7,441	1,079	30		1,109
Chances Abbotsford		7,490	7,490	983	31		1,014
Chances Boardwalk Mission		809	809	133	-		133
Chances Campbell River		7,229	7,229	1,080	31		1,110
Chances Courtenay		3,768	3,768	593	38		631
Chances Cowichan		4,812	4,812	695	-		695
Chances Dawson Creek		1,601	1,601	245	7		252
Chances Fort St John		3,679	3,679	561	63		624
Chances Kamloops		9,913	9,913	1,287	141		1,428
Chances Kelowna		11,926	11,926	1,476	88		1,564
Chances Prince Rupert		2,546	2,546	383	-		383
Chances Rim Rock		2,918	2,918	431	-		431
Chances Signal Point Gaming		3,914	3,914	609	3		612
Chances Terrace		5,554	5,554	825	64		889
Chilliwack Bingo		12,168	12,168	1,414	58		1,471
Cordial Bingo Hall		541	541	87	-		87
Fairweather Bingo		5,841	5,841	840	30		870
Harbour City Bingo		7,237	7,237	993	70		1,063
Langford Drop-In Bingo		1,864	1,864	351	13		363
Langley Bingo Palace		9,458	9,458	1,291	27		1,318
Maple Ridge CGC		7,870	7,870	1,098	-		1,098
Newton Bingo Country		17,468	17,468	1,992	169		2,161
Nordley's Bingo Hall		1,175	1,175	216	-		216
North Star Bingo Hall		835	835	137	21		158
Pay It Again Bingo		1,680	1,680	211	-		211
Penticton Bingo Palace		4,561	4,561	706	13		719
Planet Bingo		17,148	17,148	1,796	250		2,046
Playtime Bingo (Nanaimo)		4,984	4,984	771	22		793
Playtime Gaming (Victoria)		3,548	3,548	562	25		586
Quesnel Bingo Hall (2 Rivers)		804	804	136	7		143
River City Bingo		1,043	1,043	187	6		193
Rocky Mountain Bingo		3,200	3,200	477	10		486
Treasure Cove Bingo		11,474	11,474	1,331	111		1,442
Tri-City Bingo Palace Ltd.		365	365	107	-		107
Total	-	-	193,384	193,384	26,012	1,327	-

Y/E March 31, 2003:

- *Tri-City Bingo Palace closed July 27, 2002*
- *711 Bingo Emporium closed October 2, 2002*
- *Play It Again Bingo closed November 15, 2002*
- *Bingo City closed January 11, 2003*

2003–2004

(in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
Bingo Bingo Esquimalt		3,317	3,317	703	22		724
Boardwalk Gaming Centre - Burnaby		7,889	7,889	1,494	114		1,608
Chances Abbotsford		8,951	8,951	1,573	28		1,600
Chances Boardwalk Mission		724	724	180	4		184
Chances Campbell River		6,882	6,882	1,369	12		1,381
Chances Courtenay		3,695	3,695	834	6		841
Chance Cowichan		4,410	4,410	905	-		905
Chances Dawson Creek		1,570	1,570	361	30		391
Chances Fort St John		3,620	3,620	804	60		864
Chances Kamloops		10,568	10,568	1,889	210		2,099
Chances Kelowna		13,219	13,219	2,179	268		2,446
Chances Prince Rupert		2,185	2,185	507	5		512
Chances Rim Rock		2,800	2,800	643	6		649
Chances Signal Point Gaming		4,032	4,032	880	66		946
Chances Terrace		5,530	5,530	1,114	113		1,227
Chilliwack Bingo		11,901	11,901	1,941	123		2,064
Cordial Bingo Hall		239	239	55	4		59
Fairweather Bingo		5,625	5,625	1,097	1		1,098
Harbour City Bingo		6,962	6,962	1,239	68		1,307
Langford Drop-In Bingo		1,910	1,910	490	2		492
Langley Bingo Palace		9,603	9,603	1,817	23		1,840
Maple Ridge CGC		8,692	8,692	1,545	28		1,573
Newton Bingo Country		16,312	16,312	2,516	205		2,722
Nordley's Bingo Hall		1,183	1,183	285	-		285
North Star Bingo Hall		1,063	1,063	252	11		264
Penticton Bingo Palace		4,406	4,406	955	2		957
Planet Bingo		17,199	17,199	2,473	174		2,647
Playtime Bingo (Nanaimo)		5,781	5,781	1,190	123		1,313
Playtime Gaming (Victoria)		4,671	4,671	1,002	99		1,101
Quesnel Bingo Hall (2 Rivers)		889	889	209	17		226
River City Bingo		1,031	1,031	252	6		258
Rocky Mountain Bingo		2,624	2,624	621	2		623
Treasure Cove Bingo		14,442	14,442	2,133	209		2,342
Total	-	193,926	193,926	35,506	2,039	-	37,546

Y/E March 31, 2004:

- Cordial Hall closed January 31, 2004

2004–2005

(in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
Bingo Bingo Esquimalt		4,002	4,002	807	75		882
Boardwalk Gaming Centre - Burnaby		7,199	7,199	1,356	142		1,499
Chances Abbotsford		8,149	8,149	1,416	153		1,568
Chances Boardwalk Mission		841	841	187	16		203
Chances Campbell River		6,469	6,469	1,287	133		1,420
Chances Courtenay		3,623	3,623	811	75		885
Chances Cowichan		4,549	4,549	912	4		916
Chances Dawson Creek	1,777	1,366	3,143	623	150		773
Chances Fort St John		3,517	3,517	780	71		851
Chances Kamloops	196	11,891	12,087	2,068	253		2,321
Chances Kelowna	397	12,986	13,383	2,209	289		2,497
Chances Prince Rupert		2,074	2,074	475	37		512
Chances Rim Rock		3,432	3,432	744	66		811
Chances Signal Point Gaming	2,423	3,581	6,004	1,201	239		1,441
Chances Terrace		5,380	5,380	1,082	109		1,191
Chilliwack Bingo		12,595	12,595	1,955	136		2,091
Fairweather Bingo		5,644	5,644	1,095	110		1,205
Harbour City Bingo		5,182	5,182	972	81		1,054
Langford Drop-In Bingo		1,515	1,515	361	25		386
Langley Bingo Palace		9,025	9,025	1,714	187		1,901
Maple Ridge CGC		8,543	8,543	1,486	148		1,635
Newton Bingo Country		15,555	15,555	2,411	319		2,731
Nordley's Bingo Hall		233	233	59	-		59
North Star Bingo Hall		962	962	223	19		242
Penticton Bingo Palace		4,515	4,515	959	88		1,047
Planet Bingo		17,445	17,445	2,463	322		2,786
Playtime Bingo (Nanaimo)		6,767	6,767	1,346	142		1,488
Playtime Gaming (Victoria)		4,442	4,442	959	94		1,053
Quesnel Bingo Hall (2 Rivers)		827	827	191	16		207
River City Bingo		945	945	223	14		237
Rocky Mountain Bingo		2,270	2,270	531	44		575
Treasure Cove Bingo		14,856	14,856	2,155	261		2,417
Total	4,793	190,380	195,173	35,062	3,819	-	38,880

Y/E March 31, 2005:

- Mission Bingo Country closed April 14, 2004 and reopened as Boardwalk Gaming Centre - Mission on December 4, 2004
- Nordley's closed May 29, 2004

New Community Gaming Centres:

- Bear Mountain (Dawson Creek) opened October 1, 2004
- Signal Point Gaming (Williams Lake) opened November 5, 2004
- Enterprise Entertainment (Kamloops) opened March 5, 2005
- Bingo Kelowna opened March 11, 2005

2005–2006

(in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
Bingo Bingo Esquimalt		4,541	4,541	923	92		1,015
Bistro Bingo		14	14	3	0		4
Boardwalk Gaming Centre - Burnaby		7,590	7,590	1,450	161		1,611
Chances Abbotsford		6,244	6,244	1,127	115		1,242
Chances Boardwalk Mission		3,211	3,211	685	60		746
Chances Campbell River	706	6,284	6,990	1,438	238		1,676
Chances Courtenay		3,405	3,405	774	71		844
Chances Cowichan		4,707	4,707	924	123		1,047
Chances Dawson Creek	5,637	1,197	6,834	1,797	120		1,917
Chances Fort St John		3,431	3,431	762	69		831
Chances Kamloops	3,203	11,043	14,246	2,743	463		3,205
Chances Kelowna	8,306	11,566	19,872	4,080	616		4,696
Chances Prince Rupert		1,526	1,526	348	29		377
Chances Rim Rock		3,198	3,198	702	62		764
Chances Signal Point Gaming	7,260	3,210	10,470	2,706	240		2,946
Chances Terrace		4,699	4,699	971	95		1,067
Chilliwack Bingo		12,122	12,122	1,954	224		2,179
Fairweather Bingo		5,494	5,494	1,079	109		1,188
Harbour City Bingo		5,439	5,439	1,030	103		1,133
Langford Drop-In Bingo		1,053	1,053	239	20		259
Langley Bingo Palace		7,204	7,204	1,402	1,549		2,951
Maple Ridge CGC		9,194	9,194	1,549	167		1,716
Newton Bingo Country		15,185	15,185	2,337	300		2,637
North Star Bingo Hall		137	137	31	3		34
Penticton Bingo		4,481	4,481	958	94		1,052
Planet Bingo		17,182	17,182	2,478	328		2,806
Playtime Bingo (Nanaimo)		6,225	6,225	1,250	130		1,380
Playtime Gaming (Victoria)		4,211	4,211	915	88		1,003
Quesnel Bingo Hall (2 Rivers)		142	142	33	3		35
River City Bingo		927	927	217	18		235
Rocky Mountain Bingo		2,088	2,088	486	40		526
Treasure Cove Bingo		14,982	14,982	2,166	266		2,432
Total	25,112	181,932	207,044	39,557	5,997	-	45,554

New Community Gaming Centres:

- *Playtime–Campbell River opened February 4, 2006*

2006–2007

(in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
Bingo Bingo Esquimalt		4,954	4,954	1,009	102		1,111
Bistro Bingo		4	4	1	0		1
Boardwalk Gaming Centre - Burnaby		7,849	7,849	1,507	170	86	1,763
Chances Abbotsford		5,772	5,772	1,133	116		1,249
Chances Boardwalk Mission		3,156	3,156	680	60		740
Chances Campbell River	7,076	3,998	11,074	2,641	267	99	3,007
Chances Courtenay		3,324	3,324	760	69		829
Chances Cowichan	865	4,537	5,402	1,115	112	17	1,244
Chances Dawson Creek	11,734	1,200	12,934	3,198	78	328	3,604
Chances Fort St John		3,201	3,201	736	66		802
Chances Kamloops	3,585	10,201	13,786	2,706	174	466	3,345
Chances Kelowna	10,337	10,872	21,208	4,500	178	700	5,378
Chances Prince Rupert		1,364	1,364	311	26		337
Chances Rim Rock		3,482	3,482	759	67		826
Chances Signal Point Gaming	8,087	3,725	11,812	2,833	(70)	525	3,289
Chances Terrace		4,664	4,664	958	94	24	1,075
Chilliwack Bingo		13,094	13,094	2,209	266		2,475
Fairweather Bingo		5,945	5,945	1,173	119		1,293
Harbour City Bingo		6,408	6,408	1,196	121		1,317
Langford Drop-In Bingo		809	809	183	15		198
Langley Bingo Palace		7,022	7,022	1,378	145		1,523
Maple Ridge CGC		9,022	9,022	1,540	165		1,705
Newton Bingo Country		13,886	13,886	2,182	287		2,469
Penticton Bingo Palace		4,074	4,074	869	83		952
Planet Bingo		17,016	17,016	2,440	321		2,761
Playtime Bingo (Nanaimo)		5,416	5,416	1,104	112		1,216
Playtime Gaming (Victoria)		4,148	4,148	909	88		997
River City Bingo		810	810	190	16		206
Rocky Mountain Bingo		2,330	2,330	544	45		589
Treasure Cove Bingo		14,191	14,191	2,094	252		2,346
Total	41,684	176,473	218,156	42,859	3,543	2,246	48,647

Y/E March 31, 2007:

- *Bistro Bingo closed December 18, 2006*
- *Langford drop-in Bingo closed February 2, 2007*
- *Prince Rupert Bingo closed February 27, 2007*
- *River City Bingo closed march 31, 2007*
- *Lucky Dollar Bingo Palace opened February 15, 2007*

New Community Gaming Centres:

- *Chances Dawson Creek opened July 5, 2006*
- *Boardwalk Gaming Centre (Burnaby) opened December 1, 2006*
- *Chances Cowichan opened March 1, 2007*

2007–2008

(in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
Bingo Bingo Esquimalt		5,361	5,361	1,091	113	-	1,205
Boardwalk Gaming Centre - Burnaby		7,073	7,073	1,348	155	215	1,718
Chances Abbotsford		3,930	3,930	865	82	-	947
Chances Boardwalk Mission	4,296	2,600	6,896	1,642	177	56	1,875
Chances Campbell River	11,256	3,437	14,692	3,595	412	92	4,099
Chances Courtenay	933	3,167	4,100	987	95	11	1,092
Chances Cowichan	10,375	4,720	15,095	3,557	410	156	4,123
Chances Dawson Creek	14,091	1,219	15,310	3,811	446	45	4,301
Chances Fort St John	7,365	2,243	9,608	2,398	241	37	2,676
Chances Kamloops	4,994	10,377	15,371	3,099	356	339	3,793
Chances Kelowna	15,756	11,196	26,953	5,830	680	344	6,853
Chances Prince Rupert	3,166	832	3,998	984	112	30	1,126
Chances Rim Rock	3,872	2,464	6,336	1,533	163	42	1,738
Chances Signal Point Gaming	10,488	4,221	14,709	3,524	399	155	4,078
Chances Terrace		5,184	5,184	1,086	113	176	1,375
Chilliwack Bingo		14,193	14,193	2,346	287	-	2,633
Fairweather Bingo		6,003	6,003	1,205	122	-	1,327
Harbour City Bingo		7,481	7,481	1,362	140	-	1,501
Langley Bingo Palace		8,106	8,106	1,612	170	-	1,781
Maple Ridge CGC		9,069	9,069	1,596	31	-	1,627
Newton Bingo Country		13,181	13,181	2,189	323	-	2,512
Penticton Bingo Palace		4,189	4,189	907	86	-	993
Planet Bingo		16,633	16,633	2,434	315	-	2,750
Playtime Bingo (Nanaimo)		4,916	4,916	1,022	102	-	1,124
Playtime Gaming (Victoria)		3,785	3,785	852	80	-	933
Rocky Mountain Bingo		2,191	2,191	517	43	-	560
Treasure Cove Bingo	125	14,939	15,064	2,264	268	-	2,532
Total	86,717	172,709	259,426	53,657	5,921	1,697	61,247

Y/E March 31, 2008:

- *Playtime Gaming Campbell River closed June 30, 2007 and reopened as Chances Campbell River on July 5, 2007*
- *Dob City - Port Alberni closed August 25, 2007 and reopened as Chances Rim Rock on September 14, 2007*
- *Rainbow Bingo Hall - Fort St John closed Sept 15, 2007 and reopened as Chances Fort St John on Sept 21, 2007*
- *Valley Entertainment Palace - Courtenay closed Feb 19, 2007 and reopened as Chances Courtenay on Feb 28, 2007*
- *Good Time Bingo Hall (presently Treasure Cove Bingo) - Prince George closed March 22, 2008 and reopened as Chances Good Time Prince George on March 27, 2008*

New Community Gaming Centres:

- *Chances Boardwalk Mission opened August 24, 2007*
- *Chances Prince Rupert opened October 11, 2007*

2008–2009

(in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
Bingo Bingo Esquimalt		5,242	5,242	1,044	112		1,156
Boardwalk Gaming Centre - Burnaby		5,139	5,139	988	105	156	1,250
Chances Abbotsford		1,411	1,411	331	30		361
Chances Boardwalk Mission	9,813	1,849	11,662	2,858	330	65	3,253
Chances Campbell River	10,708	2,053	12,761	3,173	364	77	3,613
Chances Courtenay	11,397	2,315	13,712	3,431	390	93	3,914
Chances Cowichan	12,409	3,415	15,824	3,845	442	118	4,405
Chances Dawson Creek	12,265	795	13,060	3,246	383	29	3,658
Chances Fort St John	14,262	969	15,231	3,810	580	39	4,429
Chances Kamloops	6,277	6,180	12,457	2,701	304	201	3,207
Chances Kelowna	16,777	9,069	25,846	5,706	668	276	6,650
Chances Prince Rupert	8,607	1,474	10,080	2,492	288	53	2,833
Chances Rim Rock	7,290	2,172	9,462	2,314	261	79	2,655
Chances Signal Point Gaming	10,167	3,293	13,460	3,266	370	122	3,758
Chances Terrace	1,353	4,138	5,490	1,239	133	142	1,514
Chilliwack Bingo		11,305	11,305	1,924	225	-	2,149
Fairweather Bingo		4,298	4,298	904	86	-	990
Harbour City Bingo		5,870	5,870	1,136	116	-	1,252
Langley Bingo Palace	802	6,649	7,450	1,509	162	112	1,783
Maple Ridge CGC		6,989	6,989	1,255	138	-	1,393
Newton Bingo Country		10,383	10,383	1,772	238	-	2,010
Penticton Bingo Palace		3,213	3,213	706	62	-	768
Planet Bingo		11,416	11,416	1,862	210	-	2,071
Playtime Bingo (Nanaimo)		2,863	2,863	652	56	-	708
Playtime Gaming (Victoria)		3,595	3,595	816	76	-	892
Rocky Mountain Bingo		1,459	1,459	346	30	-	376
Treasure Cove Bingo	3,872	10,518	14,390	2,715	306	316	3,337
Total	125,997	128,072	254,069	56,042	6,465	1,880	64,387

Y/E March 31, 2009:

- Lucky Dollar Bingo palace closed Jan 28, 2009 and reopened as Chances Terrace on Jan 29, 2009

New Community Gaming Centres:

- Langley Bingo Palace opened October 14, 2008

2009–2010

(in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC	AFDC	Total Commission
Bingo Bingo Esquimalt		4,793	4,793	1,072	95	-	1,167
Boardwalk Gaming Centre - Burnaby		4,931	4,931	1,103	98	146	1,347
Chances Abbotsford	10,762	1,388	12,150	2,951	341	61	3,353
Chances Boardwalk Mission	9,792	1,438	11,230	2,773	318	62	3,153
Chances Boardwalk Squamish	830	93	923	225	26	20	271
Chances Campbell River	10,336	1,837	12,173	3,041	344	83	3,469
Chances Courtenay	11,971	2,039	14,010	3,503	396	97	3,996
Chances Cowichan	13,039	2,820	15,859	3,907	447	126	4,481
Chances Dawson Creek	11,667	871	12,538	3,128	366	54	3,548
Chances Fort St John	12,896	693	13,589	3,401	400	51	3,852
Chances Kamloops	6,366	4,774	11,140	2,629	277	165	3,070
Chances Kelowna	22,994	8,058	31,052	7,248	819	268	8,335
Chances Prince Rupert	7,055	1,582	8,637	2,267	240	86	2,594
Chances Rim Rock	7,008	1,689	8,697	2,174	242	73	2,489
Chances Signal Point Gaming	8,905	2,979	11,884	2,968	322	122	3,412
Chances Terrace	7,656	2,146	9,802	2,407	268	82	2,757
Chilliwack Bingo		11,133	11,133	2,233	220	-	2,453
Fairweather Bingo		4,221	4,221	972	78	-	1,050
Harbour City Bingo		5,483	5,483	1,212	101	-	1,312
Langley Bingo Palace	1,984	5,918	7,902	1,758	(69)	198	1,887
Maple Ridge CGC		6,529	6,529	1,349	120	-	1,468
Newton Bingo Country		9,276	9,276	1,878	178	-	2,056
Penticton Bingo Palace		2,571	2,571	647	46	-	693
Planet Bingo		10,115	10,115	1,946	174	-	2,119
Playtime Bingo (Nanaimo)		2,551	2,551	633	45	-	679
Playtime Gaming (Victoria)		3,291	3,291	814	61	-	876
Rocky Mountain Bingo		1,394	1,394	353	28	-	381
Treasure Cove Bingo	698	8,644	9,342	1,868	167	248	2,282
Total	143,959	113,257	257,216	60,462	6,148	1,941	68,551

Y/E March 31, 2010:

- *Abbotsford Bingo closed Sept 13, 2008 and reopened as Chances Abbotsford on June 18, 2009*
- *Chances Good Time Prince George closed June 6, 2009. Effective June 18, 2009, the site's bingo operations (Treasure Cove Bingo) moved to Treasure Cove Casino.*

New Community Gaming Centres:

- *Chances Boardwalk Squamish opened in February 2010*

Appendix 1: Facility Development Commission Guidelines for BCLC Casino Service Providers

Objective: to provide a guide to access the Facilities Development Commission (FDC).

The FDC is a facility development commission which is subject to the operator providing and adhering to an annual Business Plan and/or Capital Budget. This commission allows the Service Provider (SP) to recover the initial capital investment on casino facilities and subsequent capital replacements and enhancements of the casino facility.

The FDC is accumulated by the SP by depositing a percentage (outlined in their individual Casino Operational Services Agreement (COSA) of Net Win into a trust account.²⁰ Withdrawals from the FDC account are dependent upon the SP obtaining approval from British Columbia Lottery Corporation (BCLC). In order to process requests for withdrawals from the FDC account, BCLC requires:

1. An annual Business Plan and/or Capital Budget for review prior to the commencement of the capital project.
2. Details of the actual payments made with a comparison to the original plan and explanations of variances.

When the Business Plan/Capital Budget is submitted to BCLC by the SP, BCLC will respond with confirmation as to the eligible project expenditures which meet the terms of the FDC program. Written authorization for the SP to withdraw funds from the FDC trust account may take place, only after BCLC has reviewed and approved the actual expenditures (with budget variance explanations).

Eligible Expenditures will be considered under the following general headings:

- Pre-Development Costs,
- Construction Costs,
- Furnishing and Equipment, and
- Opening Costs:

1. Pre-Development Costs

- Soft Costs associated with the design and construction of a facility subsequent to BCLC approving a detailed Facility Development Business Plan:
 - Costs related to retaining building/construction professionals such as architects, engineers, for the preparation of documents or blue prints used in the physical development of the facility.
 - Costs of satisfying municipal requirements such as development cost charges, permit/development fees, market studies/reports.
 - Cost of developing a project execution plan with a supplier approved by BCLC (Arm's Length Transaction).
 - Costs associated with the purchase of property - limited to legal fees, land transfer taxes, and construction period property taxes up to the point of substantial completion of the facility.

²⁰ In the event that the SP has approved expenditures in excess of earned amounts, the SP may draw the earned amount directly from the operating account, requiring no deposit to the trust account.

- Financing or interest costs associated with loans or other financing arrangements for new capital construction or improvements during the construction phase up to the point of substantial completion of the project. *On-going financing costs are not eligible for FDC compensation.*
- Utility costs during the course of construction up to the point of substantial completion of the facility.
- Costs associated with varying the organizational structure to facilitate a project may be eligible at the discretion of BCLC.
 - For example, Staff wages may be eligible if an internal staff member is participating in a role where the job description would be a normal construction function.

2. Construction Costs

- The normal costs of construction in relation to the approved Facility Development Business Plan.
- The land purchase will be eligible only after construction of the land improvements have commenced.
- Land and building leases may be eligible. Payments under a capital lease may be eligible based on the lower of net present value or the original cost. Interest or financing costs related to leases are not eligible for FDC.
- Convention centers, theatres, pubs and bar, restaurants and racetrack facilities—all additional amenities constructed to make the complex more appealing to visitors may be eligible for FDC (at the discretion of BCLC).
 - Common areas of eligible and non-eligible structures will be approved based on reasonable allocation.
- Interior and exterior construction (or improvements) to meet BCLC standards for surveillance and security or facility design, parking, ambience, or operational efficiency.
- Infrastructure improvements to washrooms, HVAC, plumbing, heating, electrical, generator systems (in case of power failure) and landscaping and sprinkler systems.
- Health and safety improvements relating to the Gaming Operation.

3. Furnishings and Equipment

- Start-up equipment and décor for the casino operation, including all of the amenity areas: convention centers, theatres, pubs and bars, restaurants and racetrack facilities where these facilities have been approved by BCLC.
- Initial and ongoing improvements to maintain the quality of experience for the gaming public, including ambient lighting, signage, carpet, millwork, seating, suites for group bookings, etc.
- Capital (equipment) leases may be eligible. Payments under a capital lease may be eligible based on the lower of net present value or the original cost. Interest or financing costs related to leases are not eligible for FDC.
- Repairs and maintenance of furnishings and equipment will not be eligible unless the life of the capital asset is extended.

- Back of house equipment required by BCLC such as ticket redemption machines, counting machines.

4. Opening Costs

- Grand opening or grand re-opening celebrations (at the discretion of BCLC) may be eligible.
- Staff certification costs for liquor requirement – Serving It Right.

The following list of expenditures will not be FDC eligible:

- Improvements of which SP is the primary beneficiary such as executive office space or retail space.
- All costs deemed to be staff training in nature.
- Costs deemed to be marketing in nature (sponsorships, mail-outs, lure pieces, website development).
- Costs of exceeding BCLC facility standards for normal workplace requirements (employee gyms, lounges, etc).
- Some workplace equipment, technology, or supplies used by the SP (computer equipment, telephones, headphones, and some radio equipment).
- Supplies considered disposable, such as but not limited to; videotapes, table felts, hand-held counterfeit detectors and food and beverage supplies.
- GST.
- Financing costs (except as mentioned above under eligible expenditures).
- Items that are paid for by BCLC.
- Repairs and maintenance to the building, equipment and furnishings.
- Costs associated with option extensions on the purchase of land or building.
- Operating leases such as but not limited to slot and table game leases.
- Costs related to staff training except where noted.

When submitting requests for approval and subsequent withdrawal from the FDC Fund, please provide the information using the template provided by BCLC:

1. Schedules listing the expenditures with a reconciliation to the Business Plan/Capital Budget. Explanations of large variances between actual costs and the Business Plan/Capital Budget must be submitted. Variances which exceed the original budget, where reasonable, may be considered.
2. For mortgage or loan payments, provide details to separate the principal repayments from the interest or financing costs. An amortization schedule should also be provided.
3. FDC submissions must be submitted to BCLC electronically. If electronic submission is not feasible, submissions can be faxed and/or mailed.

Email: CasinoSPFDF@bclc.com
Fax: 1-800-637-0746
Address: 74 West Seymour Street
Kamloops, BC V2C 1E2

In all cases, submissions for eligible expenditures must be net of GST.

BCLC will provide to the SP, reconciliation between items being claimed and those approved as eligible expenditures.

BCLC will provide a monthly FDC schedule to SPs. The schedule will include:

- A percentage of Net Win (based on COSA), accumulated by BCLC fiscal periods
- Total expenditures that have been claimed for reimbursement from the FDC Fund and have been approved by BCLC.
- The current balance.

The current balance will be a debit if accumulated FDC funds are greater than approved expenditures. From time-to-time, BCLC will request SPs provide confirmation of the balance in the trust account.

The balance will be a credit if the total qualifying expenditures approved by BCLC are more than the total accumulated FDC funds. In this case, we will confirm with you the balance of qualifying expenditures that remain unfunded.

The maximum that may be withdrawn from the fund is the lesser of the net accumulated FDC balance and the balance of previously unfunded approved expenditures.

When BCLC reports the balance in the FDC Fund, please return confirmation of this figure. Confirmations can be sent by email or fax. In the event of discrepancies, contact Casino Finance to identify and clear up any differences as soon as possible.

CONSOLIDATION

Where a SP operates more than one casino in British Columbia, FDC may at BCLC's discretion, be allowed to be consolidated. That is, FDC earned by all casinos in the SP corporate group and FDC expenditures approved by BCLC, for those casinos in the SP corporate group may be consolidated at a global level by the SP.

Appendix 2: Facility Development Commission Guidelines for BCLC Bingo and Community Gaming Service Providers

1. Objective: To provide a guide to access the Facility Development Commission (FDC) Program

The purpose of FDC is to provide additional compensation to Bingo Service Providers (BSP) for the component of the operation of the gaming facility that relates to the provision of the facility. The additional compensation related to the operation of the gaming facility is derived from the Bingo net of prizes and Slot net win, provided the BSP utilizes these funds to improve the gaming facility. Bingo FDC, Slot FDC and additional CGC FDC percentages are laid out in accordance with Schedule A of the Bingo Operational Services Agreement (BOSA).

BCLC will be required to approve the improvements prior to commencing on the proposed project. The types of improvements that BCLC will approve include initial capital investment of the facility as well enhancements to a gaming facility (see section below for examples of eligible and ineligible projects).

Before a BSP can start to earn this additional compensation, BCLC must approve a detailed Facility Plan and a Business Plan. Once both detailed plans are received, BCLC will allow the additional compensation to accumulate prior to completion of the project (see accumulation of FDC for major projects). The plans will be reviewed in detail and the BSP will be advised, in writing, of any shortcomings or deficiencies that need to be addressed. Arrangements will be made to discuss what is expected and to establish mutually agreeable timelines to resolve the issues so as not to interrupt the FDC accumulation.

The BSP will be required to substantiate that the improvements have been completed.

If the BOSA is cancelled prior to the BSP earning the entire approved amount of FDC, any outstanding amounts for facility improvements will not be paid by BCLC.

If the BOSA is assigned to a new BSP by BCLC, that new BSP can earn the outstanding FDC compensation under the BOSA based on the improvements that have been made to the facility pursuant to the Facility Business Plan previously approved by BCLC.

2. Prior to Commencing a Project:

For Major Projects (requiring designs and/or structural changes), BCLC requires:

1. A detailed Facility Plan and Business Plan (refer to template), including details of the size and layout of the facility and renderings including the enhancements, themes, and ambiance elements, estimated sales and profit projection, capital budget plan and a construction/project execution plan for review and approval prior to the commencement of the capital project.
2. Completed FDC Request Form. Available from Business Development Manager (BDM).

For Minor Projects BCLC requires:

1. Brief written description of proposed capital project for review.
2. Completed FDC Request Form (available from BDM).

3. Process:

The BSP must provide the BDM with a detailed Facility Plan and Business Plan as described above (for Major Projects) or written description (for Minor Projects) and a completed FDC Request Form. The BDM will submit the request to the Manager, Facilities Gaming, who will review the request within 30 working days and either approve or recommend changes.

Major Projects – once the detailed Facility Plan and Business plan has been received and eligibility for FDC is determined by the Manager, Facilities Gaming, a letter will be sent to the BSP acknowledging receipt and advising of the start date for accumulation. Written approval or recommended changes and approved budgets will follow within 30 working days. Arrangements will be made to discuss what is expected and to establish mutually agreeable timelines to resolve the issues so as not to interrupt the FDC accumulation.

Minor projects – once approved and eligibility for FDC is determined by the BDM, a letter will be sent to the BSP approving the project and budget as being eligible to trigger additional compensation through FDC when the minor project is completed.

Projects can commence once the written approval is received by the BSP for both Major and Minor Projects.

4. Accumulation of FDC for Major Projects:

Major Projects may accumulate FDC upon BCLC receiving the detailed Facility Plan and Business Plan up to an amount equivalent to the cost of the approved project as set out in the Facility Plan. The effective date for accumulation will be identified in the letter sent to the BSP advising of the start date and will coincide with the weekly accounting cycle for FDC. A signed final approval to proceed or make recommended changes along with an approved budget for a Major Project will be issued by BCLC to the BSP within 30 working days. Construction/renovations must commence as set out in the construction schedule in the approved Facility Plan. Any and all delays must be immediately reported to BCLC. Failure to adhere to all Facility Plan schedules may result, at BCLC's discretion, in an interruption of FDC accumulating for that facility until the project is back on schedule. BCLC may in its sole and absolute discretion continue accumulation during the delay. The BSP must inform BCLC in writing immediately if at any time during the course of the construction the completion costs will exceed 10% or more of the pre-approved budget. Failure to do so may result in BCLC only allowing the pre-approved budget as the eligible expenditure.

Where a facility is being relocated, FDC will start accumulating on the date BCLC formally advises the BSP of receiving the Facility Business Plan for the relocated facility.

1. Where an existing facility is already receiving the FDC, accumulation relating to an approved relocation project cannot commence until the FDC compensation related to the existing facility has been fully earned pursuant to the BOSA.

2. If a facility with FDC owing ceases to operate, no further FDC compensation is payable in respect of that facility and is not transferable to the new relocated facility.
3. If a facility is sold by the BSP and there is approved FDC compensation which has not been earned, no further FDC compensation is due to the seller. Any approved FDC compensation which still may be earned will transfer with the BOSA.
4. If a facility is already receiving FDC compensation, previously approved projects must be fully completed and fully paid by FDC compensation equivalent to the eligible approved expenditure. An approved Facility Plan and Business Plan must be in place before accumulation can commence for any subsequent improvement.
5. Where a BSP has more than one facility, all being 100% owned by the BSP, FDC will accumulate individually for each of the facilities in the group with a Facility Plan and Business Plan. The first FDC payment will commence when the project is complete and will include all accumulated FDC compensation for that facility.
 - If a facility is maintained to BCLC standard and there are no approved FDC compensation amounts which have not been earned as well as no other approved projects for FDC, FDC compensation for that facility may in BCLC's sole discretion accumulate on account of one of the other facilities in the group that has an approved Facility Business Plan.
 - If a facility is eligible to receive FDC on account of another facility, then FDC compensation paid will be based on the first instance of an approved and completed project. (First in, first to get compensation paid out basis).

5. Payment of FDC:

Minor Projects:

When the minor project is complete as determined by the BDM, the BSP must submit the signed FDC Approved Form with satisfactory evidence of the project being completed and explanation on any variances from the original plan to BCLC Bingo Finance.

In order to incorporate the FDC compensation for Minor Projects on the weekly invoice, the FDC Approved Form must be faxed to Bingo Finance by Friday at 10:00AM for the next sweep date (the following Thursday).

Major Projects:

At the time construction commences or when a lease has been signed securing a new building, the BSP may send a letter to BCLC requesting the release of the accumulated FDC to cover the expenditures paid on pre-development costs and land. The letter should provide a list of the pre-development costs and include proof of purchase on the land if applicable. If the expenditures are in excess of the accumulated FDC, the BSP will continue to receive weekly FDC. The BSP will only receive FDC equivalent to the approved expenditures at which time accumulation will restart and continue until the project is substantially complete.

When the major project is substantially complete as determined by the Manager, Bingo Facilities Gaming, any remaining accumulated FDC will be released to the BSP on the coinciding weekly invoice. The BSP will have 120 days to submit the FDC Approved Form with satisfactory evidence of the project being complete and any variance from the original plan to BCLC Bingo Finance. The package shall include all copies of paid invoices for the total project including any pre-development costs that were approved for release at the time construction commenced. Failure to submit the FDC Approved Form and satisfactory evidence within 120 days may result in BCLC ceasing the FDC accumulation until sufficient documentation is received.

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Phone: 1-250-828-5500
Fax: 1-250-828-5607
Address: 74 West Seymour Street, Kamloops, BC V2C 1E2

As set forth in the current BOSA, FDC compensation will be paid to the BSP on a weekly basis and reflected in the BSP bank account. For **Major Projects**, the first FDC payment will include all accumulated FDC compensation for that facility. Subsequent payments will flow from the FDC earned each accounting cycle. No FDC payment will be made until the major project is substantially complete.

BCLC Bingo Finance will provide an FDC Hall History Report which details:

- projects that have been approved for FDC compensation,
- weekly FDC compensation paid, and
- current balance outstanding.

Information regarding the process can be obtained from the BDM or, Manager, Facilities Gaming.

Expenditures are incurred solely on behalf of the BSP and will not be reimbursed by BCLC. The responsibility of paying all expenditures rests solely with the BSP. FDC is available to encourage investment in the facility but there is no guarantee that earned FDC compensation will cover the cost of the improvements.

Set forth below are some of the guidelines used by BCLC in considering FDC projects; however, BCLC reviews each FDC project on its own merits. Decisions regarding approvals of FDC will be in the sole and absolute discretion of BCLC. There are circumstances whereby BCLC may determine that only a portion of a project may meet eligibility requirements, or only a portion may actually be related to the bingo gaming aspect of the facility. In this case, BCLC may, in its sole and absolute discretion, assess a proportional amount of the project as eligible for FDC compensation.

In the event the Facility or Land are not used as originally approved by BCLC per the Facility Development Plan, the amount of the FDC expenditure that was originally approved will be re-assessed by BCLC.

6. Eligible Projects may include:

1. Development Costs

- At the discretion of BCLC, land and improvements to land and building, may be considered as eligible FDC compensation, or any portion thereof.
- Soft Costs associated with the design and construction of a facility after BCLC has approved a detailed Facility Business Plan:
 - Related to hiring building/construction professionals such as architects, engineers for the preparation of documents or blue prints that will be part of the physical development.
 - Costs of satisfying municipal requirements such as development cost charges and permit fees.
 - Cost of developing a project execution plan with a supplier approved by BCLC.
 - Costs associated with the purchase of property - limited to legal fees, land transfer taxes and construction period property taxes up to the point of substantial completion of the facility.
 - Utility costs during the course of construction up to the point of substantial completion of the facility.
- Interior and exterior construction to meet BCLC standards for surveillance and security or facility design, ambience, or operational efficiency.
- Infrastructure improvements to washrooms, HVAC, plumbing, heating, electrical, generator systems (in case of power failure).
- Health and safety improvements relating to the Gaming Operation.
- Approved facility relocation costs.
- Gaming facility construction costs.
- Landscaping and sprinkler systems.

2. Furnishing and Cosmetic Décor

- Ongoing improvements to maintain quality of experience for the gaming public, including ambient lighting, signage, carpet, millwork, seating, playing surfaces, suites for group bookings, etc.
- Costs associated with design to improve the overall player experience.

3. Capital leases may be eligible. Payments under a capital lease may be eligible based on the lower of net present value or the original cost. Interest or financing costs related to leases are not eligible for FDC.
4. Financing or interest costs associated with loans or other financing arrangements for new capital construction or improvements will be eligible for FDC during the construction phase until the time of substantial completion of the project. Once the construction of the capital project is substantially complete and the accumulated FDC is released and FDC commences on a weekly basis, on-going financing costs are not eligible for FDC compensation.

7. Examples of Projects not eligible for FDC:

1. Improvements of which BSP is the primary beneficiary such as executive office space or retail space.
2. All costs incurred preparing a Business Plan or Marketing Plan.
3. Costs associated with organizational structure including varying the organizational structure to facilitate a project.
4. Costs of exceeding BCLC facility standards for staff rooms, workplace requirements (that is, employee gyms, lounges, etc).
5. Workplace equipment, technology, or supplies used by the BSP (except for those needed on the gaming floor), e.g. computer equipment, telephones, headphones.
6. GST.
7. Financing Costs (except as mentioned above under Eligible expenditures #6.4).
8. Supplies considered disposable, such as, videotapes, hand-held counterfeit detectors and Food and Beverage supplies..
9. Items that are paid for and owned by BCLC.
10. Marketing initiatives or expenses such as a development of a web page or web site.
11. Penalty and fines incurred by contractors performing improvements.
12. Minor repairs and maintenance to the building and furnishings.
13. Costs associated with option extensions on the purchase of land or building.

Appendix 3: BCLC Casino and Community Gaming Facilities and Service Providers

CASINO SERVICE PROVIDERS

Facility	Service Provider	Municipality
Billy Barker	585 Holdings Ltd.	Quesnel
Boulevard (formerly Coquitlam)	Great Canadian Casinos Inc.	Coquitlam
Cascades (formerly Royal Towers)	Gateway Casinos Limited	Langley
Casino of the Rockies	SEM Resort Limited Partnership	Cranbrook
Edgewater (formerly Grand & Royal Diamond)	Edgewater Casino ULC	Vancouver
Fraser Downs	Orangeville Raceway Ltd	Surrey
Grand Villa (formerly Burnaby)	Gateway Casinos Limited	Burnaby
Hastings	Hastings Entertainment Inc.	Vancouver
Holiday Inn	Great Canadian Casinos Inc.	Vancouver
Jack o' Clubs	Jack o' Clubs Gaming Hall Ltd.	Wells
Kamloops	Lake City Casinos Ltd.	Kamloops
Kelowna	Lake City Casinos Ltd.	Kelowna
Mandarin Centre	Gateway Casinos Limited	Vancouver
Nanaimo	Great Canadian Casinos Inc.	Nanaimo
Newton	Great Canadian Casinos Inc.	Surrey
Penticton	Lake City Casinos Ltd.	Penticton
Red Lion	Great Canadian Casinos Inc.	Victoria
Renaissance	Great Canadian Casinos Inc.	Vancouver
River Rock (formerly Richmond)	Great Canadian Casinos Inc.	Richmond
Starlight (formerly Royal City Star)	Gateway Casinos Limited	New Westminster
Treasure Cove (formerly Hollywood)	Treasure Cove Casino Inc.	Prince George
Vernon	Lake City Casinos Ltd.	Vernon
View Royal (formerly Mayfair, Victoria)	Great Canadian Casinos Inc.	View Royal

COMMUNITY GAMING SERVICE PROVIDERS

CGC or Bingo Hall	Service Provider	Municipality
711 Bingo Emporium	City Bingo Association	Victoria
Bingo Bingo Esquimalt	319968 BC Ltd. (DBA Bingo Bingo Esquimalt)	Victoria
Bingo City	Bingo City Games Inc.	Prince George
Bistro Bingo	Mount Pleasant Starship Community Charitable Association	Vancouver
Boardwalk Gaming Centre - Burnaby	427967 BC Ltd. (DBA Bingo Country)	Burnaby
Chances Abbotsford (formerly Abbotsford Bingo)	Playtime Peardonville Ventures Ltd.	Abbotsford
Chances Boardwalk Mission (formerly Mission Bingo)	Boardwalk Gaming Mission Inc.	Mission
Chances Boardwalk Squamish	Boardwalk Gaming Squamish Inc.	Squamish
Chances Campbell River (formerly Campbell River Bingo Palace)	Playtime Community Gaming Centres Inc.	Campbell River
Chances Courtenay (formerly Valley Entertainment Palace)	Playtime Community Gaming Centres Inc.	Courtenay
Chances Cowichan (formerly Inkspot Bingo)	Duncan Dabber Bingo Society	Cowichan
Chances Dawson Creek (formerly Bear Mountain Bingo)	Great Canadian Entertainment Centres Ltd.	Dawson Creek
Chances Fort St John (formerly Rainbow Bingo Hall)	1222192 Alberta Ltd.	Fort St John
Chances Kamloops (formerly Enterprise Entertainment)	Enterprise Entertainment Ltd.	Kamloops
Chances Kelowna (formerly Bingo Kelowna)	Goldwing Investments (Saskatoon) Ltd.	Kelowna
Chances Prince Rupert (formerly Totem Bingo Hall)	0733244 BC Ltd.	Prince Rupert
Chances Rim Rock (formerly Dob City)	Alberni Valley Gaming Association	Port Alberni
Chances Signal Point Gaming (formerly Lucky's the Bingo Centre)	Lucky's Ventures Ltd.	Williams Lake
Chances Terrace (formerly Lucky Dollar Bingo Palace)	Lucky Dollar Bingo Management Ltd.	Terrace
Chilliwack Bingo	Chilliwack Bingo Association	Chilliwack
Cordial Bingo Hall	Cordial Bingo Association	Vancouver
Fairweather Bingo	Terrim Properties Ltd.	Vernon
Harbour City Bingo	Harbour City Bingo Society	Nanaimo
Langford Drop-In Bingo	Pacific Fundraising Ltd	Victoria
Langley Bingo Palace	Playtime Community Gaming Centres Inc.	Langley
Maple Ridge CGC (formerly Haney Bingo Plex)	Great Canadian Entertainment Centres Ltd.	Maple Ridge

CGC or Bingo Hall	Service Provider	Municipality
Newton Bingo Country	427967 BC Ltd. (DBA Bingo Country)	Surrey
Nordley's Bingo Hall	Bute Street Bingo Association	Port Alberni
North Star Bingo Hall	Astel Canada Holdings Ltd.	Fort Nelson
Pay It Again Bingo	Yarwood Enterprises Ltd	Kamloops
Penticton Bingo Palace	Playtime Community Gaming Centres Inc.	Penticton
Planet Bingo	Community Gaming Management Association	Vancouver
Playtime Bingo (Nanaimo)	Playtime Community Gaming Centres Inc.	Nanaimo
Playtime Gaming (Victoria)	Playtime Community Gaming Centres Inc.	Victoria
Quesnel Bingo Hall (2 Rivers)	Astel Canada Holdings Ltd.	Quesnel
River City Bingo	River City Bingo Association	Powell River
Rocky Mountain Bingo	Terrim Properties Ltd.	Cranbrook
Treasure Cove Bingo (formerly Chances Good Time, Good Time Bingo)	Treasure Cove Casino Inc.	Prince George
Tri-City Bingo Palace Ltd.	Pacific Fundraising Ltd	Port Moody
Victoria Bingo Palace	Pacific Fundraising Ltd	Victoria