



STATE OF MARYLAND
VIDEO LOTTERY FACILITY LOCATION COMMISSION

**Evitts Resort, LLC Amended Proposal for a
Video Lottery Operation License in Allegany County**

Addendum to April 26, 2012 Decision Statement

July 31, 2012

Background

On April 26, 2012, the Video Lottery Facility Location Commission awarded a License to Evitts Resort, LLC (Evitts) to own and operate a video lottery facility in Allegany County, located at the Rocky Gap Lodge and Resort. Evitts' Proposal included an investment of approximately \$54.0 million to purchase the Rocky Gap Lodge and Resort and construct an approximately 50,000 square foot video lottery facility with 850 video lottery terminals (VLT) adjacent to the existing Lodge.

The Award was made contingent upon several enumerated actions by Evitts and others, including Board of Public Works approval of the purchase agreement and Ground Lease and Evitts promptly seeking financing and submitting evidence of acceptable construction financing to the Location Commission and State Lottery Commission before any construction begins on the new facility, unless such construction is approved by the Department of Natural Resources (DNR).

On June 20, 2012, the BPW approved: MEDCO assigning to Evitts the ground lease through which DNR leases 260 acres in Rocky Gap State Park to MEDCO; DNR amending and restating the assigned ground lease; DNR forgiving certain outstanding debts and liabilities; Purchase Agreement between MEDCO and Evitts; and State Highway Administration releasing 17 acres of DNR property from a certain conveyance.

To date, Evitts has been unable to secure the requisite construction financing for the new VLT facility. In order to close as scheduled on August 3, 2012, and to move the project forward, Evitts has requested the Location Commission's approval to design, build and operate a 500-VLT facility in the existing conference and meeting space of the Rocky Gap Lodge and Resort.

Decision

Although not a part of Evitts' initial proposal, the Request for Proposals (RFP) and the VLT law permit the VLT facility in Allegany County to be within the existing Rocky Gap Lodge and Resort. In addition, under the current VLT law, the licensee is required to replace meeting and conference space that is used for the VLT facility within 36 months of issuance of the license.

Motion

To approve Evitts' request to construct a VLT facility for 500 VLTs within the Lodge and Resort, using the existing conference and meeting space, contingent upon:

- (1) financial settlement on the purchase of the Lodge and Resort on August 3, 2012;
- (2) review and final approval of the site and design plans by the Department of Natural Resources, in accordance with the ground lease agreement; and
- (3) replacement of the conference and meeting space as soon as feasible and no later than 36 months of license issuance.

Motion By: Poole

Seconded By: Barbera

	AYE	NAY	ABSTAIN	ABSENT
Chairman Donald C. Fry	[✓]	[]	[]	[]
Commissioner Thomas Barbera	[✓]	[]	[]	[]
Commissioner James King	[✓]	[]	[]	[]
Commissioner Rona Kramer	[✓]	[]	[]	[]
Commissioner Ella Pierce	[✓]	[]	[]	[]
Commissioner D. Bruce Poole	[✓]	[]	[]	[]
Commissioner Linda Read	[✓]	[]	[]	[]

Chairman's Signature:



Date:

7/31/12

Recorder's Signature:

Rachel Hise