

1:1 LOUISIANA GAMING CONTROL BOARD

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3 BOARD OF DIRECTORS' MEETING

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8 THURSDAY, SEPTEMBER 20, 2018

9

10 House Committee Room 1

11 Louisiana State Capitol

12 900 North Third Street

13 Baton Rouge, Louisiana

14

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16

17 TIME: 10:00 A.M.

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1 APPEARANCES

2

3 RONNIE JONES

Chairman (At Large)

4 June 30, 2019

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

8 MARK STIPE

(Attorney)

9 Seventh Congressional District

June 30, 2020

10

ROBERT W. GASTON, III,

11 (At large)

Sixth Congressional District

12 June 30, 2021

13

14 ELTON LAGASSE

(At large)

15 First Congressional District

June 30, 2021

16

17 JULIE BERRY

(CPA)

18 Third congressional District

June 30, 2024

19

20 HARRY AVANT

(At Large)

21 Fourth Congressional District

June 30, 2024

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23

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1 APPEARANCES CONTINUED

2

3 MAJOR CHUCK MCNEAL

Louisiana State Police

4

5 MICHAEL LEGENDRE

Louisiana Department of Revenue

6

7 LANA TRAMONTE

Executive Assistant

8

9 TRUDY SMITH

Confidential Assistant

10

11 REPORTED BY:

12 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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12 2. 190 Truck Stop, LLC, d/b/a	
13 Grand Point Grand Casino -	
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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning.

3 Welcome to the September meeting of the

4 Louisiana Gaming Control Board.

5 Miss Tramonte, would you call the

6 roll.

7 MS. TRAMONTE: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 MS. TRAMONTE: Mr. Bradford?

10 MR. BRADFORD: Here.

11 MS. TRAMONTE: Mr. Stipe?

12 MR. STIPE: Here.

13 MS. TRAMONTE: Mr. Singleton? [No

14 response.]

15 Mr. Gaston?

16 MR. GASTON: Here.

17 MS. TRAMONTE: Miss Berry?

18 MS. BERRY: Here.

19 MS. TRAMONTE: Mr. Patrick? [No

20 response.]

21 Mr. Lagasse?

22 MR. LAGASSE: Here.

23 MS. TRAMONTE: Mr. Avant?

24 MR. AVANT: Here.

25 MS. TRAMONTE: Colonel Reeves?

1 MAJOR MCNEAL: Major McNeal for
2 Colonel Reeves.

3 MS. TRAMONTE: Secretary Robinson?

4 MR. LEGENDRE: Michael Legendre for
5 Secretary Robinson.

6 CHAIRMAN JONES: We have a quorum.
7 We may conduct business.

8 Before I move on to public comment,
9 just want to offer up a couple of items
10 from the Chair. First of all, our Board
11 Member, Claude Jackson's, term expired,
12 and I want to thank Claude if he's out
13 there watching somewhere. We appreciate
14 his service. He represented northwest
15 Louisiana well. He was always here at
16 the meetings and was not just a friend
17 but a great asset to the Board, and, you
18 know, we will miss his input.

19 And in his place, Governor Edwards
20 has appointed Harry Avant. I want to
21 welcome Harry to the Board.

22 MR. AVANT: Thank you.

23 CHAIRMAN JONES: Harry brings more
24 than four decades of business experience
25 to the Board, mostly in northwest

1 Louisiana, mostly oil and gas where he's
2 previously served on the state racing

3 commission under Governor Blanco, has
4 been involved in economic development in
5 northwest Louisiana. I think you're a
6 perfect fit for the Board, and we
7 welcome you aboard.

8 MR. AVANT: Thank you, look forward
9 to serving.

10 CHAIRMAN JONES: Thanks for being
11 here.

12 A little update. For those of you
13 not aware, Richard Patrick, one of our
14 Board Members, had a medical episode
15 prior to last month's meeting. It was
16 fairly serious, but he's getting great
17 care; and he seems to be on the mend.
18 And I'm hopeful that at some point he'll
19 be able to rejoin us. We're getting
20 regular updates from his brother and his
21 wife, and I'm passing them along to the
22 Board. But I'm sure we'll all keep him
23 in our thoughts and prayers. He's a
24 very special friend of mine, and he's a
25 huge asset to our operation as a Board.

9

1 He brings not just 30 years of State
2 Police experience but another 20 years
3 in the banking industry; and, you know,
4 we miss him right now, but we wish him
5 well.

6 And finally, on my left, your right,
7 Chuck McNeal is the new Major over
8 gaming. He took over the position
9 previously held by Paul Edmonson and
10 before that Mike Noel, as you all know.
11 And Chuck and I also go way back. I
12 hired Chuck many, many years ago. I was
13 his first troop commander, and he
14 reminded me of a story recently that I
15 had no recollection of. I made him cry,
16 and I didn't mean to. He was afraid he
17 was going to lose his job. I just lost
18 to the ages. I'm sorry. So I'll
19 apologize for that.

20 But we welcome Chuck to his new
21 position, and I know working with the
22 people already in State Police that
23 we're moving in a good direction that's
24 going to benefit the Board and the
25 public in general.

10

1 II. PUBLIC COMMENTS

2 CHAIRMAN JONES: So with that being
3 said, I would ask now anyone who has
4 Public Comment for anything on the
5 agenda to come to the table. Come on
6 down.

7 MR. GASTON: Mr. Chairman, while
8 we're waiting on Davis to come up, we

9 need to recognize Major Noel, Major
10 White from State Police, a couple of
11 good guys.

12 CHAIRMAN JONES: I'll pick them up
13 at the end.

14 MR. GASTON: You'll get them at the
15 end, okay. I don't want them to come
16 through and not get --

17 CHAIRMAN JONES: Gentlemen, good
18 morning.

19 MR. RHORER: Good morning, Chairman
20 Jones, and it's -- it's good to be back
21 here. It's been many, many years. In
22 the early 90's, former Mayor McHugh
23 appointed me as point person for
24 riverboat gambling in East Baton Rouge
25 Parish, and so I do have a lot of --

11

1 what's that?

2 CHAIRMAN JONES: Yeah, yeah, go
3 ahead -- could you introduce yourself?

4 MR. RHORER: Yes. I'm Davis Rhorer.
5 I'm Executive Director of Downtown
6 Development District. This is Paul
7 Arrigo, who is Chairman and CEO of Visit
8 Baton Rouge.

9 CHAIRMAN JONES: Thank you.

10 MR. RHORER: So anyways, I'm glad to
11 be back here, and we go way back,

12 Chairman Jones and stuff. So we very
13 much involved, and I was, with the
14 development of the -- and this is
15 concerning Item VI.A, the Consideration
16 of Joint Petition of Approval of Merger
17 and -- with the Belle of Baton Rouge
18 Casino.

19 The -- we are here to speak -- and
20 I'll let Paul come speak more
21 specifically about Visit Baton Rouge,
22 but in support of this, we as a City of
23 Baton Rouge always wanted to have a
24 entertainment facility adjacent to other
25 attractions downtown, and in this case

12

1 our convention center. And we're very
2 supportive of it. The mission that this
3 Gaming Control Board took last year with
4 your research on economic development
5 and trying -- and allowing landside
6 gambling dovetails perfectly with this
7 facility. As you know, it's got a
8 60,000 square foot atrium there right
9 across from the convention facility, and
10 the intent of this commission is to be
11 applauded for that, the type of
12 improvements that they would offer
13 there.

14 I might add again and also just in

15 speaking in support of this merger, but
16 also the City has taken some strides
17 itself, and again led by the mayor, as
18 well as Mr. Arrigo here, dedicating some
19 additional funds to the convention
20 center, one penny sales tax from the
21 lodging industry that will go towards
22 physical improvements. This is
23 literally right across the street.

24 So there's a long-term commitment on
25 the City of Baton Rouge in improving our

13

1 facility, and we're doing some other
2 things downtown as well. So I know Paul
3 wants to address a few specific things.

4 MR. ARRIGO: Paul Arrigo, President
5 of Visit Baton Rouge. In your own
6 communities, you might know us as
7 convention and visitor bureaus, tourist
8 commissions, et cetera.

9 We are very much in favor of Item
10 VI.A recognizing the tremendous
11 infrastructure that is there, the
12 historic impact, certainly the need to
13 renovate, retool the hotel to put that
14 back into the economic impact that it
15 could have and the driver that it could
16 have recognizing the state revenues that
17 could be received as a result of that.

18 So, again, very much in favor of
19 seeing the -- this item approved and
20 moving on to a better facility there.

21 CHAIRMAN JONES: Board Members, any
22 questions? [No response.]

23 I want to thank both of you for
24 coming. Davis, you know how I feel
25 about this, and we have been hitting at

14

1 this a long time.

2 MR. RHORER: A journey.

3 CHAIRMAN JONES: So I appreciate you
4 coming down and representing the City
5 and the City's interest. Thank you.

6 III. APPROVAL OF MINUTES

7 CHAIRMAN JONES: We'll now move to
8 Approval of the Minutes. Do I have a
9 motion to waive reading and approve the
10 minutes? Miss Berry, Mr. Bradford.

11 Without objection, the minutes are
12 approved.

13 IV. REVENUE REPORTS

14 CHAIRMAN JONES: We'll now call
15 Revenue Reports. Good morning. Do you
16 bring tidings of great joy?

17 MS. JACKSON: You can decide.

18 CHAIRMAN JONES: I think so, maybe
19 so.

20 MS. JACKSON: Good morning, Chairman

21 Jones, Board Members. My name is Donna
22 Jackson with Louisiana State Police
23 Gaming Enforcement Division.

24 The 15 operating riverboats
25 generated Adjusted Gross Receipts of
15

1 \$160,195,147 in August. This total
2 represents a decrease of almost
3 \$8 million or 4.7 percent from last
4 month, but an increase of \$12.5 million
5 or 8.5 percent from last August. As
6 information, this month has one
7 additional Friday than last August.

8 Adjusted Gross Receipts for fiscal
9 year 2018-2019 to date are \$328 million,
10 a minimal increase of .2 percent from
11 fiscal year 2017-2018.

12 During August, the State collected
13 fees totaling \$34,441,957. As of
14 August 31st, 2018, the State collected
15 over \$70 million in fees for fiscal year
16 2018-2019.

17 Next is a summary of the August 2018
18 gaming activity for Harrah's New Orleans
19 found on page three. During August,
20 Harrah's generated \$22,914,968 in gross
21 gaming revenue, a decrease of
22 2.7 percent from last month, but an
23 increase of \$1.6 million or 7.5 percent

24 from last August. Revenues for fiscal
25 year 2018-2019 to date are \$46.5

16

1 million, an increase of \$1 million or
2 3 percent from fiscal year 2017-2018.

3 During August, the State received
4 \$5,095,890 in minimum daily payments.

5 As of August 31st, 2018, the State
6 collected \$10 million in fees for fiscal
7 year 2018-2019.

8 Next I will present the revenues for
9 Slots at the Racetracks. During August,
10 the four racetrack facilities combined
11 generated Adjusted Gross Receipts of
12 \$28,880,478, a decrease of \$2 million or
13 6.3 percent from last month but an
14 increase from August 2017 of
15 \$3.8 million or 15 percent.

16 Adjusted Gross Receipts for fiscal
17 year 2018-2019 to date are almost
18 \$60 million, an increase of \$3 million
19 or 5 percent from fiscal year 2017-2018.

20 During August, the State collected
21 \$4.4 million in fees. As of
22 August 31st, 2018, the State has
23 collected \$9 million in fees for fiscal
24 year 2018-2019.

25 Overall in August, Riverboats,

17

1 Land-based and Slots at the Racetracks
2 combined generated \$212 million in AGR
3 and \$44 million in state fees. These
4 revenues represent an increase from
5 August 2017 of 9 percent.

6 CHAIRMAN JONES: Board Members, any
7 questions? [No response.]

8 Please proceed.

9 MS. JACKSON: Harrah's New Orleans
10 is required to maintain at least 2,400
11 employees and a bi-weekly payroll of
12 \$1,750,835. This report covers pay
13 periods in August 2018.

14 For the first pay period, the
15 Division verified 2,611 employees with a
16 payroll \$2,188,000. For the second pay
17 period, the Division verified 2,612
18 employees with a payroll of \$2,189,000.
19 Therefore, Harrah's met the employment
20 criteria during August.

21 CHAIRMAN JONES: Any questions,
22 Board? There are no questions.

23 MS. JACKSON: Thank you.

24 CHAIRMAN JONES: Thank very much,
25 Miss Donna.

18

1 Good morning.

2 MR. BOSSIER: Good morning. Good
3 morning, Chairman Jones and Board

4 Members. My name is Jim Bossier with
5 the Louisiana State Police Gaming
6 Enforcement Division here to report
7 video gaming statistics for August 2018
8 as shown on page one of your handout.

9 Thirteen new video gaming licenses
10 were issued during August: Twelve bars
11 and one restaurant. Ten new
12 applications were received by the Gaming
13 Enforcement Division during August and
14 are currently pending in the field: Six
15 bars, one restaurant, one truckstop and
16 two device owners.

17 The Gaming Enforcement Division
18 assessed \$18,300 and collected \$5,750 in
19 fines during August, and there are
20 currently \$15,550 in outstanding fines.

21 Please refer to page two of your
22 handout.

23 There are presently 12,995 video
24 gaming devices activated at 1,696
25 locations.

19

1 Net device revenue for August 2018
2 was \$49.8 million, a \$2 million, or
3 4.2 percent, increase when compared to
4 July 2018, and a \$3.5 million increase,
5 or 7.4 percent, when compared to
6 August 2017.

7 Net device revenue so far for fiscal
8 year 2019 is \$97.5 million, a \$5
9 million, or 5.4 percent, increase when
10 compared to fiscal year 2018. Page
11 three of your handout shows a comparison
12 of net device revenue.

13 Total franchise fees collected for
14 August 2018 are \$14.9 million, a
15 \$600,000 increase when compared to
16 July 2018, and a \$1 million increase
17 when compared to August 2017. Total
18 franchise fees collected for fiscal year
19 2019 are \$29.2 million, a \$1.5 million
20 increase, or 5.4 percent, when compared
21 to fiscal year 2018. Page four of your
22 handout shows a comparison of franchise
23 fees.

24 Does anybody have any questions?

25 CHAIRMAN JONES: Any questions,
20

1 Board? [No response.]

2 Very good. Thank you very much.

3 MR. BOSSIER: Thank you.

4 CHAIRMAN JONES: Appreciate it.

5 V. VIDEO GAMING ISSUES

6 A. Consideration of transfer of interest for
7 the following truckstop casinos:

8 1. Port Au Prince, LLC, d/b/a Gold Rush Casino

9 - No. 4900515526

10 2. 190 Truck Stop, LLC, d/b/a Grand Point Grand
11 Casino - No. 4700513410

12 CHAIRMAN JONES: We'll now move to
13 Video Gaming Issues, and the item up is
14 Consideration -- we'll take both of
15 these together -- Consideration of
16 transfer of interest for the following
17 truckstop casinos: Port Au Prince, LLC,
18 doing business as Gold Rush Casino, No.
19 4900515526, and 190 Truck Stop, LLC,
20 doing business as Grand Point Grand
21 Casino - No. 4700513410.

22 Good morning, gentlemen.

23 MR. PICOU: Good morning, Chairman
24 Jones, Board Members. I'm Assistant
25 Attorney General Charlie Picou. Here

21

1 with me is criminal investigator Glenn
2 Verrett with Louisiana State Police.
3 We're present before you today in the
4 matter of the assignment of membership
5 interest in Port Au Prince, LLC, doing
6 business as Gold Rush Casino which holds
7 a Type 5 video draw poker gaming license
8 and is the sole member of 190 Truck
9 Stop, LLC, which also holds a Type 5
10 video draw poker gaming license.

11 Port Au Prince, LLC, doing business
12 as Gold Rush Casino, is located at 8412

13 I-49 North Service Road, Suite B, in
14 Opelousas, Louisiana, which is in St.
15 Landry Parish. 190 Truck Stop, LLC,
16 doing business as Grand Point Grand
17 Casino, is located at 3415 Highway 3125
18 in Paulina, Louisiana, in St. James
19 Parish.

20 On April 1st, 2018, John S. Turner,
21 Jr., assigned 50 percent of his
22 membership interest in Port Au Prince,
23 LLC, to William C. Windham. This
24 assignment affected the membership --
25 the ownership of Port Au Prince, LLC,

22

1 and also 190 Truck Stop, LLC. As a
2 result of that transfer -- or as a
3 result of the assignment, John S.
4 Turner, Jr., and William C. Windham also
5 currently each hold 50 percent of the
6 membership interest in Port Au Prince,
7 LLC, doing business as Gold Rush Casino.

8 Criminal investigator Glenn Verrett
9 will now present his findings to the
10 Board.

11 TROOPER VERRETT: Good morning, Mr.
12 Chairman, Board Members, I'm
13 Investigator Glenn Verrett with the
14 Louisiana State Police.

15 Following the licensee's timely

16 notification to the Division regarding
17 this assignment of membership interest,
18 I conducted suitability investigations
19 and updated background checks on all
20 relevant persons associated with the
21 application. John S. Turner, Jr.,
22 William C. Windham and their respective
23 spouses, Carolyn H. Turner and Carol C.
24 Windham, have been found suitable under
25 multiple licenses.

23

1 No information was found that would
2 preclude these individuals or the
3 licensees from continuing to participate
4 in the video gaming industry.

5 MR. PICOU: The Office of the
6 Attorney General has reviewed the file
7 submitted by the Office of State Police,
8 and we have found no information that
9 would preclude approval for these -- the
10 transfer for these two truckstops.

11 CHAIRMAN JONES: Board Members, any
12 questions with respect to the
13 transaction? [No response.]

14 Do I have a motion to approve the
15 transfer of interest? Dr. Gaston,
16 Mr. Avant.

17 Any objection? Without objection,
18 the transfer is approved. Thank you

19 very much.

20 MR. PICOU: Thank you.

21 VI. CASINO GAMING ISSUES

22 A. Consideration of Joint Petition for
23 Approval of Merger Agreement by and among
24 Tropicana Entertainment, Inc., Eldorado
25 Resorts, Inc., and Gaming & Leisure

24

1 Properties, Inc.

2 CHAIRMAN JONES: We now move to
3 Casino Gaming Issues, and first up is
4 Consideration of Joint Petition for
5 Approval of Merger Agreement by and
6 among Tropicana Entertainment, Inc.,
7 Eldorado Resorts, Inc., and Gaming &
8 Leisure Properties, Inc. I think we
9 have a sequence of speakers. I would
10 first like to ask any of the
11 representatives from Tropicana, Eldorado
12 Resorts and GL -- the Gaming & Leisure
13 Properties, GLPI, to stand and be sworn,
14 and then we'll have you come to the
15 table. If you're going to be at the
16 table to speak, you'll be sworn.

17 COURT REPORTER: Raise your right
18 hand.

19 [Speakers comply.]

20 COURT REPORTER: Do you solemnly
21 swear the testimony you will give in the

22 cause now in hearing will be the truth,
23 the whole truth and nothing but the
24 truth, so help you God?

25 [Collective "I do."]

25

1 CHAIRMAN JONES: Thank you. And
2 it's my understanding Tropicana is going
3 to go to the table first? Yes, no?

4 MS. MOORE: Yes.

5 CHAIRMAN JONES: Yes, okay.
6 Whatever you say, Miss Charmaine.
7 And you have nothing to say.

8 MR. DUNCAN: Tropicana did not
9 anticipate coming before you, but if
10 you'd like, we're certainly prepared to
11 do so. I'm with Marty Brown, who is the
12 General Manager of the Belle of Baton
13 Rouge. My name's Kelly Duncan with
14 Jones Walker.

15 CHAIRMAN JONES: Even though they
16 can't hear you out in Internet land,
17 we'll accept that.

18 Okay, Eldorado, please take the
19 table and introduce everyone.

20 MR. BARBIN: Good morning, Mr.
21 Chairman --

22 CHAIRMAN JONES: Morning.

23 MR. BARBIN: -- and, Board Members,
24 I'm Jeff Barbin from Phelps Dunbar here

25 representing Eldorado Resorts,

26

1 Incorporated, with regard to the merger

2 with Tropicana. To my left is Ed

3 Quatmann. Ed is the Executive

4 Vice-President and general counsel of

5 Eldorado Resorts, and to my right is

6 Jeff Hendricks. Jeff is the

7 Vice-President of Compliance for

8 Eldorado Resorts.

9 We have a brief presentation, and

10 then we're happy to answer any questions

11 you have, so with respect to the

12 presentation, I'll hand it over to Ed.

13 MR. QUATMANN: Good morning, Mr.

14 Chairman, Board Members.

15 CHAIRMAN JONES: Pull the microphone

16 up, if you would, please. Thank you.

17 MR. QUATMANN: Good morning, Mr.

18 Chairman, Board Members. My name is Ed

19 Quatmann. I'm the Executive

20 Vice-President and Chief Legal Officer

21 for Eldorado Resorts. It is a pleasure

22 to be here today. I appreciate the

23 opportunity to spend a few minutes

24 talking about the company and this

25 terrific transaction that is before you

27

1 today.

2 Really, I also want to mention this,
3 as you'll see in one of the slides that
4 I'll walk through here, is really where
5 the growth story of Eldorado Resorts
6 began with the Shreveport property. So
7 we're thrilled to be here.

8 I know the slide deck has been
9 provided to you ahead of time, so I'll
10 just hit a few highlights as we go
11 through it. And I'm happy to answer any
12 questions. Slide number three, just a
13 little bit about who we are as we sit
14 here today. We own and operate 19
15 properties in ten states. You see our
16 slot machines and table count.
17 Obviously, we are a large player. We
18 have two properties that are currently
19 under an agreement to sell to Churchill
20 Downs, so those are not included in
21 those numbers.

22 On slide four, this is what I
23 mentioned a moment ago. Really where it
24 all began was with Shreveport, at the
25 time Hollywood Casino Shreveport, now

28

1 Eldorado Shreveport. Thirteen years
2 ago, Eldorado was just a -- just a
3 casino in Reno, Nevada, founded by Don
4 Carano who was a gaming regulatory

5 attorney and decided to go out and try
6 his -- his luck at it, and the first
7 part of the growth story began here in
8 this state. And it's been a great
9 success story for us. And as you can
10 see across to the right, the growth is
11 continued, most recently with the
12 transaction that's before you today with
13 Tropicana Entertainment, and we've
14 recently acquired another property in
15 Elgin, Illinois, that closed in August
16 of this year.

17 Our current footprint is on slide
18 five. One important thing that's not on
19 this page is we have 12,300 employees,
20 and that's -- that's an important part
21 of this -- of this page, as well as part
22 of our culture and who we are. As you
23 can see, it's a -- it's a -- it's a good
24 looking footprint, and it's more
25 diversified as we move forward through

29

1 the deck.

2 On slide six, experienced leadership
3 team. I apologize you only have me here
4 today. As things have been going with
5 this transaction, people are scattered
6 all over the place as we're coming in
7 towards finalizing our approvals. Gary

8 Carano is our Chairman and CEO. He is
9 Don Carano's oldest son, and he's been
10 in this industry since the very early
11 days, spent at least 30 years in the
12 business.

13 CHAIRMAN JONES: And where is he
14 today?

15 MR. QUATMANN: Gary is away with his
16 family today.

17 CHAIRMAN JONES: Okay.

18 MR. QUATMANN: Tom Reeg is our
19 President and CFO. He is in Las Vegas
20 appearing before the Nevada Gaming
21 Control Board for this same transaction.
22 He is our President and CFO, and he has
23 been -- he's a Wall Street guy, and he
24 is really largely a part of our
25 analyzing growth and opportunities for

30

1 things like that.

2 Anthony Carano is our Executive
3 Vice-President and Chief Operating
4 Officer. He was the chief legal officer
5 for the company before I arrived. I
6 came from the Isle of Capri side and
7 joined the company; and then obviously
8 I'm on the list, and Stephanie Lepori is
9 our Senior Vice-President and Chief
10 Accounting Officer. She's been with the

11 company for over 20 years and started
12 with the Reno property.

13 On corporate culture, just a couple
14 of things I wanted to mention here. I
15 joined this company 16 months ago, and I
16 put this slide together because this is
17 what I think is our culture as a
18 company; and I've experienced it over
19 the last 16 months ago. So team,
20 together everyone achieves more. The
21 12,300 employees all of us working
22 together is very much part of our
23 culture. It's very much a team
24 mentality. We're in this together, and
25 that permeates the entire organization.

31

1 Family style service, the origins of
2 the company are with Don Carano and
3 starting as a family. He had five
4 children that were all in the business,
5 and as a large publicly traded company,
6 that family style still exists today.
7 It's very much a part of our culture.

8 And finally community, and we like
9 to be active members of every community
10 in which we operate. That's critical to
11 us. That's critical to our team
12 members. Whether it's supporting the
13 Food Bank of northwest Louisiana in

14 Shreveport or the United Way in Lake
15 Charles or the Oasis Women's Shelter in
16 Lake Charles, it's participating; it's
17 volunteering; it's contributing and just
18 being active good citizens in the
19 communities in which we operate.

20 Corporate culture on slide eight,
21 Jeff Hendricks is our Vice-President of
22 Compliance. It was important for him to
23 be here with us because compliance is
24 part of our culture as well, and we have
25 a corporate compliance committee with

32

1 over 20 years of experience in gaming
2 and compliance law. It's a critical
3 part of our culture from the beginning.
4 As I mentioned, Don Carano was a gaming
5 regulatory lawyer so this has been
6 instilled from the very beginning.

7 And secondly, diversity and
8 procurement in hiring, obviously,
9 critical in all of our jurisdictions,
10 critical here in Louisiana as well.
11 Whether it's minority, whether it's
12 women owned, whether it's locally
13 produced goods and services, we have a
14 corporate procurement department that
15 focuses on that, and it's a priority for
16 us across the organization.

17 Slide ten, real briefly this is what
18 brings us here today. This is an
19 overview of the transaction with
20 Tropicana that will be announced on
21 April 16th. We will be acquiring seven
22 terrific assets, including the Belle of
23 Baton Rouge here in Louisiana. We are
24 acquiring it with GLPI. GLPI will be
25 acquiring the real estate except for

33

1 MontBleu and Lumiere Place in St. Louis.
2 We will be acquiring the real estate of
3 those. We will enter into a master
4 lease with GLPI. This is a structure
5 not unfamiliar to the Board I know.

6 The total consideration to the
7 Tropicana shareholders is \$1.85 billion.
8 We have financing. We have completed a
9 bond offering of \$600 million. It's
10 actually closing today. We also are
11 financing the purchase of the real
12 estate in St. Louis via a secured loan
13 from GLPI of \$246 million. And we will
14 use some cash on hand at our company as
15 well as at Tropicana to finance the
16 transaction.

17 The approval process and timing,
18 obviously subject to approval here today
19 as well as the Nevada Gaming Commission

20 today, as well as Missouri next week.
21 We obtained Mississippi approval in
22 June, the Nevada Gaming Control Board on
23 September 5th, New Jersey Casino Control
24 Commission on the 12th, and the Indiana
25 Gaming Commission on the 13th, both of

34

1 those in this month. So we -- we've
2 been busy and on the road.

3 Tropicana Entertainment is slide 13.
4 This is just an overview of the seven
5 properties, again terrific properties,
6 and as you'll see as we flip the page to
7 look at the diversified geographic
8 presence, it really works out well
9 across the country to give us a very
10 nice footprint. As Tom Reed, our
11 President and CFO says, it looks great.
12 It wasn't necessarily targeted to be
13 like this. It just -- whatever
14 opportunities that presented themselves
15 we've taken advantage of. But it looks
16 great and plays out very, very well. In
17 all, we'll have 26 properties and almost
18 20,000 employees across the
19 organization.

20 And slide 15 is just another way of
21 looking at our operational scale on a
22 go-forward basis and how we will have

23 grown from where we are today to throw
24 in the Tropicana property.

25 I know I walked through that rather

35

1 quickly, and I know it's been provided
2 to you in advance, so I'm happy to take
3 questions, but I do want to thank you,
4 Chairman Jones. I want to thank the
5 Board Members and staff, State Police
6 Audit, licensing sections and Attorney
7 General's Office. We have really taken
8 up a fair amount of people's time over
9 the last few weeks as we have tried to
10 get this here before you today, and we
11 really appreciate all the hard work
12 that's gone into that.

13 CHAIRMAN JONES: I'd like to --
14 thank you for that. I'd like to defer
15 questions until we hear from GLPI and
16 the Attorney General, State Police, and
17 then we'll ask you to come back, if you
18 don't mind.

19 MR. QUATMANN: Perfect.

20 CHAIRMAN JONES: Thanks. Next up
21 GLPI. Were you gentlemen sworn?

22 MR. WEST: I -- I was not.

23 CHAIRMAN JONES: We'll do it now.

24 MR. WEST: Yeah, exactly.

25 COURT REPORTER: Do you solemnly

1 swear the testimony you will give in the
2 cause now in hearing will be the truth,
3 the whole truth and nothing but the
4 truth, so help you God?

5 MR. WEST: I do.

6 Chairman Jones, Board Members,
7 Michael West with Baker Donaldson. We
8 are the Louisiana regulatory counsel for
9 GLPI. And with me is Brandon Moore, the
10 general counsel of GLPI, and I'll turn
11 it over to him.

12 MR. MOORE: Thanks, Michael.

13 Good morning, Chairman Jones, good
14 morning, Board Members. We didn't
15 prepare a presentation about GLPI this
16 morning because I think most of you are
17 familiar with -- with our role and the
18 structure of our company, but we thought
19 it was important to be here today
20 obviously to support our new tenant
21 which we're very excited about, to be
22 here in Baton Rouge again with this new
23 tenant. We expect they're going to do
24 great things with their portfolio
25 properties, and I'm generally happy to

1 answer any questions you have about our
2 role in the transaction or our view, but

3 I won't bore you with a long, detailed
4 slide show of our structure again, I
5 promise.

6 CHAIRMAN JONES: We'll -- we may
7 have some questions after we hear the
8 details of the transaction from Miss
9 Moore, but thank you for that.

10 MR. MOORE: Sure, absolutely.

11 CHAIRMAN JONES: We'll give you an
12 opportunity.

13 MR. MOORE: Great.

14 CHAIRMAN JONES: Thank you.

15 MR. MOORE: Thank you.

16 CHAIRMAN JONES: Miss Moore and
17 team, good morning.

18 MS. MOORE: Good morning, Chairman
19 Jones, Members of the Board. My name is
20 Charmaine Moore, Assistant Attorney
21 General, here in the matter of
22 Eldorado's proposed acquisition of
23 Tropicana Entertainment, Inc.

24 On April 17, 2018, Eldorado Resorts,
25 Inc., Tropicana Entertainment, Inc., and

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1 Gaming & Leisure Properties, Inc., filed
2 a joint petition for approval of
3 Eldorado's proposed acquisition of
4 Tropicana and GLPI's acquisition of
5 certain of the real property owned or

6 leased by Tropicana or its subsidiaries.

7 Tropicana is the parent company of
8 Catfish Queen Partnership in Commendam
9 doing business as Belle of Baton Rouge.

10 The total purchase price for the
11 acquisition of both Tropicana
12 Entertainment, Inc., and its operating
13 entities and the real estate by Eldorado
14 Resorts, Inc., and GLPI, is
15 \$1.85 billion in cash. Eldorado's
16 paying \$640 million for Tropicana and
17 its operating entities and \$246 million
18 for the Lumiere Place property in
19 Missouri. GLPI's paying \$964 million
20 for all other real estate being
21 transferred.

22 The agreement and plan of merger
23 provides for Eldorado to form a merger
24 subsidiary which will be merged with and
25 into Tropicana with Tropicana surviving.

39

1 Tropicana will then be a wholly owned
2 subsidiary of Eldorado with Catfish
3 Queen remaining as a subsidiary of
4 Tropicana.

5 Tropicana currently owns and
6 operates eight casinos in seven
7 jurisdictions. Eldorado has acquired
8 seven of those casinos, two in Nevada

9 and one each in Louisiana, Indian,
10 Mississippi, Missouri and New Jersey.
11 Eldorado will not be acquiring
12 Tropicana's casino in Aruba. The merger
13 agreement provides for Tropicana to
14 divest its ownership in the Aruba casino
15 prior to the closing of the Eldorado and
16 GLPI acquisition of Tropicana.

17 GLP Capital, LP, a subsidiary of
18 GLPI, will be the entity acquiring the
19 real estate for five of seven operating
20 entities that Eldorado is purchasing,
21 including the real estate and riverboat
22 vessel for the Belle of Baton Rouge.
23 The property acquired by GLP Capital
24 will be leased back to Tropicana and its
25 operating subsidiaries pursuant to a

40

1 master lease and multiple subleases.
2 GLP Capital will not acquire the real
3 property assets for MontBleu in Nevada
4 and Lumiere Place in Missouri. Eldorado
5 will be acquiring the real property for
6 those two casinos.

7 In regard to the Belle of Baton
8 Rouge, some of the property -- real
9 property assets utilized by the casino
10 are owned, and some are leased. GLP
11 Capital will acquire the ownership of

12 the property owned by two subsidiaries
13 of Tropicana and the leasehold interest
14 of Catfish Queen on property lease by
15 Catfish Queen from third parties, with
16 the exception of the Front Street
17 property will not be acquired by GLP
18 Capital.

19 The Belle of Baton Rouge is the only
20 dockside facility being acquired by
21 Eldorado and GLPI. All other casino
22 properties being acquired are land-based
23 facilities.

24 The master lease regarding the
25 Tropicana properties to be acquired by

41

1 GLPI is similar in terms to the Pinnacle
2 master lease. It is for an initial term
3 of 15 years and provides for four
4 renewal terms of five years each. It is
5 a single, indivisible triple net lease.
6 The tenant is responsible for all taxes,
7 insurance and maintenance of the
8 property. The tenant must spend at
9 least 1 percent of net revenues on
10 maintenance and repair for items with a
11 life expectancy of at least three years.
12 Capital improvements are the
13 responsibility of the tenant.

14 The rent under the master lease

15 consists of both a base rent and a
16 percentage rent based on annual average
17 net revenue. The rent for the first
18 year of the lease will be \$87.6 million.
19 Eldorado, Tropicana and Tropicana's
20 subsidiaries, including Catfish Queen,
21 will guarantee the payment of the rent
22 under the lease.

23 GLPI currently owns and leases the
24 real estate for 35 casinos in 13 states.

25 The properties are leased under four

42

1 master leases. Once the Penn/Pinnacle
2 and the Eldorado/Tropicana acquisitions
3 close, GLPI will own and lease the real
4 estate for 42 casinos in 14 states under
5 six leases. It will own the real estate
6 for six casinos in Louisiana, one of
7 which they also own and operate which is
8 Hollywood, and it will own the real
9 estate for all three riverboat casinos
10 in Baton Rouge.

11 Because this transaction represents
12 a transfer of an ownership interest in a
13 riverboat licensee, Board approval is
14 required. Approval is also required for
15 the Lumiere loan because it is being
16 guaranteed by Eldorado and for the
17 increase in Eldorado's revolver under

18 its existing credit facility. All other
19 financing obligations to be incurred by
20 Eldorado or GLPI qualify for an
21 exception to the general requirement of
22 prior Board approval either as the
23 issuance of private placement securities
24 or loans made under existing credit
25 facilities previously approved by the

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1 Board.

2 The Board's approval of the transfer
3 and leaseback of Tropicana real property
4 to and from GLPI will be subject to the
5 same conditions placed on GLPI's
6 acquisition of Pinnacle real property in
7 2016 and VICI's acquisition of Caesars
8 property in 2017, plus some additional
9 conditions based on our concerns in
10 regard to the New Jersey licensee.

11 Eldorado and GLPI have acknowledged
12 and accepted those conditions, and a
13 written acknowledgment and acceptance of
14 those conditions was prepared for their
15 execution.

16 Our office has reviewed the petition
17 for approval of the agreement and plan
18 of merger and ancillary documents
19 relative to the proposed transactions.
20 Upon consideration of the applicable

21 statutes and rules and the review of the
22 documents, our office finds no legal
23 impediment to approval of the transfer
24 of Tropicana to Eldorado and the
25 financing. A proposed Resolution has

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1 been submitted for the Board's
2 consideration.

3 MS. FICKLIN: Morning, Mr. Chairman
4 and Board Members. I'm Evie Ficklin.
5 I'm an auditor with Louisiana State
6 Police.

7 Eldorado, GL Capital and Tropicana
8 are currently parties to two agreements
9 and certain ancillary agreements, a real
10 estate purchase agreement and an
11 agreement of plan of merger. These
12 agreements when consummated will have
13 the effect of bifurcating substantially
14 all of Tropicana, while separating its
15 real property assets from its business
16 operations.

17 The real estate purchase agreement
18 is an asset sale agreement, and it will
19 be completed prior to the merger
20 agreement. The real estate purchase
21 agreement provides for GLP Capital to
22 acquire the real estate assets
23 underlying five of Tropicana's eight

24 casinos for an acquisition cost of
25 \$964 million.

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1 Pursuant to this agreement, Eldorado
2 will acquire the real property assets of
3 a sixth Tropicana property, Lumiere
4 Place in St. Louis, for \$246 million.

5 GLP Capital will use the proceeds
6 from its anticipated issuance of
7 \$1.1 billion in senior notes and
8 borrowings under its revolver to acquire
9 substantially all of Tropicana's real
10 estate assets. It will also loan
11 Eldorado \$246 million to acquire
12 Lumiere.

13 Pursuant to the loan agreement,
14 Eldorado must repay the loan within 24
15 months or use commercially reasonable
16 efforts to select an existing property
17 or acquire another property during that
18 period acceptable to both GLP Capital
19 and Eldorado whose real property assets
20 Eldorado will sell to GLP Capital and
21 subsequently lease back.

22 After closing on the real estate
23 purchase agreement, Tropicana, Eldorado
24 and GLP Capital will finalize the merger
25 agreement wherein Eldorado's subsidiary,

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1 Delta Merger Sub, will merge with and
2 into Tropicana, with Tropicana surviving
3 as a wholly owned Eldorado subsidiary
4 post merger. As a consequence of --
5 specific to the merger agreement,
6 Eldorado will acquire the business
7 operations of five Tropicana properties
8 and both the business and real estate
9 assets of the sixth Tropicana property,
10 MontBleu Casino & Spa in Lake Tahoe,
11 Nevada. Eldorado's acquisition cost
12 under the merger agreement is
13 \$640 million. Eldorado's sources and
14 uses schedule is shown on page 34.

15 Subsequent to the finalizing of the
16 merger agreement, post-merger Tropicana
17 as an Eldorado subsidiary, will enter
18 into a master lease with GLP Capital
19 wherein Tropicana will lease the real
20 property assets underlying five
21 Tropicana Properties from GLP Capital.
22 Transactions under the master lease will
23 be conducted at the Tropicana level in
24 Eldorado's organizational structure.
25 Eldorado, MontBleu and Lumiere are not

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1 parties to the master lease.

2 In conclusion, after the
3 finalization of both the real estate

4 purchase agreement and the merger
5 agreement, Eldorado through post-merger
6 Tropicana will operate assets of seven
7 Tropicana properties, including Belle of
8 Baton Rouge's business operations, and
9 GLP Capital will own the real estate
10 beneath Belle of Baton Rouge and four
11 other Tropicana properties. Post-merger
12 Tropicana will lease Belle of Baton
13 Rouge's real estate assets from GLP
14 Capital.

15 Eldorado's cash flow projections are
16 shown on page 21 and its organizational
17 structure on page 42. GLPI's
18 performance are shown on page 30 and its
19 organizational chart on page 31.

20 No financial issues came to our
21 attention to preclude the Board's
22 approval of Eldorado's acquisition of
23 100 percent of Tropicana's ownership
24 interest, GLP Capital's acquisition of
25 the real property assets by Tropicana

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1 Properties, Eldorado's acquisition of
2 the real property assets under line two
3 of Tropicana Properties, and the master
4 lease agreement between GLP Capital and
5 post-merger Tropicana.

6 Trooper Jeremy Landry will now

7 present the results of his
8 investigation.

9 TROOPER LANDRY: Good morning,
10 Chairman Jones and Members of the Board.
11 I'm Senior Trooper Jeremy Landry with
12 the Louisiana State Police Gaming
13 Enforcement Division.

14 The Division conducted an
15 investigation into the change of
16 ownership of Catfish Queen Partnership
17 in Commendam doing business as Belle of
18 Baton Rouge. At the conclusion of the
19 transaction, Eldorado Resorts will
20 wholly own Tropicana Entertainment, the
21 parent company of Catfish Queen
22 Partnership in Commendam doing business
23 as Belle of Baton Rouge. In conjunction
24 with this transaction, Gaming & Leisure
25 Properties will become the lessor of the

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1 property.

2 The investigation included
3 background investigations into Eldorado
4 Resorts and Gaming & Leisure Properties'
5 officers, directors and persons with
6 5 percent more ownership interest in the
7 companies. The investigation consisted
8 of inquiries through federal, state and
9 local enforcement agencies, computerized

10 criminal history databases, financial
11 and civil institutions and gaming
12 regulatory agencies.

13 At the conclusion of the
14 investigation, I discovered no
15 information which would preclude the
16 Board from granting a finding of
17 suitability for Eldorado Resorts and
18 Gaming & Leisure Properties or any of
19 its officers, directors or board
20 members.

21 At this time, I'll gladly answer any
22 questions you may have.

23 CHAIRMAN JONES: Board Members, do
24 we have any questions for the Attorney
25 General's Office, Audit and State

50

1 Police?

2 Mr. Stipe.

3 MR. STIPE: Just a couple. And if
4 any of these -- if any of these are
5 better directed to GLPI, just let me
6 know.

7 Missouri will be considering this
8 next week? Is that what I read from
9 the -- I think --

10 MS. MOORE: I believe that's
11 correct. There's one on the 26th. I
12 think that's Missouri.

13 MR. STIPE: And the concern that
14 caused a tweak was that GLPI was going
15 to be owning three of four casinos in
16 the St. Louis market, and that's the
17 concern that was addressed.

18 MS. MOORE: In Missouri, yes.

19 MR. STIPE: This -- the Section 1.1
20 in the master lease, that is in -- that
21 is in the document now.

22 MS. MOORE: Yes.

23 MR. STIPE: Okay.

24 MS. MOORE: I mean, they haven't
25 executed it yet.

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1 MR. STIPE: No. But it's in the
2 draft of the document, I guess.

3 MS. MOORE: Yes.

4 MR. STIPE: Okay, all right. And
5 then the -- where is it? Front Street,
6 LLC, the property they did not -- the
7 tenant for that will be who?

8 MS. MOORE: It's -- it's Catfish
9 Queen. The -- the lease currently is
10 between Front Street, LLC, which owns
11 the property, and Catfish Queen, the
12 licensee.

13 MR. STIPE: And that will remain
14 until?

15 MS. MOORE: There's -- there's two

16 years left on the lease. My
17 understanding was they had problems
18 getting the landowner to agree to the
19 assignment of the lease, so I don't know
20 if they'll still be working on that
21 trying to get an assignment, or Catfish
22 Queen can always just continue to lease
23 it.

24 MR. STIPE: And what is that? What
25 component of the physical plan is that?

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1 MS. MOORE: I think that's a parking
2 lot.

3 MR. STIPE: All right. Okay.
4 That's all I have.

5 CHAIRMAN JONES: That's it?
6 Board Members, any other questions?

7 [No response.]

8 No questions for you.

9 MS. MOORE: Thank you.

10 CHAIRMAN JONES: I would like
11 Eldorado to come back to the table,
12 please. Thank you, gentlemen.

13 First of all, I mean, Eldorado's
14 operated in north Louisiana for some
15 time as a singular property for a long
16 time before we picked up the Isle and
17 now this transaction, and I want to
18 thank Mike Whitemain for being a very

19 competent general manager. He -- he
20 does a great job representing the
21 company there. He does a remarkable
22 job. And I can tell you that the
23 culture of the company is -- is
24 transfused throughout his organization
25 in Shreveport.

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1 Now, having said that, I noted in
2 your presentation -- and I realize
3 you're new to the company -- you talk
4 about diversity procurement hiring.
5 Corporate procurement department commits
6 to continuing diversity programs in
7 place across the enterprise. I'm about
8 to tell you, over the past 20 quarters,
9 that hasn't been enough. Eldorado's had
10 one of the worst minority procurement
11 programs in the state out of the 20
12 casinos.

13 So what I don't want to happen is
14 that with the Belle of Baton Rouge,
15 which has achieved its goals, I don't
16 want this corporate culture, corporate
17 procurement department to undermine
18 what's happened here. So where do we go
19 with that?

20 MR. QUATMANN: Mr. Chairman, Ed
21 Quatmann, Executive Vice-President

22 Eldorado Resorts. I appreciate -- I
23 appreciate that. I think that it is a
24 priority for us, and I appreciate that
25 it is a sensitivity and that it is --

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1 there are goals that are to be met. It
2 is a -- it is a challenge, the operators
3 will say. Mike Whitemain will say it is
4 a challenge at times to do this. I have
5 been told that there are times we show
6 up to fairs, and there are more casino
7 companies than there are potential
8 vendors. It's -- it is not without --
9 that's not an excuse. I'm not meaning
10 to give an excuse. We have to figure it
11 out, and we will continue to work to
12 figure that out.

13 CHAIRMAN JONES: So you're here
14 representing the CEO. I want your
15 commitment that this is going to be
16 fixed.

17 MR. QUATMANN: You have my
18 commitment that this will be fixed.

19 CHAIRMAN JONES: Thank you. What
20 are your plans for -- what are the
21 company plans for the property here in
22 Baton Rouge?

23 MR. QUATMANN: To be determined. It
24 is a tremendous footprint. The space is

25 incredible. The location next to the

55

1 convention center I think is quite good.

2 We've spent a lot of time talking about

3 it. We've spent a lot of time talking

4 about Lake Charles as well and the

5 opportunities to build land-based at

6 both of these properties. I think it's

7 too early for us to say what we plan to

8 do. The atrium sets up very well for

9 some sort of land-based facility there.

10 We have not penciled that out yet.

11 We have talked at our most recent

12 earnings call about Lake Charles and the

13 possibility of going land-based there.

14 The company has done that at two of its

15 properties in other locations in

16 Bettendorf, Iowa, and Evansville,

17 Indiana, with great success. In Lake

18 Charles, we've sort of just -- kind of

19 looking at it thought maybe 75 to a 100

20 million potentially to go land-based, so

21 we're continuing to look at that. We're

22 also evaluating, as the statutes and

23 regs come out, what would be required

24 and what that looks like.

25 So I guess what I'm saying in too

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1 many words to say, is to be determined

2 as it relates to Shreveport -- or, I'm
3 sorry, as it relates to Baton Rouge.

4 CHAIRMAN JONES: But -- but there
5 are at least preliminary plans in place
6 to improve the property.

7 MR. QUATMANN: Absolutely. I think
8 that the Shreveport property is a good
9 example of a property that has been
10 owned by Eldorado Resorts for 13 years,
11 and I think that is the example of a
12 property that you, as the Chairman, and
13 this Board should look at, is what does
14 Eldorado do with its properties and how
15 does it manage it and how does Eldorado
16 invest in its properties.

17 Lake Charles was an Isle property
18 and was, as you know, subject to sale
19 for 14 months. That ultimately fell
20 apart. Probably not a good example of a
21 property that shows a commitment to
22 capital and continuing to improve, but
23 we're going to get there. We're going
24 to catch up. We're going to get there.
25 But the company's culture is to continue

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1 to invest in its properties, and I think
2 the Shreveport property is a good
3 example of what we have done. And we
4 think as a group that there are

5 tremendous opportunities here in Baton
6 Rouge, and we have to figure that out.
7 We have to meet with a team there and
8 talk through those things and look at
9 the footprint, but it is a good location
10 with a terrific footprint and a lot of
11 space.

12 CHAIRMAN JONES: The footprint for
13 Eldorado is three times bigger now than
14 it was about a year ago.

15 MR. QUATMANN: Yes, sir.

16 CHAIRMAN JONES: So that -- that
17 tells me something about your investment
18 in the state, and we expect the state to
19 benefit from that. This is obviously a
20 good deal for Eldorado and obviously a
21 good deal for Tropicana because you came
22 to terms. Why is it a good deal for the
23 State of Louisiana?

24 MR. QUATMANN: I think it's a great
25 deal for the State of Louisiana because

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1 we are a sophisticated, experienced
2 gaming operator. We are well
3 capitalized. We are not coming in as a
4 financial buyer looking to make a buck
5 and flip something. We are coming in as
6 people that have grown up building,
7 owning and operating casinos. That's

8 our culture. That's what we do. That's
9 what this company is passionate about.
10 It's passionate about great food. It's
11 passionate about great service. It's
12 passionate about clean properties, fun
13 properties, safe properties. These are
14 all things that I think any jurisdiction
15 is excited about and wants to see.
16 Investment, commitment, those are things
17 that we bring across the board to
18 Louisiana and everywhere. This is a big
19 jurisdiction for us. This is an
20 important state for us. We have three
21 very good properties here in this state,
22 and we have lots of opportunities to
23 improve them. And I think we look to do
24 that.

25 CHAIRMAN JONES: And you understand,

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1 obviously -- I mean, the company would
2 have done its due diligence, but this is
3 a competitive market. Baton Rouge is a
4 competitive market, and you can only
5 slice it so thinly. And to benefit the
6 company and to benefit the State,
7 you-guys are going to have to work hard
8 to do it, and we look forward to you
9 accepting that challenge. The rule
10 should be in place, hopefully, by the

11 end of this calendar year with respect
12 to moving on to land and redefining
13 gaming space.

14 So with that in mind, I want you to
15 take a message back to the CEO and to
16 the company to continuing planning, and
17 we look forward to them sharing that
18 with us at the appropriate time.

19 Do I have any questions from the
20 Board? Dr. Gaston.

21 MR. GASTON: Mr. Chairman, thank you
22 for your diligence in these questions,
23 and you pointed out, this is a challenge
24 in Baton Rouge. We don't have the
25 advantage of all the people coming from

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1 Texas, like Shreveport and Lake Charles,
2 here in Baton Rouge. But it's also a
3 community effort there where we see
4 Davis and Paul working together in the
5 community, working with our three sites
6 here in Baton Rouge to try to make
7 things as best they can be. And I just
8 want to commend all of them for that.
9 And I want to say that I don't know how
10 much money lawyers and everything made
11 over putting this document together.
12 I'm going to have to go LSU to figure
13 out how to read this thing. It's a hell

14 of a job y'all did.

15 CHAIRMAN JONES: Thank you,

16 Dr. Gaston.

17 Mr. Bradford.

18 MR. BRADFORD: Thank you, Mr.

19 Chairman. Your PowerPoint specifically

20 mentioned your commitment to dedicating

21 significant Cap-ex to the projects, and

22 you specifically mentioned your thoughts

23 about possible going land-based in Lake

24 Charles, but you didn't mention that

25 about Baton Rouge. Have you considered

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1 specifically going land-based in Baton

2 Rouge?

3 The opportunity to do that, which is

4 with legislation that the State passed

5 last year, was specific concerning

6 significant economic development, and so

7 I'd like to hear your comments

8 concerning specifically Baton Rouge,

9 your thoughts about going land-based

10 there; and if you could, be more

11 specific about not what it would look

12 like but what your intentions may be.

13 MR. QUATMANN: I'm happy to, and I

14 appreciate -- appreciate the question.

15 And I did -- I did mention Lake Charles.

16 Obviously, it's property that we

17 currently own today and one that we have
18 the ability to spend some time thinking
19 about and sitting down there with a team
20 and looking at and scheming out. We do
21 not own this property yet here today.
22 We've obviously looked at it. We've
23 spent a fair amount of time. We've all
24 visited it. We've looked at the
25 schematics for the property and things

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1 like that.

2 It does lay out very well for some
3 development and opportunity. I think
4 everyone whose ever been there sees
5 those opportunities. We are anxious for
6 the rules to -- the regulations to be
7 finalized to see what that looks like.

8 We will absolutely look at it. It's
9 a tremendous opportunity to do it, but
10 we have not made any sort of pencil to
11 paper, we think we should do this or we
12 think we should do that. But I think to
13 all of us who look at it, even those of
14 us who are not in this business, you see
15 the opportunity that exists with the way
16 the property is configured, and I
17 think -- I think that's something that
18 we will look at and continue to study as
19 we move forward and as we take

20 ownership, as we sit down with the team
21 there and are able to really sit down
22 and work with the community to find out
23 what the gentlemen behind me are
24 interested in and things of that nature
25 and look at it from that approach.

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1 MR. BRADFORD: Thank you.

2 CHAIRMAN JONES: Board Members, any
3 other questions? The Board appears to
4 be clear. I appreciate it. Thank you
5 very much, gentlemen.

6 Were there any questions for GLPI?
7 I assume not.

8 MR. STIPE: I do.

9 CHAIRMAN JONES: Yeah, for GLPI?
10 GLPI, would you come to the table,
11 please.

12 Mr. Stipe.

13 Gentlemen, you're still under oath.

14 MR. STIPE: If it's determined that
15 this is -- you need -- you need
16 something in New Jersey in terms of
17 regulatory action. If this is
18 determined not to be a unitary lease, is
19 there any impact on the State of
20 Louisiana?

21 MR. MOORE: I don't believe there
22 would be any impact on the State of

23 Louisiana. If it's determined not to be
24 a unitary lease, it's a fairly
25 significant impact on GLPI, quite

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1 frankly, because part of the strength in
2 our structure -- and quite frankly, if I
3 would say there would be an impact to
4 Louisiana it would be in the loss of
5 that strength, is that all these
6 properties across collateralize. So if
7 you have a property that's
8 underperforming or is not being
9 maintained, the tenant can't just allow
10 that property to dilapidate or just push
11 it off to the side and let it waste,
12 because we have rights under the master
13 lease as a landlord to ensure that it's
14 properly maintained and all the
15 permitting is up to date and those sorts
16 of things.

17 So I think there's a real value to
18 both the states and GLPI together in
19 that in having these properties cross
20 lateralized. And if we lose that, I
21 definitely think that's a risk to us
22 first and foremost but perhaps down the
23 road to the state as well.

24 I don't want to overstate that. I
25 mean, I think that really comes into

1 play if the Eldorado tenant enters into
2 bankruptcy. I think that's where that
3 unitary lease structure could be put
4 under a stress test by a bankruptcy
5 judge that is seeking to pull assets
6 apart in order to allow Eldorado to,
7 say, keep some leases and not keep
8 others. And that's our concern at GLPI.

9 And so I don't want to say that
10 there's no impact on Louisiana because
11 there very well could be. If we get
12 down to that point and the Baton Rouge
13 property is allowed to be pulled out
14 separate from the other properties,
15 Eldorado can then push that one aside.
16 They can keep the lease with the other
17 properties. We at GLPI, fortunately for
18 the State, will still own that land and
19 building. We'll be seeking a tenant
20 that will come in, run that property,
21 keep the machines running. So you have
22 a partner in GLPI in that scenario, but
23 I can't paint that as a -- as a good
24 scenario.

25 MR. STIPE: And the corrective

1 action is in New Jersey; is that
2 correct?

3 MR. MOORE: I think there are a
4 number of things that can be done. I
5 mean, just so -- just so we understand
6 the issue that it's creating, New Jersey
7 required a nexus between the landowner
8 and the licensee under the master lease,
9 and those two entities are the entities
10 that were added to the master lease.
11 There's a number of ways that we might
12 be able to pull that entity off of the
13 master lease. Licensure in New Jersey
14 and entering into a sublease of another
15 Eldorado entity is one possible way to
16 do it. We've been exploring with
17 Eldorado if there are other possible
18 ways to do that to protect the unitary
19 nature of the lease, address the
20 concerns that have been raised here in
21 Louisiana and address the concerns that
22 have been raised in New Jersey. We
23 settled on this approach here that we
24 presented to you today in the interest
25 of time.

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1 The transaction is ready to close
2 with a few approvals, if we were
3 fortunate enough to get them including
4 this one, some of the solutions will
5 require months to put in place, and so

6 it's our expectation at GLPI -- and
7 we're working with Eldorado -- that
8 there will be a commitment to get some
9 of those things done so that we can take
10 the stress off of the unitary lease
11 post-closing.

12 MR. STIPE: All right, thank you.

13 CHAIRMAN JONES: Board Members, any
14 other questions for any of the parties?
15 The Board appears to be clear. Thank
16 you, gentlemen.

17 MR. MOORE: Thank you so much.

18 CHAIRMAN JONES: Before I ask for a
19 motion to adopt the Resolution, I want
20 to thank Charmaine and my staff. As
21 they got into the final stretch on this
22 last week, the emails were flying
23 between attorneys, and it became
24 incredibly complex and -- but Charmaine
25 played a key role in sort of sorting it

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1 all out and shepherding the cats, and I
2 appreciate that. I know sometimes it
3 looked like we're trying to rush things,
4 and I never -- never want to have that
5 appearance. But -- but I appreciate you
6 getting the transaction before us today,
7 you and staff and my staff. Thank you
8 very much for that.

9 Okay. Do I have a motion to adopt
10 the Resolution, if there are no other
11 questions?

12 MR. GASTON: I move, Mr. Chairman.

13 CHAIRMAN JONES: Dr. Gaston. And a
14 second.

15 Miss Tramonte, would you read the
16 Resolution.

17 MS. TRAMONTE: On the 20th day of
18 September 2018, the Louisiana Gaming
19 Control Board did, in a duly noticed
20 public meeting, consider the petition,
21 Tropicana Entertainment, Incorporated,
22 ("Tropicana"), Eldorado Resorts,
23 Incorporated, ("Eldorado"), and Gaming &
24 Leisure Properties, Incorporated,
25 ("GLPI"), for approval of the transfer

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1 of ownership of Tropicana, the parent
2 company of Catfish Queen Partnership in
3 Commendam doing business as Belle of
4 Baton Rouge, No. RO11700009, ("Catfish
5 Queen"), to Eldorado, the transfer and
6 leaseback of certain of Tropicana's real
7 estate assets, and the separate
8 financing to be entered into by Eldorado
9 and GLPI for funding the transactions,
10 and upon motion duly made and second,
11 the Board adopted this Resolution:

12 Whereas on April 15th, 2018,
13 Tropicana, Eldorado, GLPI, GLP Capital,
14 LP, ("GLP Capital") and the Delta Merger
15 Sub, LLC, did enter into an Agreement
16 and Plan of Merger providing for the
17 transfer of Tropicana to Eldorado by a
18 merger of Delta Sub -- Merger Sub with
19 and into Tropicana, with Tropicana
20 surviving, and the transfer and
21 leaseback of certain of Tropicana's real
22 estate assets used in the operation of
23 certain of its casinos' facilities to
24 GLP Capital and the leaseback of those
25 properties to Tropicana and its

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1 subsidiaries, including Catfish Queen.

2 And whereas many of the transactions
3 provided for in the Agreement and Plan
4 of Merger and the related agreements
5 entered into in connection therewith
6 require Board approval, including
7 without limitation, a portion of the
8 financing of the transactions.

9 Be it resolved that the transfer of
10 Tropicana Entertainment, Incorporated,
11 parent company of Louisiana licensee
12 Catfish Queen Partnership in Commendam,
13 to Eldorado Resorts, Incorporated, by
14 merger of Delta Merger Sub with and into

15 Tropicana, with Tropicana as the
16 surviving entity, is hereby approved.

17 Be it resolved that the sale and
18 assignment of ownership and leasehold
19 interest in the "Leased Property" as
20 defined in the Master Lease, but as
21 pertains to Louisiana property only,
22 from certain subsidiaries of Tropicana
23 -- parent Tropicana, mainly New Jazz,
24 Enterprises, LLC, Centroplex Centre
25 Convention Hotel, LLC, and Catfish

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1 Queen, to GLP Capital is hereby
2 approved.

3 Be it resolved that the execution of
4 the Master Lease by and among GLP
5 Capital, Tropicana AC Sub Corporation,
6 jointly as landlord, and Tropicana and
7 Tropicana Atlantic City Corporation
8 doing business as Tropicana Atlantic
9 City, jointly as tenant, amend to
10 provide that Tropicana Atlantic City
11 Corporation will neither acquire nor
12 convey any leasehold interest in any
13 Louisiana property or in lieu of the
14 amendment, the removal of Tropicana
15 Atlantic City Corporation as a lessee
16 under the Master Lease is hereby
17 approved.

18 Be it resolved that the execution of
19 a sublease of aforementioned "Leased
20 Property" by Tropicana to Catfish Queen
21 is hereby approved.

22 Be it resolved that Eldorado's
23 request for approval of a \$246 million
24 term loan from GLPI to Eldorado to
25 finance the acquisition of the Lumiere

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1 Place real property in St. Louis,
2 Missouri, is hereby approved.

3 Be it resolved that Eldorado's
4 request for approval of an increase in
5 its revolver with JPMorgan Chase from
6 \$300 million to \$505 million, pursuant
7 to an amendment of the Credit Agreement
8 dated April 17th, 2017, and approved by
9 the Board on February 20th, 2017, is
10 hereby approved.

11 Be it resolved that the approvals
12 granted hereby are subject to the
13 conditions set forth on the attached
14 Acknowledgment and Acceptance of the
15 Conditions.

16 Thus done and signed in Baton Rouge,
17 Louisiana, this 20th day of September,
18 2018.

19 Mr. Bradford?

20 MR. BRADFORD: Yes.

21 MS. TRAMONTE: Mr. Stipe?

22 MR. STIPE: Yes.

23 MS. TRAMONTE: Mr. Gaston?

24 MR. GASTON: Yes.

25 MS. TRAMONTE: Miss Berry?

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1 MS. BERRY: Yes.

2 MS. TRAMONTE: Mr. Lagasse?

3 MR. LAGASSE: Yes.

4 MS. TRAMONTE: Mr. Avant?

5 MR. AVANT: Yes.

6 MS. TRAMONTE: Chairman Jones?

7 CHAIRMAN JONES: Yes.

8 And the Resolution is approved.

9 Thank you very much.

10 2. Update by Churchill Downs on the new facilities

11 at the Fair Grounds Race Course

12 CHAIRMAN JONES: Now, we'll have a

13 brief presentation by our friends from

14 Fair Grounds and Churchill Grounds and

15 talk just a little bit about what's

16 going on in New Orleans. Welcome back

17 to the board, gentlemen. Introduce

18 yourselves, please.

19 MR. MILLER: Good morning, Mr.

20 Chairman, Members of the Board, my name

21 is Austin Miller. I'm the Senior

22 Vice-President of the gaming operations

23 for Churchill Downs, Incorporated. To

24 my right is Mr. Doug Shipley, the
25 President and General Manager of our

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1 Fair Grounds Racecourse and Slots
2 property in Louisiana.

3 I'm delighted to be back in
4 Louisiana. I'm delighted to be back
5 before you today and excited to
6 participate in a ribbon cutting tomorrow
7 on our latest investment in Louisiana
8 and spend some time with the folks at
9 the Fair Grounds. And Doug is going to
10 tell you a little bit more about that
11 facility and thank you for your help
12 getting it to the finish line.

13 MR. SHIPLEY: As Austin said, we're
14 just here to thank Chairman Jones and
15 the Gaming Control Commission, as well
16 as LSP and the Attorney General's Office
17 for their support, their diligence and
18 the approvals in getting our 13th and
19 14th location open in this state.

20 And, again, as Austin had indicated
21 11:00 a.m. is our grand opening in
22 Meraux, and you're all invited, Judge
23 Perez Highway, and again thank you.

24 CHAIRMAN JONES: We appreciate the
25 investment and what you've done for the

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1 state in particular, and you're due for
2 a visit. I need to come by the track.
3 But you and I had a good visit the last
4 time I was there, and you had some great
5 ideas about what you wanted to do. And
6 I'm supportive of -- of all of that.

7 If I could ask a question on some
8 unrelated matter, did we resolve the
9 issue with the EPA?

10 MR. SHIPLEY: Right now -- I can't
11 comment too much on that, only because
12 I'm not privy to all the details. We're
13 getting closer, closest that I've ever
14 seen.

15 CHAIRMAN JONES: Okay, all right.
16 So I had never heard of a final
17 resolution on it and everybody is
18 wondering what I'm talking about, but I
19 appreciate that.

20 MR. QUATMANN: Hopefully by the end
21 of the year we'll all have clarity.

22 CHAIRMAN JONES: Board Members, any
23 questions for our friends from Churchill
24 Downs? There are no questions. Thank
25 you very much.

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1 MR. SHIPLEY: Thank you.

2 CHAIRMAN JONES: We appreciate that.

3 VII. CONSIDERATION OF THE FOLLOWING APPEAL

4 1. In Re: Shane M. Delaney - No. P040000938

5 CHAIRMAN JONES: Next up is
6 consideration of the following appeal in
7 regard to Shane M. Delaney. Over the
8 last 24 hours, there have been some
9 things that have transpired that even
10 the board members are not aware of. We
11 received some documents yesterday from
12 Miss Delaney, not here today, who was
13 involved in accident, but we received
14 documents yesterday which constitute new
15 evidence in this case which would not be
16 considered if he was -- if the lady was
17 here to present the evidence, but
18 barring an objection from the Attorney
19 General's Office, I'm going to move that
20 we remand the matter back to the hearing
21 officer for consideration of new
22 evidence.

23 MS. LANDRY: No objection on our
24 part.

25 MR. GASTON: I move, Mr. Chairman.

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1 CHAIRMAN JONES: Second by Ms.
2 Berry.

3 Any objection? Without objection,
4 the motion carries and the matter will
5 be remanded.

6 VIII. ADJOURNMENT

7 CHAIRMAN JONES: I will now
8 entertain a motion to adjourn. By Mr.
9 Stipe and Mr. Bradford.

10 Any objection? Without objection,
11 we stand adjourned. Thank you very
12 much.

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1 REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand

4 Reporter, in and for the State of Louisiana, the

5 officer before whom this sworn testimony was

6 taken, do hereby state:

7 That due to the spontaneous discourse of this

8 proceeding, where necessary, dashes (--) have been

9 used to indicate pauses, changes in thought,

10 and/or talkovers; that same is the proper method
11 for a Court Reporter's transcription of a
12 proceeding, and that dashes (--) do not indicate
13 that words or phrases have been left out of this
14 transcript;

15 That any words and/or names which could not
16 be verified through reference materials have been
17 denoted with the word "(phonetic)."

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on September

7 20, 2018, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape

9 recording, and thereafter reduced to transcript,

10 to the best of my ability and understanding, using

11 Computer-Aided Transcription.

12 I further certify that I am not an
13 attorney or counsel for any of the parties, that I
14 am neither related to nor employed by any attorney
15 or counsel connected with this action, and that I
16 have no financial interest in the outcome of this
17 action.

18 Baton Rouge, Louisiana, this 29th day of
19 October, 2018.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24