

LOUISIANA GAMING CONTROL BOARD

Minutes of December 15, 2009

The Louisiana Gaming Control Board conducted a meeting on Tuesday, December 15th, 10:00 a.m. in House Committee Room 6 of the Louisiana State Capitol. Present at this meeting were: Dane K. Morgan, Chairman; Major Claude Mercer, Velma Rogers, Ayres Bradford, Robert Jones, Mark Stipe, Gerald Juneau, James Singleton and Jackie Berthelot. Absent were ex-officio members, Col. Mike Edmonson and Sec. Cynthia Bridges.

It was moved by Ms. Rogers to waive the reading and approve the minutes of the October meeting. That motion was seconded by Mr. Berthelot and unanimously approved by the Board.

Ms. Donna Jackson, State Police Gaming Audit Division, presented the revenue reports for the riverboats, landbased casino and slots at the track. Mr. Jim Bossier, also with the Gaming Audit Division, presented the statistics for video poker.

Ms. Mesa Brown, Assistant Attorney General, presented third quarter compliance reports for slots at the track.

Mr. John Payne, Central Division President of Harrah's Entertainment, updated Board members with reference to Harrah's properties in Louisiana. Mr. James Hoskins, General Manager of Jazz Casino Corporation, and Mr. Gino Iafrate, General Manger of Horseshoe and Louisiana Downs, were also available for questions.

The Board acted on a petition by Catfish Queen Partnership in Commendam d/b/a Belle of Baton Rouge Casino for reconfiguration of gaming space. It was moved by Mr. Bradford to approve the petition. That motion was seconded by Mr. Juneau and unanimously approved by the Board.

There was a request by Churchill Downs Louisiana Horseracing Company, L.L.C., for approval of a "Second Amended and Restated Credit Agreement." It was moved by Mr. Singleton to approve the request. That motion was seconded by Mr. Jones and unanimously approved by the Board.

Pinnacle Entertainment, Inc. petitioned the Board for a "Modification of the Approved Project and Certain License Conditions" for Sugarcane Bay.

Following discussion, it was moved by Mr. Jones to adopt the resolution, attached as Appendix A, approving the petition. That motion was seconded by Mr. Juneau and unanimously approved by the Board. The Chairman also requested that Pinnacle submit an updated budget by the end of the year.

The Board acted on Certificates of Compliance for the following riverboat casinos:

1. **Grand Palais Casino – License No. R011000841** – Motion by Ms. Rogers to issue the Certificate of Compliance. That motion was seconded by Mr. Jones and unanimously approved by the Board.
2. **Isle of Capri Casino – License No. R011700174** - Motion by Mr. Berthelot to issue the Certificate of Compliance. That motion was seconded by Mr. Juneau and unanimously approved by the Board.
3. **Eldorado Casino Shreveport – License No. R013600005** – Motion by Mr. Juneau to issue the Certificate of Compliance. That motion was seconded by Mr. Jones and unanimously approved by the Board.

Mr. Jonathon Wagner, Assistant Attorney General, addressed the Board with reference to the institution of rulemaking procedures for the adoption of amendments to LAC 42:VII.2707, 2715, & 2723; LAC 42:IX.2707, 2715, 2717, & 2723; and LAC 42:XIII.2707, 2717, & 2723 (Accounting Regulations). It was moved by Mr. Singleton to institute the procedures for adoption of the amendments as stated. That motion was seconded by Mr. Bradford and unanimously approved by the Board.

The Board acted on Proposed Settlements/Appeals from Hearing Officers' Decisions in the following:

1. **In Re: Gary Gruenig d/b/a Koz's - No. 2604214909** – Motion by Mr. Bradford to approve the \$500.00 penalty for failure to attend the mandatory compulsive gambling training session. That motion was seconded by Mr. Singleton and unanimously approved by the Board.
2. **In Re: Vida Boa, LLC d/b/a Lago – No. 3601215509** – Motion by Mr. Singleton to approve the \$500.00 penalty for failure to attend the mandatory compulsive gambling training session. That motion was seconded by Ms. Rogers and unanimously approved by the Board.
3. **In Re: Hymel's, Inc. d/b/a Hymel's, Inc. – No. 4700214866** – Motion by Mr. Bradford to approve the \$500.00 penalty for failure to attend the mandatory compulsive gambling training session. That motion was seconded by Mr. Juneau and unanimously approved by the Board.
4. **In Re: Oasis Foods, Inc. – No. P081001078** – Motion by Mr. Stipe to approve the \$3,500.00 penalty for failure to timely notify the Division of a stock transfer. That motion was seconded by Mr. Jones and unanimously approved by the Board.
5. **In Re: Armand & Guidry, Inc. d/b/a Tastee #61 – No. 2602207392, James Armand – No. 07019, Marilyn Guidry – No. 07022, B.B.B.J., LLC d/b/a Joe's Café 2 – No. 2600212727, Stacey Armand – No. 07020, Helen Byrne – No. 07021**

Motion by Mr. Stipe that all parties submit, within 15 days, briefs concerning jurisdictional issues on the posture of this case as it is currently, and as was originally considered at the May 19th Board meeting. That motion was seconded by Ms. Rogers and unanimously approved by the Board.

6. **In Re: Linsi Pitre – No. V000016687** - Motion by Major Mercer to affirm the Hearing Officer's decision denying the permit. That motion was seconded by Mr. Bradford and unanimously approved by the Board.

It was moved by Mr. Juneau to go into Executive Session. That motion was seconded by Mr. Singleton and unanimously approved by the Board.

Following the Executive Session, the Board returned to the Regular Session.

There being no further comments, it was moved by Mr. Singleton to adjourn. That motion was seconded by Mr. Bradford and unanimously approved.

The meeting was adjourned.



State of Louisiana
Gaming Control Board

BOBBY JINDAL
GOVERNOR

DANE K. MORGAN
CHAIRMAN

In the Matter of the PNK (SCB) L.L.C.
No. R016500086

RESOLUTION

On the 15th day of December, 2009, the Louisiana Gaming Control Board ("Board") did, in a duly noticed public meeting, consider the issue of PNK (SCB) L.L.C.'s Petition to Modify the Approved Project and Certain License Conditions, and upon motion duly made and seconded, the Board adopted the following Resolution:

BE IT RESOLVED that the introductory paragraph to the Statement of Conditions be amended and replaced as follows:

**STATEMENT OF CONDITIONS TO RIVERBOAT GAMING LICENSE OF
PNK (SCB) L.L.C.**

PNK DEVELOPMENT 7, LLC ("PNK7") and PINNACLE ENTERTAINMENT, INC. (collectively "Transferee") and **PNK (SCB) L.L.C.** hereby expressly accept, agree and stipulate to the following conditions to the license of **PNK (SCB) L.L.C. ("SCB" or "Licensee")** to conduct riverboat gaming operations, said license previously issued by the Louisiana State Police, Riverboat Gaming Division and renewed by its successor, the Louisiana Gaming Control Board ("LGCB"). As part of the approval of the transfer of ownership interest in Licensee and approval of modification of berth site, Licensee and Transferee hereby agree to the following as additional conditions on the SCB license:

BE IT FURTHER RESOLVED that Condition 7 of the Statement of Conditions to Riverboat Gaming License be modified and replaced with the following Condition 7:

To offer the kind, amount and scope of non-gaming activities on the riverboat, shore and support facilities, and all other amenities, including a 400 room hotel, as approved by the LGCB on August 15, 2006, and as

described and amended in Licensee's Petition to Modify Approved Project and Certain License Conditions filed December 8, 2009 and presented to the LGCB on December 15, 2009 (hereinafter referred to as the "Approved Project").

BE IT FURTHER RESOLVED that Condition 14(c) of the Statement of Conditions to Riverboat Gaming License be modified and replaced with the following Condition 14(c):

Construction of the Approved Project which commenced October 31, 2008, shall be substantially completed on or before June 30, 2011. "Commence Construction" or "Commencement of Construction" shall be that time when excavating and grading work began for purpose of preparing any foundation(s) related to the Approved Project. Additional time may be granted by the LGCB in its sole and absolute discretion upon timely request for good cause shown. Failure to meet this deadline or to timely receive an extension may result in forfeiture of all privileges to the License. If completion of the gaming operations of the Approved Project occurs prior to June 30, 2011, SCB may petition the Board for a modification to Condition 8 to allow it to open the gaming operations which request may be considered by the LGCB in its sole and absolute discretion.

BE IT FURTHER RESOLVED that Condition 15 of the Statement of Conditions to Riverboat Gaming License be modified to require a minimum investment of **THREE HUNDRED MILLION DOLLARS (\$300,000,000.00)** in the Approved Project.

BE IT FURTHER RESOLVED that on or before February 16, 2010, Licensee shall submit to the Board updated architectural blueprints and a detailed plan of design and construction of the Approved Project, as modified by Licensee in its December 15, 2009 presentation to the Board.

THUS DONE AND SIGNED IN BATON ROUGE, LOUISIANA THIS 15th DAY OF DECEMBER, 2009.



DANE K. MORGAN, CHAIRMAN
LOUISIANA GAMING CONTROL BOARD