

Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



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September 20, 2018

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House, State Circle
Annapolis MD 21401

The Honorable Michael E. Busch
Speaker of the House
H-101 State House, State Circle
Annapolis MD 21401

Dear President Miller and Speaker Busch:

In accordance with State Government Article §9-1A-34(a) of the Annotated Code of Maryland, the Maryland Lottery and Gaming Control Commission (MLGCC), through the Maryland Lottery and Gaming Control Agency (MLGCA), and in consultation with the Governor's Office of Small, Minority & Women Business Affairs (GOSBA), submits its Annual Report on Maryland Casinos ("Licensees") for Calendar Year 2016 ("Report"). This Report includes summary information on Licensee operational status and financial performance, criminal activity statistics related to the casinos, and performance measures on minority business participation goals by the Licensees, as well as their efforts to attain those goals as specified under SG §9-1A-10(a)(1) and (2).

Enclosed is a copy of the MLGCC's Report for your review and consideration. If you would like additional information, please feel free to contact MLGCA Director Gordon Medenica at 410-230-8790.

Sincerely,

E. Randolph Marriner
Chair

Enclosure

c: Special Secretary Jimmy Rhee, GOSBA
Jeannie Haddaway-Riccio, Deputy Chief of Staff, Governor's Office
Commissioners, MLGCC
Gordon Medenica, Director, MLGCA
Gina M. Smith, Deputy Director/CFO, MLGCA
James B. Butler, Managing Director, Organizational Compliance, MLGCA

E. Randolph Marriner, Chair

F. Vernon Boozer, George L. Doetsch, Jr., Michelle Fager, Bert J. Hash, Jr., James J. Stakem



MARYLAND LOTTERY AND GAMING

Annual Report on Maryland Casinos: Calendar Year 2016

In compliance with SG §9-1A-34(a)

September 20, 2018

Maryland Lottery and Gaming Control Commission

1800 Washington Boulevard, Suite 330, Baltimore, MD 21230



Annual Report on Maryland Casinos: Calendar Year 2016 In compliance with SG §9-1A-34(a)

BACKGROUND

In the 2008 general election, Maryland voters ratified a constitutional amendment authorizing slot machines in five locations in the state (Anne Arundel County, Baltimore City, Cecil County, Allegany County and Worcester County). Upon approval of this constitutional amendment, a new Title 9, Subtitle 1A was added to the State Government Article (SG) to provide a licensing and regulatory framework for casino operators and associated employees and contractors, and to specify the distribution of the proceeds from slot machine operations.

In a 2012 referendum, voters approved a gaming expansion bill, allowing for table games in all Maryland casinos, as well as extended facility hours. The referendum also allowed for a sixth casino in Prince George's County. SG§ 9-1A was amended to include this expansion and to specify the distribution of proceeds from table game operations. Maryland's Video Lottery Facility Location Commission awarded the state's sixth and final casino operator's license in December 2013.

The Maryland Lottery and Gaming Control Commission (MLGCC), with assistance from the Maryland Lottery and Gaming Control Agency (MLGCA), is responsible for all matters relating to regulation of casino licensees. In this regulatory role, the MLGCC oversees all internal controls, auditing, security, surveillance, background investigations, licensing and accounting procedures for each of the facilities.

As of December 31, 2016, there were six casinos operating: Hollywood Casino Perryville in Cecil County, Ocean Downs Casino in Worcester County, Maryland Live! Casino (now known as Live! Casino & Hotel) in Anne Arundel County, Rocky Gap Casino Resort in Allegany County, Horseshoe Casino Baltimore in Baltimore City and MGM National Harbor in Prince George's County.

This annual report covers the licensee status, revenue totals, crime statistics, Minority Business Enterprise (MBE) outreach efforts and MBE participation achievements for each casino during the reporting period of January 1, 2016 through December 31, 2016.

STATUS OF FACILITIES

General statistical data on each casino as of December 31, 2016:

Hollywood Casino Perryville (Cecil County) – Gaming & Leisure Properties, Inc.

- Opened on September 27, 2010
- Calendar year 2016 gaming revenue: \$75,296,270
 - Slot machines: \$63,947,648
 - Table games: \$11,348,622
- 850 slot machines and 20 table games
- Employees: 335

Ocean Downs Casino (Worcester County) – Ocean Enterprises 589, LLC

- Opened on January 4, 2011
- Calendar year 2016 gaming revenue: \$58,470,069
 - Slot machines: \$58,470,069
- 800 slot machines and no table games
- Employees: 234

Maryland Live! Casino (Anne Arundel County) – PPE Casino Resorts Maryland, LLC

- Opened on June 6, 2012
- Calendar year 2016 gaming revenue: \$653,149,783
 - Slot machines: \$399,340,298
 - Table games: \$253,809,485
- 3,906 slot machines and 209 table games
- Employees: 2,655

Rocky Gap Casino Resort (Allegany County) – Golden Entertainment, Inc.

- Opened on May 22, 2013
- Calendar year 2016 gaming revenue: \$50,123,716
 - Slot machines: \$42,827,956
 - Table games: \$7,295,760
- 662 slot machines and 17 table games
- Employees: 318

Horseshoe Casino Baltimore (Baltimore City) – CBAC Borrower, LLC

- Opened on August 26, 2014
- Calendar year 2016 gaming revenue: \$324,313,284
 - Slot machines: \$176,969,107
 - Table games: \$147,344,177
- 2,202 slot machines and 179 table games
- Employees: 1,340

MGM National Harbor (Prince George's County) – MGM National Harbor, LLC

- Opened on December 8, 2016
- Calendar year 2016 gaming revenue: \$41,934,027
 - Slot machines: \$24,362,462
 - Table games: \$17,571,565
- 3,237 slot machines and 165 table games
- Employees: 2,430

REVENUE

Total revenue generated by the gaming program in calendar year 2016:

DISBURSEMENTS	CALENDAR YEAR 2016
Small, minority and women-owned businesses	\$11,167,553
Racetrack Facility Renewal Account	\$7,230,896
MLGCA (for operational expenses)	\$8,087,512
Local Impact Grants	\$40,947,696
Local Jurisdictions	\$2,123,715
Horse Racing Purse Dedication Account	\$51,056,565
Education Trust Fund	\$415,102,671
Casino Operators	\$667,570,542
CASINO REVENUE TOTAL	\$1,203,287,150

CRIME

Total crime statistics by casino for calendar year 2016:

COMPLIANCE CATEGORY	Hollywood	Ocean Downs	Maryland Live!	Rocky Gap	Horseshoe	MGM	TOTAL
Excluded persons in casino (VEP)	11	3	73	5	38	11	141
Internal Theft	6	2	12	0	18	0	38
Intoxicated patrons evicted	9	2	52	7	28	0	98
Physical altercations	5	2	45	1	60	6	119
Theft/Robbery	18	36	139	60	42	5	300
Unattended children/vulnerable adults	0	0	1	0	3	0	4
Underage - False ID	0	0	5	1	7	1	14
Underage - Gambling and/or alcohol	0	0	10	0	5	2	17
Underage - No Violation	0	0	22	0	4	0	26
Underage - Violation	0	0	4	0	10	7	21
TOTALS BY CASINO	49	45	363	74	215	32	778

2016 RESPONSE SUMMARY

	Hollywood	Ocean Downs	Maryland Live!	Rocky Gap	Horseshoe	MGM	TOTAL
Police Response*	130	232	445	24	400	18	1,249

*These response statistics represent law enforcement agencies' responses to the casinos for certain incidents noted above, as well as other non-gaming related matters.

MINORITY BUSINESS ENTERPRISE OUTREACH EFFORTS

Casino staff's direct and indirect Minority Business Enterprise (MBE) outreach efforts undertaken during the reporting period from January 1, 2016 through December 31, 2016:

Hollywood Casino Perryville

- Attended the MBE/Women Business Enterprise (WBE) Vendor Fair at Horseshoe Casino Baltimore.
- Attended the Governor's Office of Small, Minority & Women Business Affairs' (GOSBA) Ready, Set, Grow Procurement Connections Workshop.
- Engaged in one-on-one meetings, either by phone or in person, with MBE vendors regarding new business opportunities.
- Spoke or had email conversations with multiple vendors acquainted with minority outreach events.
- Issued a Request for Proposals (RFP) for marketing services, specifically soliciting MBE marketing vendors acquainted with minority business outreach vendor fairs.
- Identified certified MBE vendors through the Maryland Department of Transportation's (MDOT) database to assist in its search for vendors with goods and services needed for ongoing operations.
- In 2016, engaged the services of 23 MDOT-certified MBE vendors during the ongoing operations phase, three of which were new vendors for the casino.

Ocean Downs Casino

- Attended the 13th Annual Maryland Washington Minority Companies Association (MWMCA) Spring Breakfast Meeting & Business Showcase Expo, where the casino was an exhibitor, and also placed an advertisement in MWMCA's program.
- Attended MWMCA's Diverse Vendor Information & Matchmaker Fair at Horseshoe Casino Baltimore and participated in a panel discussion.
- Continued a relationship with an MBE vendor for steel fabrication services on the casino's expansion project.
- In 2016, engaged the services of eight MDOT-certified MBE vendors during the casino's ongoing operations phase.

Maryland Live!

- Hosted two Minority Business Vendor Fairs for MBEs interested in doing business with casinos and other major companies.
- Engaged in one-on-one meetings and/or telephone conversations with MBE vendors to discuss doing business with the casino.
- Attended small business fairs/expos in search of MBEs vendors.
- Issued an RFP for marketing services and solicited more than 100 MBE vendors utilizing MDOT's database.

- Participated in two diversity events discussing the casino's commitment to diversity.
- Continued membership in the West County Chamber and the Anne Arundel County Minority Business Committees.
- Attended the 13th Annual MWMCA Spring Breakfast Meeting & Business Showcase Expo, where the casino was a major sponsor and exhibitor.
- Celebrated and honored 10 local black heroes and leaders as part of the casino's Black History Month recognition.
- Attended the Kunta Kinte Heritage Festival as a sponsor.
- Attended the following community events as a sponsor: Latino Fest, Fiesta DC, Korus Festival, Vet Fest, and the Pacific Miss Asian American Pageant.

Rocky Gap Casino Resort

- Attended two MBE outreach events at Live! Casino.
- Attended the MBE/WBE Vendor Fair at Horseshoe Casino Baltimore.
- Attended and participated as a panelist at the Governor's Understanding Small Business Procurement Forum.
- Attended GOSBA' Small Business Roundtable at Frostburg State University.
- Solicited MBE vendors for the casino's upcoming expansion project.
- In 2016, engaged the services of seven MDOT-certified MBE vendors during the casino's ongoing operations phase.

Horseshoe Casino Baltimore

- Hosted an outreach event at the casino with more than 100 MBEs in attendance under the auspices of MWMCA's Diverse Vendor Information & Matchmaker Fair. MBEs were invited to meet with managers as well as our prime suppliers for upcoming opportunities.
- Participated as an exhibitor and attended five minority outreach vendor fairs and diversity expos where MBE vendors showcased products and services.
- Attended eight minority vendor meetings, events or conferences where MBE vendors were in attendance, and explained to vendors the various casino business opportunities.
- Hosted the Baltimore City Chamber of Commerce breakfast with Baltimore Mayor Stephanie Rawlings-Blake, where MBE vendors were in attendance.
- Conducted numerous one-on-one meetings and site visits with MBE vendors to discuss doing business with Horseshoe Casino.
- Encouraged interested vendors to register on our national database and complete vendor profiles that are used by the casino's procurement and sourcing professionals across the country.
- Continued evaluating current MBE vendors to identify exceptional performers that would be strong candidates for national contracts or additional business under existing contracts. These efforts led to increased spending with seven current MBE suppliers.
- On a quarterly basis, analyzed current list of vendors against Horseshoe's national diversity databases to identify other minority businesses and encouraged all current MBE suppliers that are not MDOT-certified to become certified.
- Issued 15 formal invitations to bid on current RFPs at the local and national levels.
- In 2016, engaged the services of 29 MDOT-certified MBE vendors during the casino's ongoing operations phase, nine of which were new vendors for the casino.

MGM National Harbor

- Hosted and/or participated in six outreach sessions to meet with MBEs and discuss opportunities to contract with MGM National Harbor. Approximately 50 to 60 people attended each session.
- Conducted and engaged in three business-to-business matchmaking events.
- Engaged in one-on-one meetings and telephone conversations with prime vendors and MBEs.
- Utilized MDOT's database to search for certified MBEs for bid opportunities.
- Presented and attended area Asian-American workshops and outreach events seeking MBE participation, and implemented the casino's outreach to Asian-American contractors.
- Attended the Prince George's Southern County Chamber of Commerce's State of the Chamber Meeting to engage MBEs about contracting opportunities.
- In 2016, engaged the services of 173 MDOT-certified MBE vendors, 22 during the Architectural/Engineering phase and 151 during Construction/Development phase.



**Governor's Office of
Small, Minority & Women
Business Affairs**

Video Lottery Terminals (VLT) Facilities

MBE Compliance Status Report

**Prepared by the Governor's Office of Small, Minority & Women
Business Affairs**

Jimmy Rhee, Special Secretary

September 18, 2018

Review Process and Reporting Information

Licenses submit monthly facility expenditure data reports to the Governor’s Office of Small, Minority & Women Business Affairs (GOSBA). The expenditure data comes from various reports generated directly from the licensees’ financial systems, including check register reports. GOSBA also receives MBE payment reports directly from the MBE firms. Both the licensees and the MBE firms submit monthly payment data. The licensees’ expenditure data and the MBE payment data are reported under the appropriate expense classifications so they can be properly evaluated in connection with the corresponding MBE participation goals. This report includes only the amounts that are verified through payment records that MBE firms submitted to GOSBA.¹ Any MBE payment that was not verified by the report’s closing date will be reflected as part of a restatement in a subsequent report.

The Commission, in consultation with GOSBA, has approved a list of expenditures to be excluded from licensees’ total expenditure amounts. A determination of the allowed exclusions from each licensee’s expenditure reports was made by GOSBA based on the licensees’ descriptions of the products or services. A list of current approved exclusions is attached hereto as Exhibit B.

MBE PARTICIPATION ACHIEVEMENT

This report includes information regarding the following licensees: (1) Hollywood Casino Perryville (Hollywood Casino); (2) Ocean Downs Casino (Ocean Downs); (3) Maryland Live! Casino (Maryland Live!); (4) Rocky Gap Casino Resort (Rocky Gap); (5) Horseshoe Casino Baltimore (Horseshoe); and (6) MGM National Harbor (MGM).

Hollywood Casino Perryville

Hollywood Casino is located in Cecil County. The facility opened on September 27, 2010. Hollywood Casino features slot machines, table games, restaurants and parking facilities.

The activity in calendar year 2016 related to the following expense classifications: Operations Phase and VLT/Table Game Equipment Phase.

The facility’s MBE achievement for the Ongoing Operations Phase (excluding the purchase of VLT/Table Games) for calendar year 2016 is as follows:

**HOLLYWOOD CASINO PERRYVILLE
Ongoing Operations 01/01/16 - 12/31/16**

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 7,672,622	\$ 804,671	10%

Table Games & Slots 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 506,399	\$0	0%

¹ Consistent with state law, only those firms certified by the Maryland Department of Transportation as MBE firms can be counted toward meeting the MBE participation goal.

Ocean Downs Casino

Ocean Downs opened on January 4, 2011. The facility is located at the Ocean Downs Racetrack in Worcester County.

The activity in calendar year 2016 for Ocean Downs related to the following expense classifications: A&E Phase², Construction Phase and Ongoing Operations Phase.

The facility's MBE achievement for A&E, Construction and Ongoing Operations Phases for calendar year 2016 is as follows:

**CASINO AT OCEAN DOWNS
Ongoing Operations 01/01/16 - 12/31/16**

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 5,605,816	\$ 720,559	13%

A&E (Casino Expansion) 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 4,038	\$ -	0%

Construction (Casino Expansion) 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 1,395,641	\$ 1,179,857	85%

Maryland Live! Casino

Maryland Live!, located at Hanover's Arundel Mills commercial district, opened on June 6, 2012. This facility features slot machines, table games, a live music venue, several restaurants and parking facilities.

The activity in calendar year 2016 included in this report relates to the following expense classifications: Operations Phase and VLT/Table Game Equipment Phase.

The facility's MBE achievement for the Ongoing Operations Phase (excluding the purchase of VLT/Table Games) for calendar year 2016 is as follows

² The initial construction phase of a building connected to Ocean Downs began during 2016.

MARYLAND LIVE! CASINO

Ongoing Operations 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 74,553,863	\$ 12,675,878	17%

Table Games & Slots 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 6,176,728	\$ -	0%

Rocky Gap Casino Resort

Rocky Gap, located in Cumberland, opened on May 22, 2013. This facility features slot machines, table games, restaurants, a hotel, a golf course and an expanded convention center.

The activity in calendar year 2016 relates to the Ongoing Operations Phase.

ROCKY GAP CASINO RESORT

Minority Classification	Total Payments	MBE Payments	MBE Participation
Rocky Gap - Casino	\$ 2,382,064	\$ 167,345	7%

Horseshoe Casino Baltimore

The Baltimore City facility, which opened on August 26, 2014, includes slot machines, table games, a live music venue, restaurants and parking facilities.

The activity in calendar year 2016 relates to the Ongoing Operations Phase.

HORSESHOE CASINO BALTIMORE

Ongoing Operations 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 27,001,295	\$ 3,694,466	14%

Table Games & Slots 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation
Overall	\$ 12,173,531	\$ 0	0%

MGM National Harbor

On December 23, 2013, the Video Lottery Facility Location Commission awarded a VLT license to MGM National Harbor, LLC (MGM). The facility, located in Prince George’s County, opened on December 8, 2016 and includes slot machines, table games, a hotel, restaurants, retail space and an entertainment venue.

Since the 2013 activity was not reported in the previous report it is now included with the activity in calendar year 2014. The activities in calendar year 2016 are related to the following expense classifications: A&E Phase, Development Phase (reported with Construction Phase) and Construction Phase.

MGM NATIONAL HARBOR
Architectural & Engineering 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation Goal	MBE Participation
Overall	\$16,845,662	\$3,636,368	19%	22%
African American		\$2,045,673	6%	12%
Hispanic-American		\$196,444	2%	1%
Women		\$403,358	9%	2%

Construction Related 01/01/16 - 12/31/16

Minority Classification	Total Payments	MBE Payments	MBE Participation Goal	MBE Participation
Overall	\$661,070,763	\$210,195,259	26%	32%
African American		\$111,081,847	7%	17%
Asian-American		\$22,056,386	4%	3%

Exhibit A

EXPENSE CLASSIFICATIONS

Development Phase

All expenses related to casino development paid prior to the Architectural/Engineering and Construction Phases including, without limitation, the following:

- Obtain planning approvals, environmental approvals and other governmental approvals
- Engage consulting services related to new projects (e.g., attorney's fees, accounting firms, title firms, etc.)
- Select architecture and engineering firm
- Select construction manager or prime contractor
- Consultants engaged for purposes of responding to the Request for Proposals for the VLT license
- Obtain Insurance bonding

NOTE: For review and evaluation of MBE participation, this Phase is reported with the Construction Phase.

Architecture and Engineering (A&E) Phase

All work performed by the architect's team (including all sub-consultants) during design, construction and close-out, including, without limitation, the following:

- Pre-design Phase
- Schematic Design Phase (includes conceptual site plans, preliminary building plans, sections, elevations and/or other drawings)
- Design Development Phase (includes further development of the floor plans, sections, elevations, typical construction details, and equipment layouts and development of specifications for major building materials and systems)
- Construction Documentation Phase (includes floor plans, enlarged plans, wall sections, ceiling plans, power/communication plans, finish plans, elevations, details and written specifications to further establish the quality levels of materials and systems required for the project)
- Oversight during construction phase and close-out
- Commissioning

Construction Phase

All work performed by the owner, construction manager, prime contractor and their subcontractors for the construction of the new casino facility and close-out, including, without limitation, the following:

- Solicit and review construction bids
- Construct new building structures and installation of building systems and major equipment, site preparation, utilities, and related outside construction, and installation of major equipment such as electrical, mechanical, fire detection, plumbing, security and audio/visual
- Install of interior/exterior signage
- Perform landscaping services
- Obtain building and other permits as required
- Manage change orders
- Negotiate certificates of substantial completion
- Manage construction close-out

Pre-Opening Operation Phase

All operations expenses paid prior to opening date including, without limitation, the following:

- Initiate marketing for new facility
- Food and beverages
- Conduct open house for community participants, press, etc.
- Supplies (e.g., janitorial, office)
- Computer equipment and software
- Transportation vehicles
- Uniforms
- Furniture, fixtures and equipment (excluding VLT machines and table games equipment)
- Cashiering and count room equipment
- Smallwares and equipment

NOTE: For review and evaluation of MBE participation, this Phase is reported with the Construction Phase.

Ongoing Operations Phase

Operations expenses paid from opening date. Examples of these expenses include the following:

- Marketing and public relations events
- Pest control
- Janitorial services
- Maintenance of the facility and its systems (e.g., electrical, mechanical, HVAC, computer, communications, A/V, security)
- Renovations
- Supplies (e.g., office/janitorial)
- Ongoing replacement/maintenance of VLT/table game equipment
- Ongoing consulting services related to casino operations (e.g., IT, attorneys, accountants, security)
- Services or supplies related to food service and retail operations controlled by licensee (not through lease agreements).
- Uniforms

Video Lottery Terminal (VLT)/Table Game Equipment Phase

Expenses paid related specifically to the purchase of VLT and table game equipment. Examples of these expenses include the following:

- Purchase of video lottery terminal machines
- Purchase of table games and equipment
- Transport of gaming equipment to casino facility
- Maintenance and service of gaming equipment
- Warehouse and storage of gaming equipment

Exhibit B (as of 9/5/14)

Exclusions	Description
Federal/State/Local Payments	This exemption includes all payments made to governmental entities including taxes, video lottery terminal license fees, alcohol permits and fees, etc.
Public Utilities: Ground Water, Sewage, Electricity, Telephone (Local and Long Distance) and Natural Gas	This exemption includes utility expenses paid to regulated utilities such as electricity, natural gas and metered water. It includes energy choice electric and gas vendors. It includes local and long distance carriers. It does not include other utility-related expenses such as the purchase of propane gas, cable, cell phone, television or internet services. These other expenses are not excluded costs and are subject to MBE requirements.
Licensee only: Employee Wages, Benefits and Expense Reimbursement	This exemption includes all expenses paid for core payroll benefits such as salaries, insurance (e.g., health, workers' compensation, life), retirement plans and profit-sharing plans for employees. It also includes all reimbursements made directly to employees. All other employee-related costs paid to third parties (e.g. relocation costs, training and travel) are not excluded costs and are subject to MBE requirements.
Professional Association and Union Fees	This exemption includes all membership fees paid by the licensee for professional associations. It includes both association fees and union dues for the licensee and its employees.
Banking Services: Loan Fees, Principal and Interest	This exemption only includes fees for loan servicing including interest. Other banking fees such as credit card, general banking, ATM and cash handling are not excluded costs and are subject to MBE requirements.
Individual Engagement Fees for Talent and Professional Sports Figures	For purposes of this exemption, talent includes musicians, bands and all types of artists of any medium.
Professional Sports Teams: Sponsorships and Membership Fees	This exemption includes advertisements, seats to events, and other sponsorship activities as long as payment is made directly to the professional team or stadium/sport facility owner (e.g. Maryland Stadium Authority).
Brand Licensing Fees	This exemption includes licensing fees for brands and other intellectual property rights such as music streaming fees.
Charitable and Non-Profit Donations	This exemption includes payments made to charitable and non-profit entities.

Political Contributions	All political contributions are exempt.
Payments for Legal Settlements, Claims and Judgments	This exemption includes fees paid to the court or entities/individual to settle legal claims. It also includes payments made for garnishments.
Contingency Fund	For the initial construction of the facility or any significant construction project, the general contingency fund will not be included for goal setting purposes only. Any expenditure made from the contingency fund will be subject to MBE requirements.
Purchase Price for Real Estate or Lease Payments	This exemption includes all real estate transactions and real estate leases. Allowances paid under real estate leases are also excluded.
Other	Any other exclusion approved by the Lottery Commission.