

July 8, 2016

Her Worship Lisa Helps
Mayor, City of Victoria
1 Centennial Square
Victoria, British Columbia
V8W 1P6



Dear Mayor Helps:

Thank you for your interest in hosting a potential gaming facility in the City of Victoria.

BCLC has concluded the second phase of its Expression of Interest (EOI) process in your market area, and we are pleased to advise you that the City of Victoria has been selected as the preferred host local government for a potential new gaming facility. We are excited at the prospect of bringing additional entertainment options to Victoria residents and tourists alike.

We appreciate the City of Victoria's ongoing participation in the EOI process, which is intended to be a transparent, first step that determines interest in hosting gaming facilities in identified communities.

BCLC selected the City of Victoria as its preferred host local government as part of a rigorous assessment process that was overseen by a third-party fairness monitor. The decision was made based on factors including population distribution, tourism considerations and distance from existing facilities in the region.

At this time, we will not pursue a gaming facility with the District of Saanich, Esquimalt Nation, Songhees Nation or the Township of Esquimalt.

BCLC will now turn its attention to selecting a private-sector service provider, which would own or lease a potential gaming facility on our behalf and operate it on a day-to-day basis.

Once a service provider has been selected as part of a Request for Proposal process, we will work together on the development of a gaming facility proposal for the City's consideration. We are committed to working with City staff to ensure that the proposal reflects input from the City and all stakeholders.

It is our intention to develop a gaming facility to suit the market in the City of Victoria, with the View Royal Casino remaining the primary facility in the region. The decision of the size and scope of the new facility will be based on expansion plans for the View Royal Casino.

74 West Seymour Street
Kamloops, BC V2C 1E2

T 250.828.5500
F 250.828.5631

2940 Virtual Way
Vancouver, BC V5M 0A6

T 604.215.0649
F 604.225.6424
bclc.com

It's important to BCLC that we hear from your community and understand what's important to residents. There will be many opportunities for community input throughout the approval process.

BCLC acknowledges the concerns expressed by the Mayors of Langford and View Royal and is committed to further consultation with West Shore communities, with the intent of developing a proposal with consideration to these matters.

In addition, before the City of Victoria could consider approval of a gaming proposal put forward by BCLC, the City would be obligated under the *Gaming Control Act* to seek and consider input from the community and to consult on certain prescribed matters with local governments whose borders fall within 5 km of the proposed gaming facility.

If you have any questions related to next steps in the process, please contact:

Greg Walker
Director of Public Affairs, BCLC
2940 Virtual Way
Vancouver, BC V5M 0A6
gwalker@bclc.com

We are also available to meet with you to provide further detail on our market analysis and the approval process at any time.

Finally, it's important to note that this letter does not in any way constitute a commitment on either BCLC or the City of Victoria's part to develop a gaming facility. Either may choose to not proceed with a facility at any time.

BCLC looks forward to working collaboratively with Council and Staff in the coming months.

Sincerely,

A handwritten signature in black ink, appearing to read 'Desmarais', with a stylized circular flourish at the beginning.

Brad Desmarais
Vice President, Casino and Community Gaming
BCLC

cc: Susan Dolinski, BCLC
Jerry Williamson, BCLC
Greg Walker, BCLC